

# EIR

Executive Intelligence Review

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# EIR

## From the Managing Editor

Our Special Report this week is based on a 40,000-word dossier on ethnic-religious separatism and international terrorism assembled by EIR's bureau in Wiesbaden, West Germany. We identify the precise command structure and plans for violence on the part of the "green-peace" movement, its extensions in the churches, and its backers in Tripoli, Lausanne, and Moscow. The dossier is available from our European and U.S. distributors.

Another European-focused contribution in this issue is Michael Liebig's article on antiballistic energy-beam strategic defense systems, why America's allies should join in a crash program to develop them, and how each European partner can best further the effort. We also present statements by prominent figures in West Germany, Italy, France, and Japan urging such an effort. Anyone truly concerned about averting thermonuclear war will understand that it is only the ABM systems proposed under President Reagan's Mutually Assured Survival doctrine of March 23, 1983 that can enable nations to preempt any "wild card" attack by a non-superpower, while beginning to make the superpowers' nuclear missiles obsolete within the space of five years.

Our Economics section contains an exclusive report on the Organization of American States meeting in Caracas the first week in September. We were amused to see a long dispatch in the Sept. 10 *New York Times* crowing that "deft" maneuvers by the pro-International Monetary Fund faction in Brazil, Mexico, and Argentina and by U.S. Treasury Undersecretary Beryl Sprinkel had suppressed debate over a debtors' cartel, which "should be defused as an issue for the foreseeable future." On the contrary—fact that the debtors cannot pay and their nations are being destroyed by the Fund—the momentum toward joint action may produce "favorable, dramatic surprises," in the words of Venezuelan President Luis Herrera Campins.

Next week we plan to publish the second part of Editor-in-Chief Criton Zoakos's anatomy of "Holy Mother Russia," including today's Orthodox Church and its effect on the political direction of the Soviet Union.

*Susan Johnson*

# EIR Contents

## Interview

### 15 Dr. Ellis Armstrong

The chairman of the National Energy Policy Committee of the American Society of Civil Engineers and a former official of the World Energy Conference discusses the infrastructure development projects proposed by the Global Infrastructure Fund and by Lyndon H. LaRouche.

## Departments

### 51 Religion

A most unusual Jesuit conclave.

### 52 Middle East Report

The threat in Mecca.

### 53 Dateline Mexico

Out of the nosedive?

### 64 Editorial

A third great oil crisis?

## Economics

### 4 Venezuela: 'David can triumph over Goliath'

**Documentation:** SELA head Carlos Alzamora on what is at stake in the debt crisis, but U.S. bankers and Treasury officials attempt to downplay the effects of a debtors' cartel.

### 10 Will the Marc Rich scandal reveal new evidence of Kissinger's corruption?

### 12 The black economy of Italy is a creation of the post-industrialists

### 13 U.S. electrical grid collapse continues

### 18 Banking

An economic dictatorship?

### 19 International Credit

IMF bill in big trouble.

### 20 Business Briefs

## Special Report



Nuclear freeze demonstrators in New York in June 1982. The European "peace movement" is preparing a hot autumn of violence backed by Libya's Muammar Qaddafi and the Soviet KGB.

Carlos de Hoyos/NSIPS

- 22 Hot autumn '83: separatism, pacifism, and terrorism**
- 25 The Soviet's Muammar Qaddafi praises neo-Nazis, attacks government of India**
- 27 LaRouche comments on Qaddafi interview**
- 28 The 'general staff' for a hot autumn in Western Europe, and who's backing it**
- 30 A separatist dossier: the leaders, the funders, and the 'peace movement' connection**

## International

- 32 Moscow goes on a global rampage**  
**Documentation:** Western European and Japanese leaders call for the development of beam weapons defense systems in the wake of the Soviet attack on KAL jetliner: statements from West Germany, Italy, France, and Japan.
- 37 What beam-weapons defense will mean for Europe**  
The history of "nuclear deterrence" and how the development of effective defense against nuclear weapons could alter the strategic situation for Europe.
- 45 Britain's defense aspirations founder on the rock of cost-accounting**
- 47 The State Department's PAN takes a huge loss**
- 49 Why the Eastern rites reject the *Filioque***
- 54 International Intelligence**

## National

- 56 U.S. policy toward Moscow after the KAL incident**
- 60 Reagan's opponents in Congress deflated**
- 61 Eye on Democrats**  
Candidates change tune while labor fiddles.
- 62 National News**

## Venezuela: 'David can triumph over Goliath'

by Christian Curtis

Venezuelan President Luis Herrera Campins shocked bank, IMF, and U.S. Treasury observers at the Caracas OAS debt conference Sept. 8 by warning them to "grant favorable, dramatic surprises" to solve the Third World debt crisis, "before the developing world unleashes even more dramatic surprises." To make the point explicit, Herrera cited the case of David and Goliath, reading from the Bible. "Experience teaches us that it is not true that the powerful can do everything, and the weak can do nothing should they decide to confront the former," he said. "The lesson is very simple: when will and courage ally with imagination, there arise means, resources. The Biblical simile bears no relation with the situation we face, but it does no harm to recall it. Besides, we have not seen the last of slings, stones, nor Davids."

The Venezuelan head of government's speech stunned the creditors. OAS chairman Alejandro Orfila, a long-time friend of Henry Kissinger and the International Monetary Fund, wore a face of chagrin as laughter erupted around the hall. Afterward, Venezuelan Finance Minister Arturo Sosa was seen outside showing members of another Ibero-American delegation how stones are hurled from a sling, and corridor discussion throughout the afternoon centered around the need to "gather stones."

More than any formally signed communiqués and elaborate agendas argued over according to the usual OAS diplomatic rules, Herrera's remarkable comments (see excerpts below) and their impact represent what is really going on: Ibero-America's continued push toward a debtors' cartel. It is the "unseen" process of an increasingly similar method of thinking among Ibero American leaders, an "imponderable" factor—as Herrera put it—that is so enraging, and so frightening, to the usurers who have made a killing off Third World debt.

Venezuela's Finance Minister Arturo Sosa keynoted the

opening session Sept. 5 by calling for the creation of "institutionalized mechanisms for the systematic exchange of information on how to deal with the foreign debt." Although he hastened to add that the formation of a debtors' cartel "is not viable in the foreseeable future," bankers around the world are not so sure. "Sosa urges coordinated action on Latin American debt," read the headline of the Sept. 6 edition of the *International Herald Tribune* in Paris. Throughout Wall Street, London, and Zürich talk is dominated by fears of a "debtors' OPEC."

### A showdown

To be sure, no formal declarations of such a cartel came out of the Caracas meeting. Rather, the final communiqué with its explicit statements of support for the IMF reflected accommodation to the pro-IMF delegation of State Department and U.S. Treasury officials. As during the Malvinas war, U.S. muscle prohibited the OAS from reflecting the true thinking of the Ibero-Americans—a fact trumpeted as a "victory" by the international media. But the victory is at best a pyrrhic one. Most of the declarations from the debtors' side at the conference hammered away at two points:

First, Ibero-America as a whole will not submit to IMF conditionalities that undermine the region's aspirations for industrial development.

Second, the region's governments will not tolerate what Ibero-American officials and press now denounce as "usurious" interest rates and fees.

The chairman of the conference, Diogo de Figueiredo, secretary of the OAS's Inter-American Economic and Social Council, declared, "It is unacceptable to make financial adjustments in countries in crisis at the expense of their installed productive capacity, social peace, and political stability." Figueiredo, the nephew of Brazil President João Figueiredo,

pointed out that the region's external trade has declined 30 percent the last two years. Other representatives from Ecuador, Bolivia, and Venezuela echoed the theme that Ibero-America will not sacrifice its sovereign right to develop.

But the most dramatic presentation of the debtors' outlook came from the head of the Latin American Economic System (SELA), Carlos Alzamora, who argued the necessity for "joint consideration of the debt."

### **Treasury courts disaster**

The U.S. delegation, coordinated by Treasury Undersecretary Beryl Sprinkel, arrived in Caracas looking for a fight. They have adopted a posture that can only be seen as an invitation to debtors to halt payments, at a time when Brazil and Venezuela, in particular, are already resorting to what the Group of 30 financiers' lobby calls "default by attrition"—economically surviving by simply letting arrears, including interest, pile up.

Sprinkel's minions immediately raised a flap by demanding a change in agenda, allowing them to speak second from the podium. Treasury official Paul McConagle had the audacity to tell the Caracas delegates, "We have no evidence of a generalized debt crisis"; he reiterated the line that all negotiations must go through the IMF. Sprinkel did not help when he told the press that it is not true that the Fund imposes austerity. "The IMF is the object of what we could call unjust criticisms," he whined, "It is accused of forcing recessions, or depression, or unemployment in nations. . . . Some argue that the IMF forces austerity upon these countries."

Said a member of the Mexican entourage, "The Americans are making dialogue impossible. It is clear they do not want to talk."

The U.S. team's penchant for "playing hardball" could well serve to strengthen Ibero-America's resolve. A month ago the pro-cartel leaders on the Ibero-American side were wary of this meeting, given creditor "assets" within the OAS machinery—particularly the U.S. delegation itself. Now the likely outcome is that the bullet-headed attitude from the creditors will convince all but the most timorous that unilateral debt action is the only policy course left open to them. As things stand now, they will take the results of this battle and move on to the SELA meeting beginning Sept. 12 in Caracas and the subsequent Quito conference of economic experts to further plan joint action, backed up by non-dollar trade agreements.

In fact, because of the behavior of the banks, this timetable may be moved up, and could even lead to "unforeseen consequences" such as blanket moratoria or defaults.

"We must admit that the present situation implies a great risk for the future economic development of the region and its capacity to face its commitments, as well as for the international financial system," warned Sosa in his opening address. IMF austerity, he said, "not only affects economic

development but also runs unjustifiable risks to its social and political stability."

The IMF and the banks are now dealing from a position of weakness. In recent weeks their two biggest immediate problems, Brazil and Venezuela, have refused to fully implement the Fund's conditionalities, and arrears in both cases are rapidly becoming serious threats to bank balance sheets.

First, Brazil unilaterally told the Club of Paris official creditors that it was suspending not only principal payments, but interest as well—taboo in international finance. But the creditors dared say little. Then Brazil simply waltzed past the Aug. 30 deadline on a \$400 million payment to the Swiss Bank for International Settlements. The Brazilians had already missed a similar amount originally due May 30, so they are now in double default. As recently as June or July, there would have been an uproar in the banking community over such audacity. But again, the event passed "almost unnoticed."

On Sept. 2, Brazilian central bank chief Carlos Langoni resigned, issuing a statement denouncing the IMF terms. Scuttlebutt in money centers tried to portray his ouster as meaning pro-Fund Planning Minister Antonio Delfim Netto was consolidating control and pushing for an early signing of the long-awaited third letter of intent with the IMF. But Finance Minister Ernane Galvêas' announcement of Sept. 6 dashed such hopes. There will be no signing in the immediate future, he said, precisely because of Langoni's departure. Besides, Galvêas added, Brazil's refinancing program does not depend on an IMF agreement. Jaws dropped around the world.

Brazil is in no hurry, Langoni confided off the record shortly before resigning. The country is using its \$1.5 billion monthly earnings to pay off \$600 million in oil exports, and another \$900 million for crucial industrial inputs. Next to zero goes for paying debt.

The Venezuelans, too, are building up their currency reserves at the expense of principal and interest payments. Last week, Caracas announced—unilaterally—that it is "re-requesting" an extension of what was originally a 90-day moratorium last March. As creditors freely admit, they have no choice but to accept.

It is now the creditors' move. On Sept. 30 a hefty amount of Brazil's interest arrears will turn foul on the books of New York banks; according to New York State law, they must be declared non-performing, and will no longer be considered assets. It is also clear that the Ibero-Americans are calmly awaiting additional woes for the IMF when the Fund quota increase bill comes up before Congress. Word on the Hill, from the Fed, and the commercial banks is that the bill is in "big trouble."

### **Kissinger versus LaRouche**

The confrontation in Caracas boils down to two opposite approaches to the debt crisis: Henry Kissinger's against

*EIR* founder Lyndon LaRouche's. As this journal has documented, the Kissinger crew at Treasury is trying to use credit strangulation as a lever for gaining control over Ibero-American raw materials, especially oil. LaRouche, on the other hand, calls for Ibero-America to rescue the U.S. economy from the IMF by forming a cartel against the Fund, forcing a reorganization of the entire debt under a program of huge investments for trade and development.

The Caracas daily *El Mundo* of Sept. 6 carried a release from *EIR* under the headline, "Kissinger Tries to Take Over Resources of Latin America; Usurious Superpowers Bankrupt Poor Nations." It is not without significance that one of the three official photographs of Venezuela's Sosa shows him at the podium reading a copy of a book on LaRouche, *Will This Man Be President?*, by *EIR*'s editors.

## Bank of America talks about Ibero-American debt crisis

*The following interview with Bank of America Senior Vice-President for Latin America James Williamson was conducted Sept. 6 by EIR's Kathy Burdman.*

**EIR:** Will there be a debtor's cartel formed at the OAS meeting?

**Williamson:** It is possible, yes, very possible. They could form some debtors' organization. That in itself is not the end of the world. It depends on what they want to do with it. On the one hand, it could have a lot of teeth. It could—on the outside possibility—declare a joint debt moratorium of several countries. That would be terrible. But what is more likely is that they will just get together to try to get, jointly, better terms.

**EIR:** How would the bank creditors react?

**Williamson:** It depends on the form it takes. Naturally if they go so far as to declare a joint debt moratorium, the reaction would be extremely hostile. We would cut them off from credit forever. It would be terrible for them, and I think they realize it and they won't do that.

**EIR:** What if they stop short of a full moratorium?

**Williamson:** If they just ask for better terms, we could live with it.

**EIR:** What will the U.S. delegation there under Beryl Sprinkel tell them?

**Williamson:** That there is no need for any joint debtors' organization at all. That it just doesn't serve any purpose—from the U.S. standpoint, at least! They will say that the

United States just doesn't like it, is against it, and use all our influence.

**EIR:** Could that be the message the United States delivered when they took the floor at the closed door session?

**Williamson:** Yes, I think that's possible, the U.S. really wants to defuse it. They will tell them that a joint moratorium will result in a total cutoff of trade between the United States and the rest of the region.

Of course there are other things the U.S. government can do, other than confrontation, to try to diffuse the situation. The U.S. government can do more of these Exim Bank loans, of course, such as were just given to Brazil (\$1.5 billion) and Mexico (\$.5 billion). And there will be some U.S. loans.

**EIR:** U.S. loans? You mean Treasury loans?

**Williamson:** Yes.

**EIR:** But why should the Treasury give Brazil money now? Even when [BIS head Fritz] Leutwiler brought the world to the point of bankruptcy in June, Donald Regan refused to make a loan to Brazil.

**Williamson:** It depends on the global situation, too. . . . The IMF is in a lot of trouble.

**EIR:** You mean because the IMF bill may not make it through conference?

**Williamson:** Not only is the IMF bill stuck in conference; what's more, there is great question whether the IMF will ever reach any agreement with either Brazil or Venezuela. The IMF's strategy in both those cases is tenuous. The United States may have to come up with money to forestall the situation.

**EIR:** Is the Treasury worried that unless something is done by Sept. 30, U.S. banks will have to begin reporting Brazilian loans as non-performing?

**Williamson:** Yes. The Treasury can figure it out, they have better figures on this than the banks.

Something has to be done, soon. It's getting really hard to hold the situation together. Brazil can't go on like this, not paying and not making any agreement with the IMF. The Langoni resignation, is very serious.

**EIR:** More serious than the confrontation with the BIS?

**Williamson:** Yes. Langoni opposed the IMF and this will influence other people. The trend is that Brazil won't be able to reach an agreement with the IMF. This is what I meant when I said they will try to get better terms. Langoni is looking for better terms than the IMF wants to give, or the banks up to now. He wants to stretch out the [debt principal] maturities and have more reasonable interest rates.

There is a whole group in the Brazilian Congress which agrees with him, which has been asking for the same thing—



better terms, a stretch out. In fact, this may be what the OAS comes up with.

**EIR:** What do you mean?

**Williamson:** The OAS, as I said, forms some sort of debtors' organization, and they request that the banks begin to stretch out the existing debt principal to 8 to 10 year maturities, and lower interest rates by a few percentage points.

**EIR:** How would the banks react to that?

**Williamson:** We would not look on it favorably, but it would be something we could deal with—certainly better than a moratorium or an outright debtors' cartel. We would not refuse to consider it.

**EIR:** Who's pushing this idea?

**Williamson:** Langoni, as I said. He wants it. And he's got a group in the Brazilian Congress that supports it.

**EIR:** Who's pushing it at the OAS?

**Williamson:** Venezuela might bring it up, the finance minister, [Arturo] Sosa, likes the idea. He's been trying to do the same thing on his own, just Venezuela and the banks, and he hasn't been successful. So he might figure there is strength in numbers.

## SELA head warns of grave crisis

*The following are excerpts from a presentation made by the outgoing president of SELA (Latin American Economic System) Carlos Alzamora to the specially convoked meeting on debt of the Organization of American States in Caracas:*

On behalf of SELA—which has so tenaciously promoted joint consideration of the problem of the foreign debt, which we have begun to open up here—we feel an inescapable responsibility to contribute to the clarification of this subject, in the clear and frank language demanded by its gravity and great importance. . . .

It is especially important that the treatment here of the debt problem—which is far from a mere technical-financial question as has been presumed—be transferred to the eminently political domain appropriate to it. . . . And it is here where the necessity arises for a complete reconsideration of the system by which the debt is currently managed, a system based upon the incapacity of the individual debtor nations to resist the conditions jointly imposed by the creditors and which has led to a situation which all Latin American organizations, now including the OAS, have termed untenable.

The factors which have made this situation untenable have overflowed the international chambers and entered into the public domain, generating a powerful stirring of public opinion throughout Latin America, a growing certainty that the debt is being paid under excessive, discriminatory and unjust terms and conditions, and that the tremendous sacrifices which they exact, and the growing percentage of our resources consumed by debt payments are going to pay questionable profits and benefits. . . .

SELA has never acknowledged, and it is worth repeating it here, the self-serving argument that a creditors' organization is honorable while a debtors' organization is contemptible and reprehensible. Further, the equally manipulated argument that the diversity of the debts makes coordination among Latin American debtors impossible is invalidated by the fact that this same diversity has not prevented the creditors from organizing and coordinating themselves in every way and at all levels. Latin America is fully aware that of the \$114 billion we paid in interest between 1979 and 1982, \$49 billion correspond to increases in interest rates determined by the creditor countries without our participation, responsibility or consent, and which in the best of cases was the result of a crisis provoked by the economic policies of the creditor countries and not the debtors. Latin American opinion is likewise informed that in the renegotiations or restructuring, an additional 2.5 percent over LIBOR has been demanded of us, which, with commissions and expenses, reaches 3 percent and which, when the 2 percent which interest rates have risen in the last few months is also added, becomes 5 percent above the going interest rates.

If we consider that according to the study by ECLA (U.N. Economic Commission on Latin America), each percentage point is equivalent to \$3 billion, Latin American opinion is forced to conclude that we are paying an excess of \$15 billion annually. . . . And this reality becomes even more outrageous if one considers that we're dealing in higher risk rates paid by Latin American countries who are considered to be in this category, but which are not paid by businesses in financial trouble in the creditor countries, which are allowed interest rates below LIBOR, even though they are authentic high-risk debtors, susceptible to bankruptcy, which does not happen to countries.

But while it is true that countries don't go bankrupt as do businesses, countries do explode under the pressure of excessive conditions such as those imposed on Latin America. For this reason, the high-risk surcharges are even more unacceptable to countries like ours which, far from weakening the wallets of the creditors, have fortified them by providing two additional securities—state guarantees for private debts and the control and surveillance function assumed by the IMF—neither of which had been stipulated under the original conditions. . . .

Perhaps from a national perspective it is still possible to reconcile the current terms and conditions of the debt service

with the necessities of economic development, political stability and a just social peace. From a regional perspective, which is the purview of economic organizations like ours, it is not possible. . . . We do not see in what way such a situation could benefit the creditor nations. It would be a grave mistake to repeat with the Latin American nations the war reparations conditions imposed on Germany after the First World War—to then sow the same results.

Recognition on the part of the United States, our principal creditor, of the gravity of the debt crisis for the region, its global character, and the necessity of introducing structural changes in our relations, would constitute an advance in this process which should assure equality in the distribution of the costs of the adjustments and the reduction of this cost to legitimate levels.

SELA commits its constant and firm efforts to the process of organizing and consolidating Latin America's negotiating potential, to the stubborn defense of its interests, to the promotion of authentic international understanding, and to the building of a new continental and world order which guarantees security, prosperity and justice for all.

## Statements from the meeting of the OAS in Caracas

*Conference chairman Diogo de Figueiredo, secretary of the Inter-American Economic and Social Council (CIES) of the OAS, Sept 5:*

It is unacceptable to make financial adjustments in countries in crisis at the expense of their installed productive capacity, social peace, and political stability.

*Fernando Hernández, of Venezuela's Planning Ministry, Sept. 6:*

The current problem of the foreign debt of the countries of Latin America and the Caribbean is revealed in the high cost, the excessive cost of interest inherent in servicing the debt and in a profile of overdue deadlines which is incompatible with the payment capacity of the debtor nations. This situation has led to a crisis manifested by the growing difficulties in keeping up interest payments and in the interruption or limitation by the creditors of the usual short-term loan renew-

als and granting of new credits.

The IMF has played a double role in this area as both provider of funds and also as designer of policies of adjustment intended to reduce the use of foreign exchange by these countries. This double function of the IMF is now facing serious challenge. On the one hand its capacity as a source of international liquidity is practically saturated by the demands of the different actors in the financial market and on the other side, the feasibility and realism of its recommendations of economic policy do not seem to have passed the test of fact, given that the social and economic destabilization observed during its application has not improved the real payment capacity of the nations and in fact has tended to aggravate internal social tensions in the region.

In the search for a global solution. . . it would be convenient to observe the following principles:

1) A long-term solution to the problem of the developing world's foreign debt can only come in the context of growth of the world economy. . . which improves the terms of trade of the underdeveloped regions;

2) Efforts of the debtor nations to meet their financial commitments cannot be carried out in detriment to their own processes of development and world economic growth. . . . In particular, it would be highly convenient if the proposed policies of the IMF within refinancing agreements gave due recognition to the structural characteristics of the countries of the region. . . .

5) Sufficient liquidity must be granted to the official and multilateral credit institutions by the creditor nations and with the intention of providing long-term, low-interest capital to finance development projects in the region. . . .

7) Institutionalized mechanisms for systematic interchange of information on the theme of the foreign debt must be created.

The adequate level of debt for each country should be a function of the country's future capacity to service the debt in the context of solid and sustained growth. Therefore a renegotiated payments plan should contemplate the elimination of overindebtedness, but in no case should it assume that the foreign debt of the countries will be totally retired. Each country should determine the proper level of its debt with a view toward refinancing negotiations.

*Excerpts from the address delivered Sept. 8 by Venezuelan President Luis Herrera Campins:*

We reject policy schemes directed exclusively toward increasing the capacity to service the debt without considering the social repercussions.

The IMF cannot be the policeman for the international banks. . . .

World history, however, is marked by misunderstandings that have forced those considered weak to adhere to certain

sometimes violent forms of combat in order to achieve their objectives and aspirations. I know we are not facing such an eventuality now, because times have changed and with them, positions and procedures. However, certain recollections are necessary.

In times of struggle for national political independence, the metropolises have appeared stronger and more powerful than the colonies. . . . But at the hour of popular decision, those intangible elements brought forward by necessity—conviction, determination, volition, and courage—imposed themselves over the technical, material, and human resources that constituted the basis of domination over the majority of the nations that today are sovereign members of the world community.

Experience teaches us that it is not true that the powerful can do everything, and the weak can do nothing should they decide to confront the former.

There is an old reference in these terms, very well known by all, that I nonetheless evoke: David and Goliath. According to the Bible, Goliath was the ace of Philistine warriors. . . a giant who would put fear in any man with his imposing physical proportions and with his fame as invincible champion in combat. . . .

A modest shepherd, David, who was not even one of the regular professional soldiers, was the one who dared take up the challenge. . . . [President Herrera reads the passage from the Bible describing the encounter.]

The lesson is very simple: when will and courage ally with imagination, there arise means, resources.

The Biblical simile bears no relation to the situation we face, but it does no harm to recall it. Besides, we have not seen the last of slings, stones, nor Davids.

We do not ask anything of the industrialized nations that is beyond the realm of the possible and convenient. At any rate, it is preferable that you [industrialized nations] grant favorable, dramatic surprises, before the developing world unleashes even more dramatic surprises, surprises which the developing world neither wants, seeks, nor desires, but which can have unfortunate consequences for economic and social deterioration, and misunderstanding.

*Paul McConagle, the head of the U.S. delegation, issued the following provocative statement in Caracas on Sept. 6:*

This is not the occasion for dealing with particular cases of indebtedness, nor do we think that specific proposals or an "action program" should be formulated. Nor would it be appropriate to characterize any one particular nation or the international institutions like the IMF, the IDB [World Bank], the BIS, or the GATT. . . . In the first place—and this is the most important—we have no evidence of a generalized "debt crisis" affecting all countries, nor even all the less developed countries, in an identical way or even similar way with com-

mon causes and common solutions. If we stop a moment and take a look at our own continent, and this conference offers us precisely the opportunity to do just that, we will rapidly remind ourselves that perhaps the symptoms—that is, problems of debt payment—are the same, but the pathologies are unique. . . . The countries. . . face problems of servicing their foreign debts but in many cases this is almost all they have in common. Thus, a generalized or, better put, regionalized relief to the debt situation will give rise to a symptomatic relief. Any generalized solution to the problem would only benefit some and would be in the best of cases insignificant for the others. . . .

On the basis of these conclusions the U.S. government has formulated a five-point response to the current payments difficulties, which are:

- 1) Adjustment on the part of the debtor nations;
- 2) Aid to the IMF for support of these effective adjustment programs;
- 3) Emergency aid by the governments and central banks of the creditor nations on a case by case basis;
- 4) Continued lending by the commercial banks;
- 5) Sustained growth of the world economic with open markets. . . .

Proposals for alleviating the debt in general or arbitrary changes in loans conditionalities would. . . [result in] each nation taking improper actions that would have an adverse effect on flows of private capital. . . . Among the measures that would threaten the vital financial institutions [IMF, World Bank, etc.] are tendencies to establish additional institutions whose necessity is debatable, or "competitive" institutions whose creation is completely unnecessary. At the same time, the adoption of delaying tactics intended to dilute dependency on the IMF should be avoided.

*On Sept. 5, an interview with U.S. Treasury Undersecretary Beryl Sprinkel with the Voice of America was reprinted in the Caracas press.*

We do not expect a long list of highly specific conclusions [to result from the meeting].

The IMF is the object of what we could call unjust criticisms; it is accused of forcing recessions, or depression, or unemployment in nations. But of course, things are not like that. The brutal fact is, that given the world situation, all these governments found it necessary to make adjustments, in the same manner that the U.S. has found it necessary to make adjustments. . . . Instead of saying, as some argue, that the IMF forces austerity upon these countries, in reality its cooperative attitude with governments. . . eases the process of adjustment. Difficulties presented themselves in those cases in which adjustments were not taken on their own account, or where, for whatever reason, some were not willing to adopt an IMF program.

# Will the Marc Rich scandal reveal new evidence of Kissinger's corruption?

by Joseph Brewda

In a vitriolic outburst published on page one of *Izvestia* Aug. 15, the Soviet government lashed out at the United States for conducting a federal grand jury investigation of Marc Rich A.G., one of the world's largest commodity traders. According to *Izvestia*, an ongoing probe of Marc Rich for alleged tax evasion and other criminal practices is nothing less than "an open threat, an attempt to interfere in the internal affairs of Western European countries. . . ."

U.S. investigators seeking to understand why Moscow is moved to such a display of outraged virtue on behalf of the eminently "imperialist" Marc Rich A.G., are now pursuing two interrelated questions: Are the Soviets more alarmed by possible revelation of their financial and political-intelligence ties to Marc Rich and other Swiss-based banking interests, or at exposure of the shadowy international trader's redundant links to Soviet ally Henry Kissinger?

In 1982 the U.S. Attorney's office in the Southern District of New York convened a Grand Jury to investigate possible tax fraud by Marc Rich and Company International, and its parent Marc Rich A.G., both of which are based in Zug, Switzerland. According to public documents from the case, Marc Rich International had been buying oil from its parent in such a fashion as to register a paper loss of income of the subsidiary for tax purposes. In 1979, the year in question, Rich International purchased crude oil from Rich A.G. at the highly inflated price of \$345 million, sold the same oil to other firms in the same period for \$235 million—and registered a \$110 million loss. Since International's purchases from A.G. accounted for 25 percent of its business in the period, the firm nominally lost heavily in that year with a consequent

It would seem, if the documents presented by the U.S. government are accurate, that the Rich case was just one more example of a firm caught in an ordinary tax fraud scheme. However the subsequent bizarre behavior of Marc Rich, the Soviet government press, the Swiss government and Henry Kissinger's law firm demonstrates the intense concern which these parties have with the case.

For over a year, government prosecutors have been trying to investigate the possible fraud of Marc Rich A.G. and International by subpoenaing hundreds of thousands of Marc Rich documents and statements. In June 1982 Rich officials refused to produce the documents, arrogantly arguing that as

a Swiss-based firm they were not subject to U.S. investigation. Finally, a year later, on June 29, 1983 Federal Court Judge Sand found the company in contempt of court and levied a \$50,000-a-day fine until the firm complied with the subpoenas issued. Rich responded with further evasion.

First, on June 30, one day after Sand imposed his fine, Marc Rich A.G. sold Marc Rich International to Clarendon A.G.—a newly formed firm chaired by the former managing director of Marc Rich A.G. and staffed by other Marc Rich A.G. personnel. Clarendon, which operates out of the same offices as the now formally defunct International, claims the firm is independent and not subject to government subpoenas. Then on Aug. 8, federal agents seized a courier of Marc Rich A.G. with two steamer trunks of subpoenaed A.G. documents aboard a plane readying itself for departure to Switzerland.

## Swiss and Soviet intervention

In one of its first efforts to avoid U.S. subpoenas in 1982 Marc Rich A.G. argued that for Rich to turn over its documents to U.S. courts would violate article 273 of the Penal Code of Switzerland which deals with economic espionage. To provide information to the U.S. government, Rich and its Zürich attorneys asserted, would disclose business secrets which can not be disclosed under the Swiss code. Then, on Aug. 5, 1983, Rich A.G. agreed to provide its subpoenaed documents in an apparent settlement.

On Aug. 12, the Swiss government seized documents belonging to Rich A.G. in its Swiss offices, allegedly to determine whether Rich was violating Swiss secrecy laws by its Aug. 5 agreement to comply with the U.S. grand jury. Switzerland, under the pretext of defending its sovereignty, moved to protect Rich, transforming the case into a virtual diplomatic incident with the United States. To present its absurd arguments before the Southern District, Switzerland retained Arnold and Porter, the law firm of Henry Kissinger's business partner William D. Rogers.

Then on Aug. 15, *Izvestia*, the official newspaper of the Soviet government, supported Rich and the Swiss on its front page, alleging that the case was a pretext for Washington to demand that Switzerland "either change its internal legislation or . . . be deprived of admission to American markets." "An attempt to interfere into the internal affairs of Western

European countries," *Izvestia* declaimed.

## Enter Henry Kissinger. . .

Marc Rich, currently one of the wealthiest commodity dealers in the world, began as the son of burlap bag seller. Picked up by the Oppenheimer commodity trader Phibro, Rich became one of its top traders, leaving the firm in 1973. Rich's new ventures, centered in spot-market oil, made it big only through the 1973 Kissinger-orchestrated oil crisis and his chummy relations to several Middle East countries including Iran. Rich's success in securing Kissinger Associates partner Robert O. Anderson, the owner of Atlantic Richfield, as a reliable purchaser of his oil, is acknowledged as key to his financial success. Rich's credit line with Kissinger employer Chase Manhattan, is also among those coups which enabled the firm to grow so rapidly. In fact Peter Ryan, the vice president of the commodities division of Chase, left Chase to become Rich's partner and Chief Executive Officer of Rich International.

During the 1970s Rich joined forces with one of Henry Kissinger's closest friends, oil man Marvin Davis of Denver, himself of shadowy origin and another beneficiary of Kissinger's oil hoax.

In 1981 Davis and Rich took over Twentieth Century Fox. Among their first deeds was appointing Henry Kissinger as a paid director of the firm. According to one source the joint financial dealings of Kissinger, Davis, and Rich have also included real-estate speculation in Israel.

Rich's stranglehold over the economy of Bolivia, where he controls 45 percent of tin production—its largest export next to cocaine—has suggested to some that Rich figures in Kissinger's Ibero-American operations.

## . . . and Russian speculators

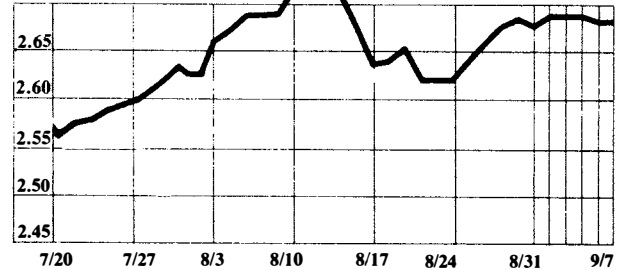
Apart from Moscow's affection for Henry Kissinger, it is not out of the question that the Soviet Union's defense of Rich and Swiss speculators might reflect the U.S.S.R.'s own direct ties to Rich. The Soviet government is currently one of the largest sellers of oil on the spot market in the world and does a brisk business with the Republic of South Africa in gold and related commodities. Soviet commodity speculation is done through western banking and corporate interests not associated in the public imagination with the U.S.S.R. These cut-outs, many operating out of Switzerland, include scores of South African firms and Swiss banks, most prominently the interests associated with the Oppenheimer empire—the same interests which spawned Rich. Are Rich A.G., Rich International and related Rich concerns in this category?

Among the most striking features of the 1979 oil trade of Rich A.G. now being investigated is that the oil—to a large degree originating in Iran—was sold to interests including Charter Oil. During that same period Libya-linked Charter Oil was negotiating with Billy Carter a number of corrupt deals only partially exposed by the notorious Billygate scandal.

# Currency Rates

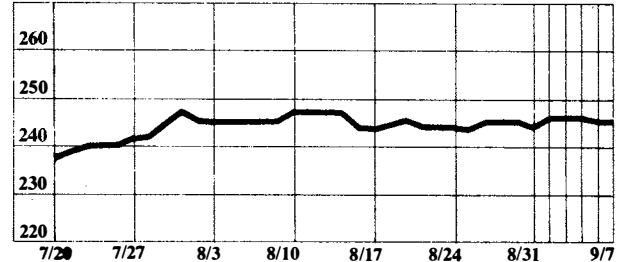
## The dollar in deutschemarks

New York late afternoon fixing



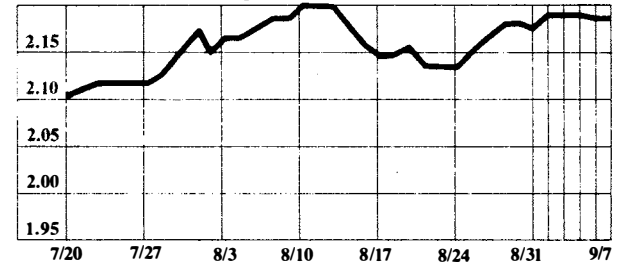
## The dollar in yen

New York late afternoon fixing



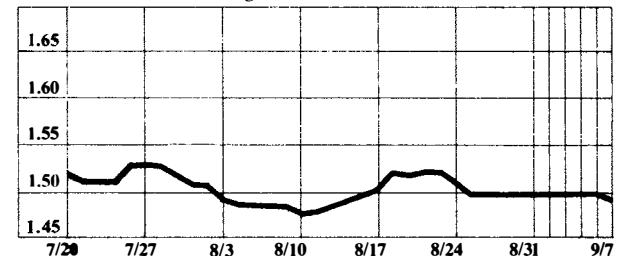
## The dollar in Swiss francs

New York late afternoon fixing



## The British pound in dollars

New York late afternoon fixing



# The black economy of Italy is a creation of the post-industrialists

by Stefania Sacchi

A Swiss banker recently told *EIR* that a large chunk of dollars fleeing the United States would be invested in the Italian stock exchange, since the Italian black economy, the "*economia sommersa*" is among the "healthiest" economies of the West to invest in. For at least two years economic pundits have presented the Italian economy as resembling the Tower of Pisa: it leans, it leans, and it will never collapse.

The reality is completely different: the black economy is dominating Italy. It is neither spontaneous nor inevitable, but it is the result of a very precise plan by forces alien to the national economy, a plan no different from the neo-colonial looting of Third World countries. These forces are to be found among the Venetian financial interests of Republican Party chairman Bruno Visentini and former State Participation minister Gianni De Michelis, working with the Bank of Italy for the final dismantling of the public sector.

The second element of the black economy is the mafia-related capital entering the legal market. This year Rosario Spatola, a mafioso from Sicily, is number thirteen in the list of taxpayers; that is, he is recognized as one of the richest men in Italy, and regularly pays his taxes to the state. When they reach a certain point on the mafia's social ladder, people who had been immersed in the dirtiest drug-running wash their hands and begin to recycle enormous amount of money, mainly lending overnight at high interest rates to drug dealers. At that point the money they circulate is no longer "dirty," technically speaking.

## How does the *economia sommersa* work?

The most important section of the black economy is the small artisan industries, spread around in the country, but dramatically predominant in the South. These industries produce textiles, shoes and bags, and other artisan goods. Sometimes very simple machinery is used, as in the case of textiles, but basically the concept is extremely labor-intensive production for export, carried out by entire families in their tenement apartments. These people send the finished or semi-finished work to the factory. Of course there is no room for expansion or for technical improvements.

The bare-subsistence level of wages provides a livelihood only for the person who works; it does not permit medical care or social services for his or her family. Any real possi-

bility for advancement of the workforce in education and material conditions is ruled out.

The second level of the black economy is tax evasion. In the retail sector a business (an auto repair shop, for example) will often decline to issue a receipt. Large firms generally keep a double set of books; a portion of the work is kept off the books and, in some cases, so is part of the wages.

The third level, that of "private semi-legal" enterprise, is growing rapidly. The streets, especially in the South, are filling with gypsies, Moroccan emigrants, and other marginalized people selling their wares. Groups of youngsters wash the windshield of your car when you stop at an intersection; five-year-old children offer paper handkerchief packs or flowers.

These phenomena are symptoms of the moral and economic degeneration which has accompanied the de-industrialization policies of the Venetian financial empire. State-sector industry was supposed to be the driving force in post-war economic reconstruction. According to state-industry pioneer Enrico Mattei, the housing industry would then follow, carrying with it the full development of the private sector. But former State Participation minister Gianni De Michelis successfully began the dismantling of the state industries, starting with steel. In order to "reduce public spending," the steel furnaces of Bagnoli near Naples were closed. The resulting unemployment contributed to the development of the black economy in the area and to the increasing economic decline of a once prosperous area.

A study conducted by the Fusion Energy Foundation in Italy prescribes the construction of 30 nuclear plants before the year 1990: this will require reopening the Bagnoli steel plant and building the Gioia Tauro steel complex as one first step. The FEF concept is that certain areas of the country will serve as "development poles" for an industrial renaissance, sites of agro-industrial nuclear complexes and new ports for expanded trade.

## The post-industrial holocaust

Consider for example the "industrial triangle" of Milan-Genoa-Turin, which in the 1960s represented one of the more developed areas of Europe. The Genoa harbor is almost completely unused, and the whole area is rapidly decaying. It has

been proposed that its workforce be employed by the city to rehabilitate the city's historic center, including the infamous Via Pre, Geneva's main artery for drugs and prostitution. In the meantime the steel mills and shipyard are almost completely closed, and workers are leaving the area. The only industry still alive, for the present, is nuclear plant construction. The European Phoenix breeder reactor project will keep that sector working for a few more months.

In Turin the big FIAT plant has laid off thousands of workers. The result is that FIAT is now a valuable firm, in the words of its chairman Gianni Agnelli, only because it has converted to electronics and the "least publicized items"—meaning probably the weapons production which serves Libya in particular. The Lingotto factory, which at the beginning of the century was the most modern auto assembly plant in the world, is now closed. A contest has been initiated for the future use of its building; one proposal is to build an industrial museum, suitable to the post-industrial society Italy is entering. Most of Lingotto's workforce returned to the South, aggravating the already severe unemployment there.

In Milan the results of the de-industrialization policy could be seen in the last census: more than half a million people left the city in the past 10 years. The policy of the Socialist administration in the past two decades has been to return Milan to a pre-industrial status. Oligarchical "high society" lives in the city center; because cars are forbidden there, the majority of people are forced to live outside the city. Routine criminality has increased, due to augmented drug usage and the takeover of local crime by the mafia.

### What can be done?

The solution proposed by Fiorella Operto, secretary-general of the Partito Operaio Europeo and a co-thinker of Lyndon H. LaRouche, is to bring down Craxi's government within two months, to prevent the takeover of the nation's finances by the Bank of Italy. Second, she demands the implementation of the "heavy lira" financial reform proposed by LaRouche, which would dry out illegal financing of drug and weapons traffic and constitute the first step toward a complete industrial recovery based on nuclear power.

LaRouche's proposal would enable the Italian government rapidly to assess the size and location of the financial black market, because it would require people to change their money at the rate of a thousand current lira to one new "heavy" one. The origin of the money presented would have to be declared; in this way—and through measures to prevent capital flight and unjust damage to the savings of honest people—the government would have a complete overview of illegal revenues and be able to hit those responsible. This measure would have to be immediately followed by a global financial reform: the creation of new credit earmarked for productive purposes. With this kind of dirigist policy, which would leave plenty of room for private enterprise, the government could generate a recovery over a period of a few months.

## U.S. electrical grid collapse continues

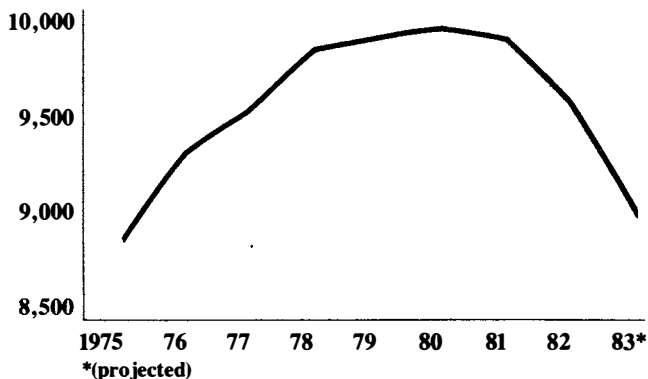
by David Cherry

The latest threat to the dwindling electric power supplies for U.S. economy, which have collapsed by 8 percent per capita since 1980, demonstrates the folly of the continuing actions of local elected officials, in concert with the KGB-run "nuclear freeze," to mothball local power plants and kill unfinished projects.

Just one week after New York Gov. Mario Cuomo hooked Long Island's largest electricity user, Grumman Aerospace Co., into upstate New York and Ontario power supplies which have been partially idled by the depression, one of the largest of those Ontario supplies began having serious problems during the second week in August. Following coolant leaks at the five-reactor, 3,000-megawatt Pickering nuclear complex in Ontario, three of the five reactors have been forced to close, with the Canadian press gearing up for a "new Three Mile Island" rampage. While there has been no serious accident at Pickering, two of the reactors will have to be closed for an extended period as a result of the leaks, quite independently of the howling of the press.

Cuomo, a Harriman protégé who has canceled three major New York State electric power projects in his first eight months in office, is preparing to mothball another, the completed Shoreham nuclear plant, by assigning "surplus" upstate power to Shoreham's major prospective customers. The power assigned is cheap because it is from older, amortized capacity idled by the depression, but such capacity is partially

Figure 1  
Per capita kilowatt hours of electricity consumed in the United States



obsolete and subject to problems and service interruptions. The Cuomo operation will make any sustained future economic or industrial recovery for the state impossible.

Recently compiled figures, current through the 1983 "recovery" farce, show the still-accelerating collapse of the most vital economic indicator, electrical power use per capita and per operative in the labor force.

Since Federal Reserve Chairman Paul Volcker took office and raised interest rates in 1979:

- Electrical power use per capita for the *total population* has dropped 7 percent; 4 percent since the "recovery" was first announced in late 1982 (See **Figure 1**);

- Commercial and industrial electrical power use per *employed* member of the labor force has dropped by 8 percent since 1979 (See **Figure 2a**);

- If the *unemployed*, many of whom Volcker threw out of work, are added to that labor force, commercial and industrial electrical power use per member of the *total work force* has dropped by 11 percent since 1979;

- *Industrial* electrical power use fell by 15 percent per *employed* member of the work force;

- If the unemployed are included, industrial use of electrical power per member of the total work force has fallen by 19 percent since 1979. This last figure is the broadest measure of the disappearing *potential* for a future industrial recovery of production and high-technology employment (**Figure 2b**).

### Turning off the power

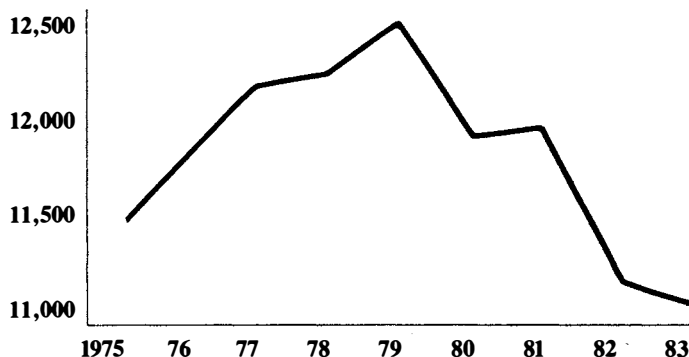
Electrical power use reached its historical peak in 1979 just before Volcker began the depression, and has fallen continuously since then through mid-1983. None of this col-

lapse, therefore, resulted from Jimmy Carter's earlier energy conservation campaign. The 7 percent drop in total electrical power use per capita since 1979, given that both the population and the labor force have continued to grow since that time, is the equivalent to *turning off 40 full-sized, 1000-Megawatt power plants*. This collapse has been accomplished by shutting down existing plants and mothballing those nearing completion, as the depression continued to drive down electricity use. As the case of the Washington Public Power Supply System shows most graphically, the process of reopening plants or restarting construction becomes very difficult once the power-producing entities have been declared bankrupt.

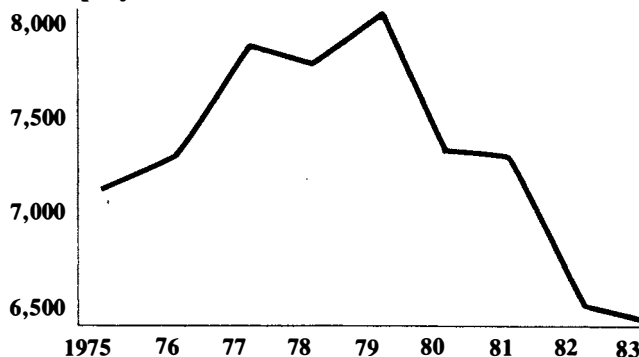
### What recovery?

The latest national electricity production figures for January through June 1983 refute the claims of an incipient recovery. The six-month figures show a 2.4 percent drop over the first six months of last year, after a 2 percent drop in 1982 from 1981. Under conditions of normal growth, national electricity production figures do not fluctuate, but grow steadily, as shown in Figure 1, even during the adverse circumstances up to 1979. Region by region, the six-month figures for 1983 are the worst for the West South Central region (Arkansas, Louisiana, Oklahoma, and Texas), where electricity production declined by 5.8 percent; the West North Central region (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota) suffered a 4.0 percent drop; the Pacific region (California, Oregon, and Washington) fell by 4.0 percent; and the Mid-Atlantic region (New Jersey, Maryland, Pennsylvania), by 3.7 percent.

**Figure 2a**  
Electricity consumed in industrial and commercial enterprise per employee



**Figure 2b**  
Electricity used in industrial production per member of the labor force, employed and unemployed



The 11 percent drop in electricity consumed in industrial and commercial enterprise per employee since 1979 reflects an absolute drop in electricity consumed in industrial production (down 16 percent since 1979) and a shifting of the production process away from electricity intensity toward labor intensity. By using total available labor force instead of employed labor force, we prevent rising unemployment from moderating the fall in this ratio. Total available labor force has continued to grow—although slowly—over the past decade, as has the population as a whole.

The decline in the fruits of industrial production available to the labor force (employed and unemployed)—and to the population as a whole—is reflected in the drop of kilowatt hours of electricity used in industrial production per member of the labor force, employed and unemployed.



## Hydraulic expert reviews 'great projects' required in Asia, Africa, and the U.S.

*Dr. Ellis Armstrong has had 50 years of active involvement in public works projects around the world. He served as project engineer on design and construction of the St. Lawrence Power and Seaway project (1953-57). He was U.S. Commissioner of Public Roads (1958-61), Commissioner of the Bureau of Reclamation (1968-72), and chairman of the Hydraulic Resources Task Force of the World Energy Conference International Commission on Energy Conservation. In 1972-74 he chaired the U.S. National Committee of the World Energy Conference, an organization of 83 nations which is meeting this month in New Delhi. Dr. Armstrong attended the conference, stopping in Japan to confer on engineering plans for a second Panama Canal.*

*In this interview, Dr. Armstrong reviews many of the infrastructure projects proposed by the Global Infrastructure Fund—a program first presented in 1977 by Mr. M. Nakajima, chairman of the Mitsubishi Research Foundation; and he evaluates the five infrastructural projects proposed as initial efforts by EIR founder Lyndon H. LaRouche, Jr. for South and Southeast Asia.*

*Dr. Armstrong currently chairs the National Energy Policy Committee of the American Society of Civil Engineers, which has warned of the dangers in cutting capital investment in U.S. electrical power supply.*

*Marcia Merry Pepper of the Fusion Energy Foundation interviewed Dr. Armstrong for EIR on Sept. 2.*

**EIR:** The EIR has identified five priority projects in the Indian Ocean-Pacific Ocean Basins. What is your evaluation of these projects?

**Armstrong:** The Himalayan hydroelectric project I think is a viable one and certainly hydro is the best and the most economical source of energy. That would revolutionize that area of the world, I think, with that amount of energy.

You see, what developed the [American] West really was the hydropower that we developed at Grand Coulee and Hoover Dam. Same with the hydropower of the TVA. That's a starting point, and then other things followed.

**EIR:** What about the hydraulic project planned to control the Mekong River?

**Armstrong:** At the Bureau of Reclamation, we had a team of about 40 or 50 people over there for about four years. They

made a detailed study, and as we completed the study, I went over and spent some time there, going over it in detail. There are problems, of course—adverse effects on fishing and one thing or another. But overall, the benefits far outweigh the adverse effects, in my view, and in the results of our studies.

And certainly, utilizing that tremendous resource they have in the river, which now is not much of a resource except for the fisheries, will have great benefits. It's a roaring flood for a period, and then it's a drought. So you've got to cut that cycle, as well as develop a tremendous amount of energy. That's detailed in a whole set of very extensive and intensive studies of all of the aspects of the problem.

It would step up agricultural productivity. They could be self-sufficient in rice; and they could export.

**EIR:** What about hydraulic projects in China—plans for a canal between the Yangtze and the Yellow Rivers, irrigation in the north and so forth?

**Armstrong:** There are quite a number of things that could be done in China. One of the big problems there, of course, is the density of population. So it has to be very well planned out, for instance, on the Yangtze Gorge. In fact, in the Bureau of Reclamation, when I was in the design office, we did some studies on that right after the war. During the past three or four years, the Chinese government has sort of reconstructed some of those studies and brought them up to date. And there is considerable discussion going on now about whether you want one big project or you want to break it down into several smaller ones.

Several U.S. engineering firms are now participating in some aspects of the study. Both the Army Corps of Engineers and the Bureau of Reclamation have visited the area, and I think China has a contract now with the Corps for directing some of those studies. The Bureau of Reclamation will be involved from the standpoint of helping the government administer engineering contracts and so on for the studies.

On China, I'd like to mention that when I was chairman of the Committee on Hydraulic Resources of the International Commission on Energy Conservation, we took a hard look at the hydraulic, hydropower resources of the world, including China. In the past three decades the Chinese built about 85,000 hydro plants, but very small ones, with the average capacity about 50 kilowatts. It's unbelievable. But this is the

first step. You see, this gives a light or two—a street light, and a bulb or two in each of the houses. And of course they recognize now that they've got to go beyond that. Hydropower is the lowest cost. So it's a good way to start.

**EIR:** Have you looked at the water availability for farming in the north?

**Armstrong:** That's one of the things they are looking at now. Vast areas there can increase food production with irrigation. They built a large number of canals and a large number of irrigation projects, relatively small in scope, in the last three or four decades. It's a matter of continuing that work in such a way that, again, will maximize the resources that they have—land and water.

**EIR:** Can you comment on the proposed Isthmus of Kra Canal in Thailand or the second Panama Canal?

**Armstrong:** I know about the Kra proposal in a general way, and certainly it looks like it has merit. It ought to improve the communication and trade in those areas, and cut down on the shipping costs.

A second Panama Canal, our 1970 study indicated, ought to be done by 1986. We're not going to make it. The study was by a special commission set up by Congress, funded at \$25 million dollars for about four years. Engineers did most of the study work. And they concluded that the best location—they looked at all the different sites—was just parallel to the present canal, and about 20 miles to this [the northern] side. And it should be sea level. They lined out a method of taking care of the tides, which I think will work out very fine, very well. I think the environmental impacts will be minor. The intent was, after a study was published, to proceed with the studies leading on to construction a little further down the road. But then they got into a hassle over the Panama Canal Treaty. Since then, nobody wants to touch it because of the politics.

In looking at those 1970 studies—and I was involved on the periphery of some of those studies—it seems to us that the economic viability is still there. The worldwide recession has set it back a bit, but it's still, in my view, something that needs to be done.

It should be preceded by these detailed analyses of the environmental impacts. A lot of people are concerned about the biota from the Pacific contaminating the Atlantic. Well, it can be designed so that the effect from one ocean to the other will be minimized. . . . In particular, be sure you look at the full system—all the impacts. And then, minimize the adverse, and maximize the beneficial, so that you have a pretty good idea what the effects are going to be. That's the secret. It can be done.

I'm not so sure about the Bering Straits [plan to build a dam across the Straits to retard the flow of cold, Arctic waters into the northern Pacific—M.M.P.]. Physically it can be done. I think we would want to make a rather detailed study



*Dr. Ellis Armstrong*

of what the overall impact might be. There might be some things there that we don't understand too well, and we have to take a good hard look.

**EIR:** What about the priority projects proposed for Africa, where the deliberate lack of large infrastructural projects and lack of food have led to starvation and disease?

**Armstrong:** Yes, the Chad region, and up in that area. . . . The African Central Lake approach looks to me like it has merit. It is going to be very helpful to the whole area, from the standpoint of power production, from the standpoint of irrigation and food production and so on. With the people that we have now in the world and those coming down the road, we've got to increase our food production. And the way we do it is with the application of energy and the utilization of our water and land resources.

One man on the farm in the United States now produces for about 80 off the farm—utilizing good seed, good farming practices, and so on; and you have to have energy. It is an interesting thing, and I use this quite often in my lectures, that the energy expended per unit produced is lower in the United States than it is in the developing countries. And this is quite striking when you get down to the actual figures and shows what we've got to do if we're going to produce the food that is necessary to feed the people coming down the road. We expect that there will be 9 billion people by the year 2020, that's on the basis of the analysis that we made with the International Commission on Energy Conservation. [This commission was organized by the World Energy Conference—M.M.P.].

**EIR:** What about the Yonglei Canal in the Sudan?

**Armstrong:** Down through the Sudan swamp area. I took a good hard look at that back in the early 1950s when I was in Egypt. That has a lot of merit. There are some adverse effects, both on the wildlife and on the tribes that exist. But I don't think it's a very good existence. It's going to change,

and mostly for the better. It certainly is something that needs to be done.

**EIR:** There has recently been a wave of bad publicity about that project and about the Aswan High Dam. They say that high dams' "social costs" are too high—people get schistosomiasis.

**Armstrong:** That's mostly nonsense. I spent nine months in Egypt in 1963 on basic planning with the dam—that is, taking a look at all the land and water and resources and how they would be impacted by the Aswan. In some areas, there will be some increased infection from the snail—the water-borne snails which are the cause of the schistosomiasis. But we found, and we went into great detail in these remote rural areas, that most of the people there were already infected with them. It's a whole problem of sanitation. It's a disease of poverty. If you can bring people out of the poverty stage, then you've got it whipped.

One article I saw that cited a specific area which before the dam was built had no problems with this disease. Afterward, I think they said that 50 to 60 percent were infected.

Before they built the dam there wasn't anybody there! There has been a lot of distorted and completely wrong information about some of these things on the impact of the Aswan. On balance, the benefit to Egypt, in my view and in the view of most everyone who is fully knowledgeable on the subject, the benefits far outweigh the problems. . . .

**EIR:** What about major hydraulic projects in the Western Hemisphere? There is a plan to connect the headwaters of the Orinoco and the Amazon to create inland transportation and power for many nations in South America. . . .

**Armstrong:** I think there's good potential there, though I'm not acquainted with the details. . . . I had an engineering firm in New York; we had quite a number of projects in Brazil, Argentina, and Colombia. There is tremendous potential down there, but they've got to get with it. Their hydropower resources are great. The Itaipu project [a just completed dam on the Parana River between Paraguay and Brazil—M.M.P.] will be the largest hydropower installation in the world when it's completed. The first stage will be about 13.5 million kilowatts and I think when they get that done, they'll go right on to the second stage to produce about 22 million kilowatts.

The Grand Coulee, when we get our third powerhouse completed, will only be about 10 million. So you see it's a tremendous source of energy, economical energy.

**EIR:** Then there is the plan for Canada, the United States and Mexico—the North American Water and Power Alliance (NAWAPA), to divert the MacKenzie and Yukon River waters south?

**Armstrong:** There are quite a large number of studies that have been made, that by Parsons [engineering company]

being just one of them, to have the fresh water resources of the north be brought down to the West, and also the Great Lakes and so on. They all have potential, and certainly this is the way to increase the carrying capacity of our country to a great extent. There are some problems with the environmental impact, but the pluses more than outweigh the adverse.

**EIR:** You must be thinking about the current drastic decline in the United States of electricity per capita and per industrial worker. . . .

**Armstrong:** That is of great concern to the committee I serve on. I am chairman of the American Society of Civil Engineers' National Policy Committee. And what has happened to our basic industry, which is energy-intensive, is that it is only operating now at half capacity. And of course we're dropping back in the use of energy. Our manufacturing is only operating about 70 percent now. . . . And when the recovery gets underway, one of the things that may deter our recovery from recession or depression, or whatever you want to call it, is going to be the lack of electric power, which you can show just about matches the GNP, and they both affect each other.

Electricity is a source of energy which we are now completely dependent on—I'd like to turn the power off one day a month to wake people up to the fact that this is essential for our whole society. Certainly we are becoming more efficient in the way we use it. But we've gone perhaps about as far as we can go at this stage with management decisions. From here on we're going to have to make some pretty large capital investments to increase the efficiencies, and that is going to take time. We don't think we're facing up realistically to this problem of electric power.

One of the things that intrigues me about the Global Infrastructure Fund approach is that these are types of things that in my view make for peace between nations. It makes for better understanding and gets people working together for their mutual benefit, and when they get to do that, then we make progress. I headed the first delegation that went to Russia after Nixon kind of smoothed things over. We went to take a look at their high-voltage generation and transmission of high-voltage electric power. We were over there about three weeks. One of the Russian engineers that went with us, as we were leaving, said to me, and I have thought about it ever since: "You know if we could just get the politicians in the world to do what we've been doing, that is concentrating on the similarities, you know our differences disappear." I think that's rather basic.

For instance, the St. Lawrence Seaway and power project. You know that I was project engineer on that. After 75 years of hassling and fighting over it, they finally decided to get with it. I expect from the standpoint of relationships and entities involved, it was probably one of the most complex projects ever built. But when they finally decided to get with it, we built it in three and a half years!

## An economic dictatorship?

*'Let's quit measuring money and get into central—Malthusian—economic planning,' say Volcker's congressional allies.*

When the international debt crisis in Latin America hits this fall, the Swiss-based Bank for International Settlements and Federal Reserve Chairman Paul Adolph Volcker intend to reorganize the U.S. banking system.

First will be the "reform" or "federalization" of the Federal Reserve itself, to restructure the Fed as a Soviet-style central economic planning body. This legislation will be promoted by the KGB-Fabian left wing of congress, led by House Banking Committee chairman Fernand St. Germain (D-R.I.).

"We intend to make major changes in the functioning of the Fed," an aide to St. Germain said flatly. "We could have it in concrete legislative form as early as October. It's a question of timing. If there's a breakdown in Mexico or Brazil in August, there will be hell to pay when we [congress] come back" Sept. 12, he said. The legislation, he said, "can be sped up by the pace of events outside our control. It depends on how fast they move. . . . If we get an international financial crisis, or the moment anything goes wrong with the recovery, we'll have full legislative support."

The Fed reform will be sold to the public as a move to bring the Fed under congressional control. But policy will actually be run by the BIS and Anglo-Swiss private banks, who control St. Germain and company.

The Fed will leave credit and money to the private banks, and become an *economic* planning commission, which makes "industrial policy" and plans industrial production, agricultural production, consumer expenditure and other aspects of the "real" U.S. economy.

As St. Germain himself told Fed Chairman Volcker before the House Banking Committee July 20, the massive deregulation which Volcker and St. Germain have conducted since 1980 has made it impossible to "define money," and the Fed has no way to control money supply any more. "What good does it do to tell the American people about money targets that are . . . almost useless. You must let us know where you believe your policies will take the economy."

St. Germain described the result of a poll of 300 U.S. economists initiated in May, most of whom support his corporatist reorganization plan. St. Germain and his aide Richard Medley asked, for example, "Can we identify a particular conception of 'money' with sufficient precision to allow its use as a proxy for economic performance?" Of the respondents, 55 percent answered "No," and only 32 percent said "Yes."

In testimony July 20, St. Germain told Volcker that the BIS Democrats in Congress intend to tell the Fed just what Malthusian economic policy to set, and where GNP, unemployment,

and production in every industry ought to be. "The congress will go ahead and set the policy objectives for the economy, and tell the Fed what to do," he stated.

Volcker, playing his public role of defending the status quo, provided the perfect foil for St. Germain, openly egging congress to reassert control. "Please don't throw me in the briar patch," he cried. "It is not technically feasible" for the Fed to plan.

St. Germain elaborated on what areas of the real economy the Fed should control. "It is widely believed that the Federal Reserve Board should begin to set and announce its objectives for nominal and/or real GNP, inflation and employment," St. Germain stated in a July 11 letter to Volcker distributed at the hearing.

The 300 economists also endorsed the idea of allowing the Fed to set actual policy plans. "Should the Federal Reserve continue to use money supply as its exclusive target, or should it move to target other variables such as interest rates, GNP growth, inflation, unemployment, and/or commodity prices," St. Germain asked in the questionnaire. Fully 63 percent of the economists agreed that there should be a "target shift."

"Sixty-five percent of these thought that the movement should be to one or more real economic variables, such as inflation or unemployment," St. Germain reported.

To St. Germain's specific question "Should the Federal Reserve be required to set and announce its objectives for nominal and/or real GNP, inflation, and unemployment," 48 percent of respondents replied affirmatively.

Fully 33 percent of the respondents further supported the idea of "institutional change in the Federal Reserve Board" to achieve this.

## IMF bill in big trouble

*Congress is deadlocked on the U.S. bill which would give the Fund an \$8.5 billion bailout.*

**T**he bill under which the United States would give an \$8.5 billion bailout to the genocidal International Monetary Fund is in big trouble in the U.S. Congress. The IMF bill "won't make it through conference committee" between the House and Senate, a source at the Federal Reserve complained to *EIR*.

The House and Senate versions of the IMF bill, H.R. 2957 and S. 659, are so different that the conference committee whose task is to reconcile them may collapse altogether, Volcker fears. Volcker wrote the Senate bill, but a spate of amendments were added later by House Democrats in their bill.

Volcker's Senate bill is bad enough. Beyond the \$8.5 billion bailout, it grants the IMF *credit controls* over U.S. banks' foreign lending. The IMF is given power to tell U.S. banks to classify debtors bankrupt, and call in the loans. The bill calls for U.S. banks to set aside "special bank reserves" for bad loans—when the IMF says a loan is bad. This means a bank loss of \$100 million in income for every \$1 billion in debts the IMF classifies.

The first relevant numbers were just released this month by Citibank, in a normal SEC filing, showing a 54% increase in non-performing loans to Latin America, at \$1.7 billion as of June 30. This would mean a \$170 million income loss under the bill.

The House language is worse. The House version is the first legal step

toward committing the United States to Lazard banker Felix Rohatyn's plan to turn the IMF into a global version of Big MAC. The amendments were written by House Banking Committee chairman Fernand St. Germain (D-R.I.) and Rep. Charles Schumer (D-N.Y.) in consultation with Sir Peter Cooke, a BIS official also Bank of England chief regulator.

Title III of the bill, as amended, will force the U.S. IMF director to vote against any loan which is not "stretched out" over 20 to 30 years, as Rohatyn proposed, giving the IMF long-term authority over debtor nations' economies.

Title IV would force immediate writeoffs of debt by U.S. banks, much more extensive than the Senate's. Under the House version, not only bad loans, but *any loan which has ever been renegotiated*, will need penalty reserves—which includes most of U.S. banks' \$100 billion in loans in Latin America. That would put U.S. banks' losses on the order of \$10 billion immediately.

Now both the Fed and Treasury, Treasury officials confirm, are trying to roll back the House amendments, and threaten that if the House won't give them up, the Senate will kill its own bill.

"We don't like the House version of the bill, with all the Schumer-Rohatyn stretch-out language in it," said the Fed official. "Treasury doesn't like it. The administration doesn't like it.

So the Senate won't like it. The two bills as they stand now are too different. The Senate will stand fast. Unless the liberal Democrats in the House give up their provisions, the bill won't make it."

Meanwhile, congressmen who oppose the IMF altogether plan to use the brawl to kill the bill.

Asked what would happen if the IMF bill is killed, the Fed man said, "Then there will be a big international financial hoopla. Apparently, congress is willing not to pass the bill and live with the consequences of international financial crisis. It won't look good in Latin America for the IMF."

The IMF legislation is by no means dead yet, however, and massive U.S. constituency pressure on Congress is still necessary to kill it.

Even before Congress returns Sept. 12, House and Senate Banking Committee staff have been in marathon meetings since Labor Day to try to resolve differences. "They are running into a timing problem," one congressional aide said, "because when congress comes back it will be loaded with other bills."

The administration will back down and go with the House bill, he said, if necessary. "There will be a conference agreement." The administration will then immediately move to introduce an emergency 1983 appropriation for the IMF "to any convenient bill" to get the IMF cash through immediately, he said.

But "nothing is decided," he cautioned. "The fact that the IMF annual meeting begins Sept. 27 and that Congress at that point will probably not have acted on the cash appropriations part of the bill means trouble. If there's a lot of political flack from Latin America and other debtors against the IMF at that time, it will mean real problems for the whole IMF bill."

# Business Briefs

## Energy

### World oil demand not recovering

Oil demand through the third quarter of 1983 continues to drop in most of the world. According to the latest industry analysis made by *Petroleum Intelligence Weekly* the last week of August, third-quarter data coming in from Japan and from key European markets indicate that the highly touted U.S. demand recovery for oil is being "fully offset by continuing steep falls elsewhere."

According to the *PfW* analysis, total demand for major petroleum products (gasoline, fuel oil, heating oil, and so forth) fell 600,000 barrels per day during the latest quarter, all of it outside the United States.

Since July, OPEC producers have raised their production above their self-imposed 17.5 million barrels per day ceiling. To a large extent, this has been the result of the end of several months of worldwide inventory drawdown, especially by the major oil companies. During the first three months of 1983, OPEC producers were accusing the major companies of intentionally forcing oil price instability through what they referred to as "dumping" of 4 to 5 million barrels per day. The situation underscores the extreme fragility of current world oil prices, a situation which could rapidly change.

## Agriculture

### 'Let farmers pay for own disasters'

"Farmers were supposed to buy Farmers Home Administration-subsidized crop insurance, but they didn't, so now they are stuck expecting the government to pay." This is the view of Federal Reserve economist Emanuel Melichar, who claims that the government can no longer afford to subsidize low crop prices and therefore price supports should be scrapped.

He advocates that farmers should, however, pay for a federally subsidized revenue insurance program. FmHA, the govern-

ment's own lending arm for farmers who cannot borrow from commercial banks, would issue such crop insurance, in place of financing loans for production.

Increasingly, government and agricultural circles are repeating the Heritage Foundation's policy line, that farmers can best protect themselves by taking out insurance rather than waiting for the government to give them subsidized loans.

A Congressional Budget Office report released the first week of September claims that such insurance might provide more effective protection against volatile farm incomes than current programs, and the resulting reduction in risk and income stability could contribute to a more efficient allocation of resources. It would also reduce direct government influence on prices, production, and the allocation of supplies and therefore would open up the sector to free-market policies.

The Budget Office calculated that 30 to 40 percent of price-support outlays under the current programs went for price stabilization and would not be necessary under an insurance program.

## Nuclear Power

### China and Japan to discuss cooperation

The People's Republic of China on Sept. 5 accepted a proposal from the government of Japan to hold intergovernmental talks on the peaceful use of nuclear energy, according to JJI press. The talks will begin after the P.R.C. joins the International Atomic Energy Agency (IAEA).

The proposal for discussing cooperation was made by Japanese Foreign Minister Shinaro Abe and International Trade and Industry Minister Sosuke Unio during a Japan-P.R.C. ministerial conference in Peking that began Sept. 4. The Japanese ministers announced their support for China's bid to join the IAEA, and that Japan wants to export nuclear technologies to China to build a nuclear plant there.

Chinese Foreign Minister Wu Xuqian formally requested a second bank loan from

the Export-Import Bank of Japan, for the development of China's coal projects. But Unio told her that, given Japan's current energy and fiscal situation, it would be difficult to make a loan which would require Japan to import Chinese coal.

## Debt Policy

### Brazil rubs its arrears in bankers' faces

Brazil's arrears are causing insomnia among, especially, the New York-based banks. Brazil has practically not paid any debt service at all since July and is over 60 days overdue on several hundred million in interest payments and another \$2 billion in principal to commercial banks. If Brazil's debt is not refinanced before September 30 and new money put in to wipe up these arrears, the major New York banks will have to list their Brazil loans as "non-performing debt" on their third quarter statements, and reduce their reported profits accordingly. This will prove quite embarrassing to banks such as Morgan, Bankers Trust, Chemical, Manufacturers, and their stockholders—unless magical changes in bank regulations occur.

The banks will not reach a timely settlement with Brazil, since they are adamant that they will not give money even as bridge loans until Brazil signs a letter of intent with the IMF. When Brazil's central bank chief Langoni resigned Sept. 1 criticizing the IMF, São Paulo insiders believed it meant that Brazil would immediately sign a new letter of intent. Those beliefs have been crushed by Finance Minister Galvêas, who reiterates that "there is no hurry" to sign with the IMF. Galvêas suggested that the IMF should give Brazil its approval and the banks dole out to Brazil without such a letter.

While the IMF wants month-by-month adherence, Galvêas says that Brazil will be "flexible" about the targets it sets with the IMF. For instance, the 55 percent inflation target for next year, "may be 55, 60, or 65 percent" and the committed reduction of the public deficit to zero may end up as a deficit of 7 percent of GNP. Despite all the flap, reality is that Brazilian military and civilian

# Briefly

● **JAPAN'S** government will launch a basic study on the proposed construction of a second Panama Canal, in order to take a positive role in the project along with Japanese industry. The first government survey mission to collect data for a feasibility study, from the Ministry of International Trade and Industry (MITI) and the Ministry of Transport, will go to Panama by the end of September.

● **MITI** will accept a U.S. demand for simultaneous abolition of import tariffs on semiconductors by the two countries. The Japanese ministry hopes to reach formal agreement with the United States by the time of President Reagan's planned visit to Japan in November.

● **THE WALL STREET** Journal defended the withdrawal of a \$10 million IADB loan to Guyana in a lead editorial Sept. 6. Under the title "Why Apologize?" the editorial stated: "The U.S. Treasury recently risked Third World wrath by vetoing [the loan]. Our pleasure at this show of spunk dimmed a bit, however, when we read that Treasury officials were denying anything 'political' about this move. . . . Whether you call it political or economic . . . with some 22 countries currently in the process of rescheduling debt payments, according to World Bank figures, it seems about time questions [about the effectiveness of programs to expand rice production] which held the price so low as to destroy incentives for farmers . . . were being asked."

● **VENEZUELA** requested a third three-month moratorium on \$18 billion in short-term debt the first week of September. Venezuela has already been granted two 90-day moratoriums on short-term debt, one in March and the second in July. The third moratorium would extend to Dec. 30. Venezuela is also suspending talks with the IMF on the conditionalities under which the IMF would agree to refinance the debt until after the Dec. 4 presidential elections.

institutions are still unwilling to hand their country over to IMF surveillance.

## European Debt

### Portugal selling gold reserves to pay debt

Portugal may have to sell some of its gold reserves to repay a \$300 million loan from the Bank for International Settlements government sources revealed Sept. 6. Portugal has borrowed from the BIS three times this year. The latest loan, for \$300 million, was arranged Aug. 1.

Prior to Mario Soares's Socialist government, with its avowed commitment to zero-growth austerity taking power in June, Portugal was forced to use its gold reserves as collateral for the loans. The government deposited 36 tons of gold in March to receive a \$400 loan, and another 30 tons for a \$300 million credit in May.

Portugal is negotiating with the International Monetary Fund for a \$480 million loan, but it is doubted that a sufficiently severe austerity plan will be agreed upon in time to enable Portugal to repay the BIS loans. The government sold gold in August to meet a \$400 million payment.

## Ibero-America

### Chilean minister foresees economic policy change

Chilean Interior Minister Sergio Onofre Jarpa Reyes announced Sept. 5 that the Pinochet government would shortly begin "a new phase of government" that would put an end to "the confusion in which the financial sectors have predominated," and give greater importance to the role of the trade unions.

Jarpa told reporters that Chile had no need "for recipes from foreign universities," an apparent reference to the economic theories applied in Chile by Milton Friedman and others from the University of Chicago.

The new policies will be announced on Sept. 11, the anniversary of the 1973 coup that overthrew Salvador Allende.

Jarpa was until recently his country's ambassador to Argentina. At the reception given him the last week in August upon his departure from the Chilean embassy in Buenos Aires, Jarpa praised the agreement just signed between the two countries for cooperation in the development of nuclear energy. Such cooperation is a sure way to guarantee peace between the two nations, he said.

## Research and Development

### New laser investment vehicle

The first mutual fund emphasizing investment in laser technology registered in late August with the Securities and Exchange Commission by the Dividend/Growth Fund, Inc., a "series" mutual fund. The fund will be managed by American Investment Managers of Rockville, Maryland.

A key factor in American's decision to launch the fund at this moment was President Reagan's March 23 strategic policy address, which committed the United States to the rapid development of beam weapons, said Dividend/Growth Fund President Gordon Lamb.

Lamb stated, "There is a lot of talk about robotization, but the impact on basic industry hasn't begun. When you combine computer controls in manufacturing with lasers that can cut, weld, or treat metal 10 to 20 times faster than existing tools, with unlimited flexibility of operations, you are talking about productivity gains of 500 to 1,000 percent."

The Fund's technical coordinator, Dr. Robert White, said that President Reagan told this country's scientists to pull all the stops to face the present strategic challenge. "Industry will have to go in the same direction," according to Dr. White. "We think the market is paying too much attention to fads in so-called 'technology issues.' Our objective is to build a portfolio which will capture the transformation of the whole economy."

## Hot autumn '83: separatism, pacifism, and terrorism

by Roger Moore

We publish here portions of a vital new *EIR* Special Report, "The Hot Autumn '83: Separatism, Pacifism, Terrorism." Prepared by counterintelligence specialists in Paris, Wiesbaden, and Rome, the report presents the results of a summer of intensive research efforts covering the entirety of Europe, hundreds of individual investigations yielding stacks of dossiers, and numerous discussions and exchanges with official police and intelligence channels.

It is the evaluation of the report's authors that unless effective counter-measures are taken, the nations of Europe will be subjected to such an intensity of rioting, terrorism, and assassinations that existing governments will no longer be able to rule and a *Mitteleuropa*, anti-American faction will come to the fore to deliver Europe into Russian hands.

In anticipation of well-known and thoroughly prepared plans of the peace movement to drive U.S. military forces out of the Federal Republic of Germany this fall, *EIR*'s specialists identified the array of organizations capable of mobilizing mass upsurges or a terrorist hard core for the destabilization. This category includes the separatist command centers Ciemen and the Society for Endangered Peoples, the West German Communist Party, the "autonomists," the West German Protestant Church with its manifold links to the terrorist Revolutionary Cells, and the neo-Nazi "national revolutionary" groups like the one associated with the journal, *Wir Selbst* (We Ourselves). These groups were then investigated to identify their interconnections, means of support, and the control structure that directs their activities and provides protection. In virtually every case these groups can be shown to function through de facto coordination among the following: 1) the Soviet Union, via the KGB and Russian Orthodox Church and corresponding capabilities from East Germany; 2) Libya's Qaddafi, a joint asset of the above and western oligarchical interests modeling themselves after Bertrand Russell's "two-empire" conception; and 3) the Lausanne, Switzerland-based Nazi International of François Genoud. Unless these command centers are neutralized through public exposure and police action, the hot autumn will become a dangerous reality.



## U.S. embassy coverup

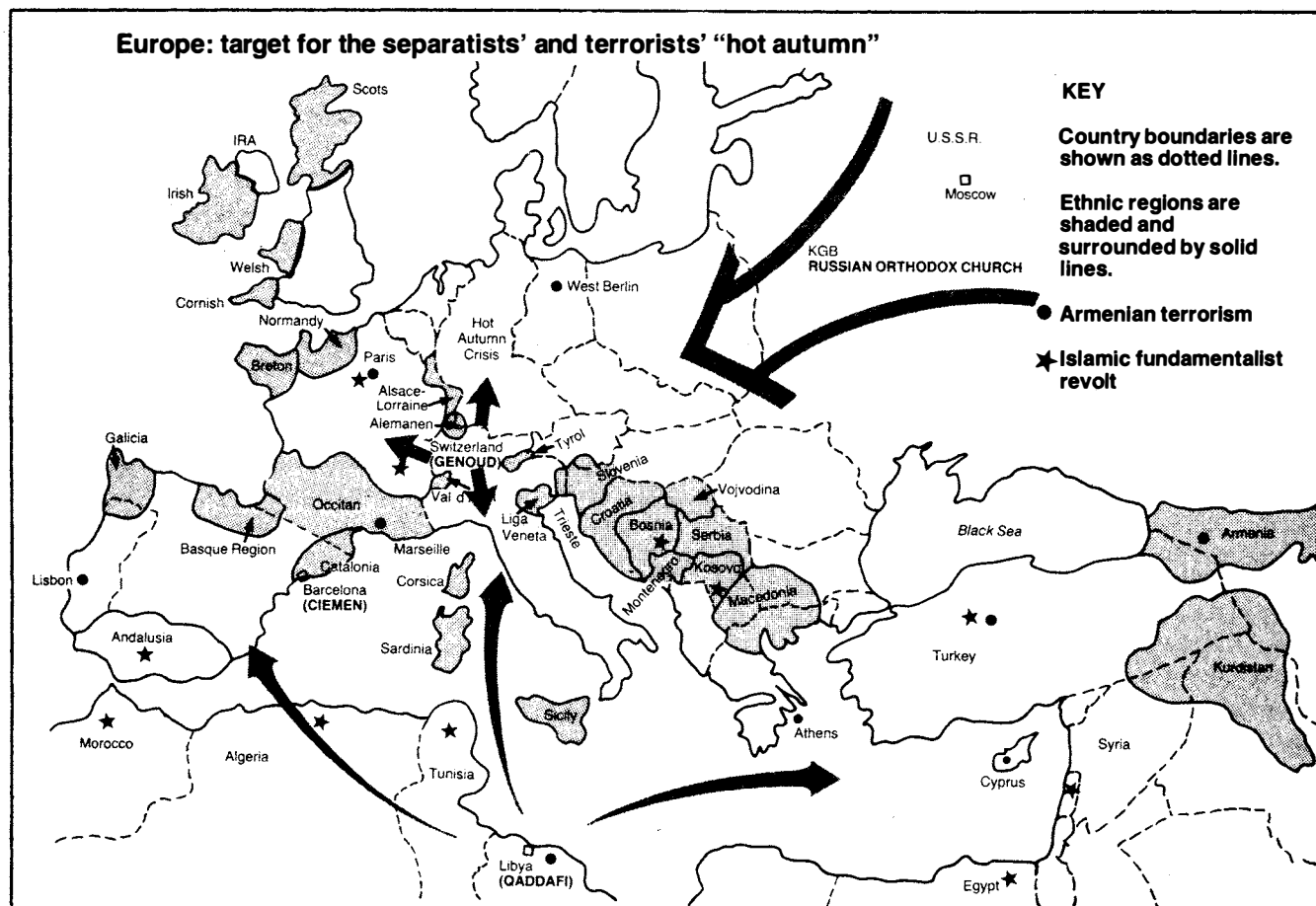
In many cases the information contained in *EIR*'s report is known to U.S. and European security authorities. Why then do most West German government officials and U.S. embassy personnel uniformly insist that no one should publicly discuss the "hot autumn," lest it become a "self-fulfilling prophesy?" *EIR* learned the answer from reliable intelligence sources in Europe: the U.S. State Department, U.S. Ambassador Arthur Burns and German Foreign Minister Hans-Dietrich Genscher are hushing up the truth about the violence that will be turned against especially American armed forces in Europe! A secret report prepared by West German security authorities, documenting Soviet and East German control and financing of the "peace movement," has been squashed on orders from Burns and Genscher.

Heribert Hellenbroich, head of the constitutional police (Bundesamt für Verfassungsschutz), unleashed a factional brawl within the security services when he gave several interviews this summer charging that the German Communist Party (DKP) was receiving 60 million deutschmarks per year (about \$24 million) from the East to expand its influence in the peace movement. NATO and particularly U.S. military facilities and ammunition dumps could soon become the target of blockades, sabotage, and terrorist attack, Hellenbroich charged. He warned that if a U.S. soldier got nervous and shot at demonstrators, the peace movement would then have

Security officials who know the full details contained in the government's secret report have been prevented from putting out the full story, and have been forced to confine themselves to such general warnings. Certain factions in the German federal law enforcement apparatus are "straining at the bit" to go public with details of the KGB involvement, according to our sources.

Why would the U.S. embassy block investigations into events which have already cost lives and which threatened the safety of Vice-President George Bush, during a violent demonstration in Krefeld in June? The answer is that the State Department, which invited a Green Party delegation to Washington this summer to organize American support for blockades against U.S. military bases, is committed to the destabilization of Germany.

Consider the profile of Ambassador Arthur Burns, the principal agent in Germany of the Swiss-based bankers' conspiracy known as the Bank for International Settlements (BIS) and the Mont Pelerin Society of ultra-monetarist economists. Born in Austria in 1904, Burns became part of a circle of Austrian and British economists devoted to forcing the United States to adopt their zero-growth economic doctrines. Burns was the mentor of Milton Friedman and the real author of Friedman's monetarist theory, which states that credit must be held at a flat rate of growth no matter what the needs of industry and agriculture, and that living standards must be sacrificed to the goal of "fiscal conservatism." These were



the policies of Nazi Finance Minister Hjalmar Schacht, a founding member of the BIS.

Burns was chairman of the Federal Reserve from 1970-77, and his tight-money policies in 1971 triggered the recession which led to the disastrous U.S. decoupling from the gold standard. A consistent supporter of the high interest-rate policies of current Fed chairman Paul Volcker, Burns has, since his appointment to the Bonn embassy post in May 1981, demanded that Germany cut wages and increase unemployment in order to "balance the budget."

Burns's policy is to put Germany through the "hot autumn" ringer, to force it to adopt such Schachtian "reforms." This goal dovetails neatly with the Soviet Union's own effort to destabilize America's principal NATO ally. *EIR's* intelligence sources claim that Burns is suppressing the German security services' secret report partly in order to protect German Foreign Minister Genscher's channels to Moscow. Genscher, who is close to the U.S. State Department and a friend of Henry Kissinger, is politically weak now and could well be ousted from government were the truth about the peace movement to make it difficult for him to play his own "Soviet card."

Another element contaminating effective U.S.-West German collaboration against the hot autumn is the U.S. foreign policy elite grouped around the Council on Foreign Relations, the Aspen Institute, and the German Marshall Fund (a U.S.-run but German government-financed foundation). These institutions exert a powerful influence over U.S.-West German relations. The head of the GMF office in Bonn, Jackson Janes, works closely with the embassy as well as State Department personnel who monitor the U.S. military. Janes has told callers, "My contacts in the embassy say the Christian Democrats and Christian Social Union are playing up the hot autumn for political purposes." Janes maintains that the United States is too heavily involved in Europe's defense, and that the peace movement can play a useful role in forcing a U.S. pullback.

### **Intelligence community warfare**

Security chief Hellenbroich's charges were the first serious challenge to the U.S. embassy-imposed wall of silence, and the counterattack came rapidly, from North-Rhine Westphalia Interior Minister Schnoor, responsible for security in the Federal Republic's most heavily-populated state and the capital city of Bonn. The city of Krefeld, scene of a riot against Vice-President Bush in June, came under Schnoor's jurisdiction. Schnoor now declares that a "hot autumn" cannot be predicted and that Hellenbroich's statements were politically motivated. Schnoor announced on Sept. 2 the arrest of the alleged "instigator" of the June riot against Vice-President Bush, claiming that the man is an informant for the West Berlin Interior Ministry—an evident factional move against Hellenbroich designed to prevent a crackdown.

Coinciding with Schnoor's broadside against Hellenbroich, West Germany's leading pro-terrorist counterculture newspaper, the *Tageszeitung*, on Aug. 31 accused the secu-

rity chief of collaborating with neo-Nazi networks. The newspaper claimed to possess 2,000 pages of material stolen from the Verfassungschutz offices during the 1973-77 period, demonstrating infiltration of right-wing groups by the federal authorities.

Schnoor is a member of the Social Democratic Party (SPD) and aligned with the current anti-American posture of the party's leadership. Yet his activities in the recent period have received full support from the U.S. embassy. Prior to Bush's visit to Krefeld, intelligence analysts of the U.S. military were under orders from Ambassador Burns to leave everything to Schnoor's office. In peacetime the U.S. ambassador has full authority over the military and can set limits on the use of military-intelligence estimates in West Germany. Before Bush's visit, Schnoor kept secret mounting intelligence showing that the peace movement was planning a violent confrontation with the intention of breaking through West German police lines and forcing U.S. security personnel to fire on demonstrators. In line with his own peace-movement sympathies, Schnoor understaffed the police and disorganized the police command with assurances that his ongoing "dialogue" with the demonstration organizers would keep the protest within manageable bounds.

The reality was different. Demonstrators came dangerously close to direct confrontation with the Secret Service and stoned the Vice-President's car. One bystander died later as a result of wounds received when she was struck by a stone during the demonstration. When Federal Interior Minister Friedrich Zimmermann denounced Schnoor for incompetence, the U.S. embassy came to his defense. Schnoor's press spokesmen claimed on three separate occasions that the U.S. embassy would back them up. Schnoor also reprimanded the Police Chief of Wuppertal who rounded up a secret meeting of Revolutionary Cells-connected "autonomous" groups, meeting to evaluate Krefeld and work out new tactics. Circulation of the *EIR's* special report and supplementary dossiers in West Germany is designed to force the same kind of success that the *EIR* team has already scored through circulation of a dossier on the Barcelona-based Ciemen separatist center of Benedictine Father Aureli Argemi, financed by Libyan dictator Muammar Qaddafi. This dossier has been widely covered in the Spanish press. An Aug. 29 article in the leading newsweekly of Spain, *Cambio 16*, cites French police efforts to prevent Basque separatists from attending an Aug. 16 Ciemen conference at San Miquel de Cuxa, France. The conference discussed how to organize separatist sabotage of NATO military facilities.

Stung by such publicity, Ciemen head Argemi held a press conference Sept. 3 in Barcelona to denounce the "absurd accusations" against him appearing in the French weekly newspaper *Nouvelle Solidarité* and in *Cambio 16*. Argemi said the charges were part of a campaign on the part of a "right-wing faction of the U.S. Democratic Party run by Lyndon H. LaRouche, Jr." to "discredit the Ciemen and the nationalist movements, which are said to have terrorist attitudes."

# The Soviets' Muammar Qaddafi praises neo-Nazis, attacks government of India

Libyan dictator and Soviet strategic asset Col. Muammar Qaddafi vigorously defended German neo-Nazism and attacked as dictatorial "imperialists" the governments of the United States, China, and India, in an interview published in the August-September issue of the German-language organ of the international separatists, *Wir Selbst*.

Although Qaddafi attempts to justify Adolf Hitler in the interview, this in itself would not be newsworthy, except for the fact that Qaddafi is a major, open asset of the Soviet Union. Qaddafi is documented as an asset of the Madrid branch of the Nazi International since no later than 1959, ten years before his Venice-backed Libyan coup d'état, and has frequently issued pro-Nazi public statements while a Soviet asset during recent years. The important feature of the published interview is Qaddafi's accurate portrayal of the West German Green Party as carrying the banner of the neo-Nazi mission, and Qaddafi's backing of separatist actions against the Indian government of Prime Minister Indira Gandhi.

*Wir Selbst*, associated with the sometimes-Denmark-based Henning Eichberg, is the organ of the German-language section of the neo-Nazi-linked separatist international. The German-language section of the separatist Survival International is the Gesellschaft für bedrohte Völker (Society for Endangered Peoples), documented in *EIR*'s special fifty-page report as a de facto front-organization for the Switzerland-based Nazi International of Lausanne's banker, François Genoud. The hard-core of the separatist international is the "foreign nationality section" of Walter Schellenberg's Nazi RSHA, the notorious AMT VI consolidating non-German Nazis of the Abwehr and Waffen-SS. This includes Nazi-created Basque, Breton, Alsatian, Corsican, Sardinian, Tyrolean, Sicilian, and Islamic integrist-terrorist organizations, and such additional assets of the Nazi International as the Lausanne- and Beirut-based Armenian Secret Liberation Army.

Although the "environmentalist movement" in Germany was launched by Nazi elements approximately 1958, and the Green Party is riddled with former Nazis and neo-Nazi elements today, Qaddafi's defense of Hitler should not be read as showing the Libyan dictator as strictly a follower of Hitler's faction within the Nazi Party. Qaddafi's and the Soviet

KGB's collaborators among neo-Nazi and related circles are predominantly a continuation of the current of Nazism called "the national Bolsheviks," the 1920s political base for the Strasser brothers and Jesuit-trained Strasser follower Josef Goebbels and Moscow-educated Nazi cult-priest Alfred Rosenberg. It is the ideology of Strasser and Rosenberg which is the direct forerunner of the Green Party's prevailing political, anti-technology ideology of today.

The longstanding philosophical link between Russian varieties of proto-fascism, such as Fyodor Dostoevsky, and currents within Nazism, past and present, is centered historically in Möller van den Bruck, Rosenberg, and the "solidarist" varieties of "national bolshevism" gathered behind the Strasser faction of the Nazi Party and its youth-movement (*Jugendbewegung*). It was Möller van den Bruck who created the policy of a German "Third Reich," a conception he copied directly from Dostoevsky's demand for establishment of a Russia-ruled world-empire, the "Third Rome."

With the collapse of Leninism in the Soviet Union, and the rise of the traditionally "Third Rome" Russian Orthodox Church as replacement for the Communist Party, it is the "Third Rome" outlook of Dostoevsky et al. which has flooded into the intellectual vacuum fostered by Russian cultural pessimism today. This "Third Rome" mentality is the basis for Moscow's present affinities for Khomeini's Iran, the neo-Nazi currents of West Germany, the Nazi International's Qaddafi, and instruments such as Lebanon's Druze leader Jumblatt.

It is of special strategic significance, that although Moscow has heretofore maintained a special relationship with India against China's expansionism and Anglo-American interventions since the days of Ambassador John K. Galbraith, Soviet asset Qaddafi places India high on his target-list of prospective victims. Qaddafi also identifies himself as an active supporter of Sri Lanka against Indian "imperialism," at the same time that he supports the international separatist movement deeply involved in the Khalistan separatist movement and Tamil insurgency. Qaddafi's apparent inconsistency in loyalties is only apparent; Soviet asset Qaddafi's essential loyalty is to chaos. He is a Nietzschean of the Nazi International's Sufi freemasonic division, aptly described as

a prospective "Fifth Horseman of the Apocalypse," a backer of forces involved in efforts to butcher the Yasser Arafat faction of the PLO and engaged personally, with massive Soviet direct backing, in efforts to unleash genocide against the black populations of North Africa, as well as against Arab nations of the Maghreb such as Egypt, Sudan, Tunisia, Algeria and Morocco. Qaddafi money is currently pouring into the separatist factions in Pakistan, India, and the Tamil populations of the subcontinent. Such actions by a Soviet asset are strategically ominous.

However, Qaddafi is not only a Soviet asset. He is a joint asset of Venice-centered Swiss and Italian interests as well as the Soviet Union, and of Pugwash Conference circles

including Kissinger Associates Inc.'s prominent partner, Britain's Lord Peter Carrington. The common denominator of Qaddafi's Eastern and Western patrons is the network organized around various projects of the late Bertrand Russell, including the Pugwash Conference back-channel between the U.S. Eastern Establishment and Moscow, as well as Russell-created "linguistics" networks organized in cooperation with Karl Korsch, "linguistics" networks including MIT's Professor Noam Chomsky, and the anarchist Institute for Policy Studies. In Britain, these networks are identified with factions associated with IISS, Chatham House, and the London Tavistock Institute, as well as leading elements of Friedrich von Hayek's Fabian Society.

## Quotations from Chairman Muammar Qaddafi

*The following are excerpts from the Wir Selbst interview with Muammar Qaddafi.*

### On the Nazi past and present of Germany

I try to understand the era of German Hitler-fascism as a phenomenon which was the necessary consequence of the defeat of Germany in the First World War and the subsequent extremist peace conditions of the hostile powers. A similar situation exists now in Germany again. Today also Germany is ruled by the dictate of the victorious powers. Against such an oppression of a people by foreign powers there must unavoidably be resistance. This is a historical necessity. Hitler was also the result of the suppression policy of the conquerors.

### On Vietnam, India, and China

The U.S.A. wants to dominate the Indian Ocean. The U.S.A. fought in Vietnam, Cambodia and Laos. This exceeds even the imperialist megalomania of Hitler. But also in other parts of the world there is still a Hitler. Even India, that founded the movement for peace and the non-aligned, expanded and had a war with Pakistan. I know the states that are located at the border of India are threatened. Also China, a country with a population of a billion people, has subjugated a country such as Tibet. Vietnam has conquered Cambodia. They are all Hitlers in disguise.

### On the mission of the Green Party in Germany today

It is part of the methods of the imperialists to call everybody who speaks about the necessity of the reunification of Germany a Nazi. Don't let yourselves be con-

fused by that. The right is on your side, not on that of the Americans, who are answering the German question with nuclear missiles and the construction of new military bases on your territory. In Germany, an emancipationist movement must arise, which exploits all positive possibilities to get rid of the foreign military bases.

Germany too could become a Jamahiria, a people's republic of the masses. . . . This is also your task. . . . This transitional phase. . . we call the phase of the revolutionary committees. It is the phase of the Green movement. . . . It is the phase of cultural revolution.

I view the Green movement in Germany very positively, especially because they form the framework both for the peace movement as well as for the protection of nature, and that ideas develop from there as you find them in my *Green Book* too. I hope that this green movement unfolds to a movement for the liberation of all of Germany.



*Libya's Col. Muammar Qaddafi, pictured behind Billy Carter and the mayor of Tripoli during a 1978 visit.*

# LaRouche comments on Qaddafi interview

The political-intelligence specialist, and average citizen must study the Qaddafi interview in *Wir Selbst*—and Qaddafi's Hitler-like operations against the nations of Africa—as reflecting the mental state of Moscow's tool. We must judge the mental state of the presently ruling combination in Moscow from such actions as the brutal murder of 269 airliner passengers, and Moscow's choice of partners.

Qaddafi, like the forces behind the separatist and terrorist movements, is essentially a Nazi. He has certain resemblances to Adolf Hitler in the manner he conducts foreign policy, but he is not so much a Hitler follower as a Sufi variety of “national bolshevist,” a follower of the cult of dionysian chaos of the ultra-fascist Friedrich Nietzsche. *The Conservative Revolution* of the Siemens Stiftung's Dr. Armin Mohler is the most compact reference-source available on the roots of both the Nazis and today's “universal fascists.”

The Soviet leadership has no illusions about its Nazi International and similar qualities of allies today. Although Moscow continues, so far, to honor a special relationship to governments such as that of India, the general trend of the past fifteen years has been Soviet preference for allies from among those it itself earlier denounced as the most unspeakable scoundrels. This is the case in the Middle East, in Western continental Europe, and in the case of Qaddafi. This pattern of choice of allies is of one piece with the Moscow command's orders to destroy a civilian airliner over the Sea of Japan.

The significance of Qaddafi's interview in *Wir Selbst*, together with the destruction of the airliner, is that these reflect the political-philosophical outlook of the presently ruling combination in Moscow. True, Moscow played with the “national bolshevist” variety of fascist from the early 1920s, and was more deeply involved with use of Nazi and related instruments throughout the post-war period than most observers not intimately informed of the facts would wish to believe. That is nasty, but it is not the same thing as Moscow's openly associating itself with such forces as political allies, and using Moscow's own resources to build up the strength of Nazis and other sordid elements in the West and developing sector.

A very profound change in Moscow's political-philosophical

outlook has occurred, most noticeably over the recent fifteen years. Three features of this process of change are broadly evident.

First, from about the middle 1960s, reliance upon Soviet Leninism as a guiding philosophical outlook for policy-making has vanished. Much of the vocabulary persisted, but the content was shifted to an increasingly pragmatic sort of cynical realpolitik. Essentially, from their vantage-point, “Leninism” had failed in both the industrialized and developing nations, and had degenerated to posturing by aging, increasingly corrupt bureaucrats inside the Soviet Union itself.

Second, this collapse of faith in Leninism was accompanied by a resurgence of old Russian culture from Czarist days, signalled by a resurgence of mass attendance at Russian churches and growing political power of the Russian Church apparatus within the Soviet domestic and foreign-policy apparatus.

Third, as I assessed the course this process was taking as early as 1972, the deepening of Soviet commitment to nuclear deterrence and détente was reflected in shifts in Soviet foreign-policy posture, in the direction of building a Russian (Eastern) division of a Byzantine-like world-empire. This I described at the time as a “New Constantinople” perspective visible in Soviet foreign-policy. Criton Zoakos published a summary of the picture of this “New Constantinople” shift during 1973. I later discovered that this was precisely the policy agreed upon between certain Western and Soviet leaders through the Pugwash Conference back-channel beginning no later than 1958. The Willy Brandt Ostpolitik, the signing of SALT I, and the signing of the 1972 ABM treaty had consolidated this new, imperialist foreign-policy outlook in Soviet policy.

These three factors—cultural pessimism, reversion to old Raskolniki varieties of beliefs, and revival of Russian imperial perspectives modelled on the “Third Rome” tradition—produced in the Soviet leadership and elsewhere an emergence of what is best described as a **Soviet Dostoevskian mentality**.

It is early to say that the Soviet Union will become a full-fledged fascist state in the sense of Mussolini's Italy or Hitler's Germany, however, the tendency is present and pronounced. There are prominent, identifiable points of coincidence between the direction of political-philosophical developments in the Soviet leadership today and, most emphatically, the “national bolshevist” currents within German Nazism. The fact that the “Third Reich” ideology of the Nazis was copied directly from Dostoevsky's “Third Rome” ravings is one. When “solidarism” was adopted as the model of socio-economic policy by the Strasser and Rosenberg currents of the Nazis, the argument was explicitly and emphatically made that German Nazi solidarism and the Tolstoyan solidarism of the Russian Mir were essentially identical. The German “blood and soil” doctrines of the Nazis and the Nazis' leading fascist competitors of that same period of German history were then explicitly represented as akin to the Russian “blood and soil” cultural model. Nazism was largely the

introduction of Eastern values of this sort against the Judeo-Christian rationalism of Schiller's and Humboldt's Germany.

The Moscow clearance to order the shooting-down of the Korean airliner is a characteristic expression of a world-outlook akin to the Nazis' Nietzschean philosophy of the Triumph of the Will, the anti-rationalist conception of Will associated with William of Ockham, Bernard of Clairvaux, and others. To deal with the West by display of a terrifying exertion of the Russian Will, is the essence of the airliner incident.

It was a Hitler-like expression in foreign-policy, a characteristically brutal expression of a "Third Rome" state of mind.

It is the same state of mind which prompts the Soviet command to deem a beast as morally and mentally depraved as Khomeini to impose its "dark age" upon the people of Iran, to unleash Qaddafi against the nations and peoples of Africa. It is that same wicked state of mind which prompts the Soviet leadership to adopt the cause of the forces of a new dark age in Germany, the Green Party, and which brings Soviet asset Qaddafi, the Nazi-linked international separatist movement, and the Green Party into convergence within Germany today.

We must recognize this political-philosophical outlook in Moscow, not only as a matter of evaluation pertaining to our own practice in related matters. Unless the Soviet Union is confronted with our knowledge of the cultural degeneration in progress in the Soviet leadership, men and women of conscience in the Soviet Union will not be encouraged to change the direction of things.

This is not to propose that Marxism and Soviet Marxism in particular are in any sense desirable ideals. I have dealt with these matters amply in numerous published locations, and do not propose to repeat that analysis here at this moment. The working-point here is that the formal commitment to technological progress, and to recognizing as "progressive" nations and political forces committed to delivering the benefits of rationality and technological progress as what the Soviets called "progressive forces" was a kind of morality, a morality which they have repudiated in their present foreign-policy and related practice.

We could have hoped to persuade them that our conceptions of the role of the individual in an environment of technological progress was superior in performance and implications to their own conception of this policy. This rabid, fanatically xenophobic disregard for the sanctity of life of defenseless airliner passengers, and the promotion of their asset Qaddafi, bespeaks an immoral irrationalism which is a thermonuclear menace to all civilized life.

They will clamor that we have influential and evil fellows in the West. Who could disagree with that honestly! Yet, the fellows who perpetrated the offenses to which Moscow will now point liberally, have been recently the Soviets' preferred political allies through such back-channels as Pugwash. In condemning the West for the wickedness of such fellows, the Soviets merely more completely condemn themselves. We know them by the company they keep.

## The 'general staff' for a in Western Europe, and

Jo Leinen, a leader of the German "peace movement" and speaker of the BBU environmentalist association, announced last October that "the Federal Republic should be made un-governable" if necessary to stop deployment of U.S. Pershing II and cruise missiles. A year later, the peace movement is efficiently organized to accomplish this goal. Police report that a tightly knit "general staff" stands ready to direct an army of up to three million demonstrators, plus an approximately 10,000-strong elite corps operating with guerrilla-warfare methods. Now Leinen hints at worse to come in 1984: "October may just have been a luke-warm spring."

The effect on the European peace movement of the Soviet Union's murder of 269 civilians aboard Korean Air Lines' flight 007 remains to be seen, although first readings from West Germany point to confusion among "moderates" within the peace movement and to widespread pro-Americanism

### Qaddafi's marching orders to Europe's greenies

Libyan leader Muammar Qaddafi, in a speech to 200 representatives of primarily the European peace and green movements in Tripoli in June of 1982, demanded a total war mobilization against the nation-states—and particularly the military facilities—of Europe. What Qaddafi described, and has financed lavishly since that time, is now on the drawing boards of the "activists," set to erupt at any moment.

"The masses must take control of everything," Qaddafi said. "All other institutions, like governments, parties, trade unions, and regular armies must disappear. Only then will there be peace. . . . The Greens must win. . . . The U.S. bases in Europe must go. This must be done by mass demonstrations and protests. . . . Instead

## hot autumn who's backing it

among the citizenry at large. If a weakening of the mass base of the movement occurs now, it will most likely be accompanied by an even more ruthless determination to destroy the state on the part of the pro-terrorist hard core. Even before the Soviet atrocity, fissures had begun to appear within the movement over the issue of "nonviolent" demonstrations. At the official opening of the "hot autumn" Sept. 1, a blockade of the U.S. military base in Mutlangen, Green Party leader Petra Kelly announced that henceforth the movement would carry out "nonviolent" actions to destroy military equipment.

Two principal controllers of the movement, well-represented in the "general staff," are the German Communist Party and the Evangelical Church, working in coordination with Libya's Muammar Qaddafi and the separatist groupings run by the Nazi International. All share the aim of ousting the United States from Europe and setting up a, deindustrial-

ized mid-European zone in the Soviet "sphere of influence."

**The German Communist Party (DKP)** and its various front groups, as federal security chief Heribert Hellenbroich has warned, are exerting a growing influence out of all proportion to the party's miniscule size, through hefty financing from Moscow and East Berlin—funds which are channeled into such projects as the "Coordination Office Autumn '83." Many "peace offices" rely on communist funds, and the peace movement "cannot do without the millions from the East," said a peace researcher.

**The Evangelical Church in Germany (EKD)**, the Protestant confederation, with its pacifist and neutralist currents dating back to World War II and before, provides ideological support as well as financing for the peace movement and the environmentalists, particularly through its Evangelical Student Association (ESG). Erhard Eppler, the radical "peace-nik" Social Democrat and president of the EKD, warned recently: "There will be unrest in this country as long as the missiles are here."

Another ranking Lutheran Church official, the director of studies at the Evangelical Academy in Loccum, Henning Schierholz, a leading Green Party member himself, recently admitted that "there is a gray zone" overlapping the Greens' official "nonviolent" position and the autonomists' advocacy of violence.

The Evangelical Student Association is no "T-group" of flower-power liberals, but a body that conducts planning sessions on such topics as sabotage of U.S., German, and NATO munitions facilities in the Federal Republic. At a meeting of the ESG in Mainz in July, attended by ESG Pastor

of demonstrating in the streets, people should demonstrate on these military bases. People should block water and food supplies going to the bases. . . . If peaceful actions do not lead to success, we will have to move toward military actions."

Qaddafi's *Green Book* of crypto-Islamic mumbo jumbo has lately become one of the bibles of Europe's ecology and separatist movements. It might surprise some to learn that one of the ghostwriters of the book is a German who goes by the pseudonym Khalifa Hannes, a recent convert to Islam and a member of East Germany's intelligence service, the STASI. Hundreds of East German military advisers are in Libya, and most conferences organized on the *Green Book* are jointly sponsored with the East German University of Leipzig.

Qaddafi's long-standing relationship to West German Green Party leaders was initiated by Alexander Langer, a leader of the South Tyrolian separatist movement. Langer introduced Qaddafi to Otto Schily, now a Green Party parliamentarian, formerly a lawyer for the terrorist Baader-Meinhof Gang. In March of 1982 Qaddafi met in Vi-

enna with leaders of the European Greens, including Langer, Schily, Alfred Mechttersheimer, and Roland Vogt (another Green member of the Bonn parliament). It was at this meeting that conduits for Libyan funding of the Green movement were concretized. "We must prepare mass violence to force the others to peace," Qaddafi told the group.

Qaddafi got his start in politics through the fascist Black International, later expanding his operations during the 1970s to include the "left" of the political spectrum. François Genoud, the Lausanne-based financier and official biographer of Hitler's lieutenant Martin Bormann, is the key Nazi connection to Qaddafi. In 1943 Genoud began recycling assets from the Third Reich into Swiss banks and then into the Mideast and Latin America, building up the war chest which today finances terrorist operations.

It was through the Genoud networks and such fascist operations as Italy's Avanguardia Nazionale that Qaddafi made his first investments in Palestinian terrorism, including the 1972 Olympic Games massacre in Munich which he financed.

Michael Arndt, Red Army Fraction terrorist veteran Margit Schiller, and suspected Revolutionary Cells terrorist Rudolf Rabe, among others, one position paper discussed a strategy for partisan-style warfare:

“Cutting off supply lines, in terms of military categories (and this is the issue of transportation) is a classical goal for an army to initiate the political and military defeat of the adversary. The unfortunately necessary military considerations signify the political demand that U.S. troops be withdrawn from the Federal Republic of Germany.

“In order to become a real political force, it is necessary to come to terms with the entirety of the political and military strategy and significance of NATO, to search out the vulnerabilities against which we can develop a continuous and self-determined attack.” One must “make an issue out of and attack the entire military apparatus and its function.”

“We believe that it is possible for us to develop practical resistance against munition transport, because we will not be up against militarily secured facilities, but rather we attack precisely where we can set up obstacles and throw sand in the machinery. It is far more difficult for the U.S. Army and the security apparatus of the Federal Republic to secure all military transports, than to keep a watch on individual depots and facilities.”

The ESG in Hamburg conducts weekly meetings with representatives of the “autonomous” peace groups. In one such conference in August, participants voted up a resolution which stated “we want to be the water in which the violent fish swim.”

Such actions against NATO facilities are coordinated by a national Committee against Bomb Transports (Kommittee gegen Bombentransporte—“KGB” in German) Targets of this group include Nordenham, an important transportation point for NATO materiel, and the private port of Midgard. The *Göttingen Atom Express* newspaper also mentions the U.S. garrison in Galstedt, German army barracks, and nuclear missile sites. In Rheinland-Pfalz, former sites of Nike-Hercules missiles in Wüschheim and Quirnheim/Grünstadt have been identified as stationing sites for the cruise missiles, in a handbook published by Alfred Mechttersheimer (*Storage and Transportation of Nuclear Weapons*), and will be targeted for sabotage actions.

Mechttersheimer, until recently a “black sheep” member of Franz Josef Strauss’s Bavarian Christian Social Union (CSU), maintains connections to Libya’s Qaddafi and has emerged as a leading theoretician of the peace movement. He has twice traveled to Libya for meetings with the Libyan dictator, and demands an “opening toward non-Western impulses.” Commenting last year on a series of bomb attacks on American facilities in Germany, Mechttersheimer told the counterculture newspaper *Tageszeitung*: “Everyone must know that attacks upon American soldiers, which must naturally be condemned, are the beginning of a protest against foreign domination.”

## A separatist dossier: the funders, and the ‘peace

*EIR’s special report includes detailed case studies on Europe’s principal separatist organizations, their directors, sources of funding, and ties to the “peace movement.” We publish here some highlights of that dossier.*

### Society for Endangered Peoples

West Germany’s *Gesellschaft für bedrohte Völker*, an affiliate of *Survival International*, typifies the link between “right-wing” separatist groups and the “leftist” peace movement. The Society calls itself a “human rights organization” dedicated to “advancing the struggle of indigenous peoples and ethnic minorities.” Its director, **Tilman Zuelch**, affirms that “we help people initiate and carry on the struggle against extinction.” A practical example of this help was staff member and Armenian specialist **Tessa Hoffman’s** assistance to **James Karnussian’s** July 1983 Armenian World Congress. The Congress included a speech in support of the terrorist Armenian Secret Army for the Liberation of Armenia (ASALA), which had just carried out a bombing raid on the Paris airport.

The Society’s board of directors illustrates the overlap of personnel between the peace movement and the separatists. It includes:

**Freimut Duve**, Social Democratic Party member of the German parliament.

**Helmut Gollwitzer**, theologian at the Free University of West Berlin. Recognized as one of the “godfathers” of the West German environmentalist and peace movement.

**Carl Amery**, director of the E.F. Schumacher Institute, a leading controller of the Green movement in Bavaria and proponent of the Club of Rome’s “small is beautiful” theories.

**Robert Jungk**, a leading futurist associated with Ecoropa, the environmentalist umbrella organization linked to the Club of Rome.

**Prof. Henning Eichberg**, a separatist theorist and self-proclaimed fascist, has played a central role in shaping the activities of the Society. Eichberg has stated that his ideas reflect the combined influence of Muammar Qaddafi’s *Green Book*, the Nazi Strasser brothers, and Armin Mohler, author of *The Conservative Revolution* and head of the Siemens



# leaders, the movement' connection

Foundation. Eichberg's goal is the unification of the environmentalist movement with the terrorist capabilities of the separatists. He holds up the Basque ETA terrorists as a particularly successful model, since they have crippled nuclear energy development in Spain by a series of assassinations and bombings.

Eichberg collaborated during the 1970s with **Father Nikolas Artemov**, a priest of the Russian Orthodox Church in Bavaria and an operative of the KGB-controlled National Alliance of Solidarists (NTS). Artemov and Eichberg together published the *European Solidarist Bulletin*.

In 1978 Eichberg engaged **Rudi "the Red" Dutschke**, the leading German anarchist, in a public "dialogue" later published in a book by **Peter Brandt**, son of former chancellor Willy Brandt, titled *The Left and the National Question*. Peter Brandt has emerged over the past few years as a leading spokesman for both left- and right-wing promoters of the reunification of Germany.

Eichberg is a regular contributor to *Wir Selbst* (We Ourselves), a "magazine for national identity" based in Koblenz, West Germany (see accompanying article on *Wir Selbst's* interview with Qaddafi in its current issue). The magazine is directed by **Siegfried Bublies**, who in turn maintains contacts with: Muammar Qaddafi, the Evangelical Student Association, Lutheran peace movement leader Helmut Gollwitzer, Peter Brandt, and the Society for Endangered Peoples.

## Ciemen center for ethnic fanaticism

**The Escarre Center for Ethnic and National Minorities** (Ciemen) in Barcelona, Spain is another coordinating center for European separatism, as detailed in *EIR* Sept. 6, 1983. The center was founded in 1975, named after **Aureli Escarre**, who was the abbot of the Catalan Benedictine abbey of Montserrat until he was exiled to Milan by the Vatican in 1965 for his outspoken support for Basque terrorism. He and **Aureli Argemi**, current Ciemen director, established contact with **Giangiaco Feltrinelli**, financier of world terrorism who died in 1972 in the process of trying to blow up a bridge.

Ciemen maintains contact with the following ethnic minorities and associations: Kurds, Armenian separatists, Celts,

Corsicans, Sardinians, Basques, Occitanians, Catalonians, and Eritreans. Ciemen spokesmen use radical anti-capitalist jargon, while supporting overtly fascist writers such as **Rovira y Virgili**, a Catalan historian who died in 1949 and had authored a "race theory" for Catalonia.

Using the spurious argument that virtually every linguistic group is also a racial entity and therefore has a right to its own "nation," they have launched projects for the "normalization" of Corsican, Sardinian and other dialects. Exploiting legitimate grievances, such as dictator Franco's repression of the Catalan language and culture in Spain, they have turned these grievances into mass psychosis. When an adviser to Ciemen was asked whether the organization receives funding from Libya, he confirmed that this was the case, albeit "indirectly, via the 'Charter of the Rights of Peoples' in Algeria."

## Drei Länder Eck

West German police monitoring the activities of terrorist groups report that a major buildup of terrorist activity is currently going on in the Stuttgart/Karlsruhe area. Probable targets include the U.S./NATO military facilities in Baden Württemberg, including the European Unified Command (Eucom) in Stuttgart. This buildup includes safehousing, smuggling, and communications for terrorist support in the converging border areas of Switzerland, West Germany, and France. This area, known to regional separatists as the **Drei Länder Eck** (Three-Country Corner), reaches from Karlsruhe and Stuttgart on the north, up the banks of the Rhine River including Strasburg to Mulhouse on the French side and to Freiburg, Basel, and Zürich in northern Switzerland.

Claims for a "regional consciousness" in the area are based on the alleged common tribal stock dating from the settling of the Alemanen tribes there from 300 to 500 A.D., and the persistence of an Alemannish dialect. Both neo-Nazi and left groups have utilized this tribalism in their propaganda.

The following are among the organizations making this area one of Europe's chief terrorist-support centers:

**Black Wolves** is a terrorist cell made up of former Hitler Youth members from Elsass (Alsace) that conducted bombings against "French imperialist" targets between 1976 and 1981.

Prosecuted in the Mulhouse courts in 1982, the group was defended by an adviser to the **Elsass-Lothringen Volksbund**, **Pierre Zind**, author of *Elsass-Lothringen—The Forbidden Nation*. Head of the Volksbund is **Ferdinand Moschenross**, who supports the anti-nuclear movement in the region since, he says, nuclear energy leads to a centralized police state. Moschenross claims to receive support from the **Centre Europeene de Culture** and **Ecoropa**. The Volksbund coordinates its activities with separatists in Occitan, Breton, Catalonia, Corsica, and the Basqueland.

During World War II Hitler's Gauleiter for Alsace, Robert Wagner, recruited the head of the separatists, **H. Bickler**, to help form an SS division.

## Moscow goes on a global rampage

by Christopher White

While Soviet officials—including Foreign Minister Andrei Gromyko at the meeting of the European Conference on Security and Cooperation (CSCE) in Madrid on Sept. 7—have continued to brazen out their barbaric massacre of 269 Korean Airlines passengers, officials from around the world began calling on the United States to protect world peace with an all-out program for beam-weapons defense against ballistic missiles.

The beam-weapons calls have surfaced with a new urgency not only because of the barbarism of the Soviet actions, but because of a growing recognition that it is the way the Russians are handled internationally that has to be changed, if nuclear war is to be avoided. Among those who have already urged the United States to develop the ABM defense program of President Reagan are two leaders of government political parties in Italy, the largest-circulation newspaper in West Germany, and the former dean of defense studies at Japan's National Defense College (see below).

Gromyko, now acting out the role assigned to Ribbentrop by Adolf Hitler, dismissed what has been publicly documented by the President of the United States, and by Jeane Kirkpatrick, the U.S. ambassador to the United Nations, in presenting tapes of monitored conversations between Soviet pilots and their ground controls. Gromyko maintained that U.S. reports are "lies and slanders," and continued the discredited Goebbels lie that the Boeing 747 passenger liner was a "spy plane" and therefore the cold-blooded Soviet attack was justified. "No matter who resorts to provocations of that kind, he should know that he will bear the full brunt of responsibility for it," he declared.

Without ever citing the actual content of Reagan's March

23 speech, in which the U.S. President offered to approach arms reduction from the standpoint of "Mutually Assured Survival" made possible by the beam-weapons defense technologies, Gromyko again charged that the West has been building "their military policy on doctrines which do not at all exclude being the first to deal a nuclear blow"—the lying charge that has been the U.S.S.R.'s only response to the ABM defense policy.

"The Soviet Union's appeal for an immediate freeze on the nuclear arsenals of all nuclear states and above all those of the U.S.S.R. and the U.S.A. fully preserves its applicability," Gromyko then stated. "This would create more favorable preconditions for a turn toward a radical improvement of the political atmosphere in the world and serve as a point of departure for the stopping of the build-up of nuclear arms and their subsequent reduction and eventually complete liquidation. The Soviet Union has committed itself to not being the first to use nuclear weapons. How the degree of trust among states possessing these weapons would increase, if those of them that have not yet done so assumed a similar commitment."

Gromyko also reiterated Andropov's frantic "offer" to ward off U.S. development of beam defense, saying that "Militarization of space poses a real threat to peace. Implementation of the new Soviet initiative, the proposal to conclude a treaty banning the use of force in space and from space with respect to earth, would facilitate the task of preventing this threat."

Gromyko's speech in Madrid made it clear, even for all the whorish types in the U.S. press corps who insist on attempting to retail rationalizations for the Soviet action which

the Soviets themselves disdain to make, that the decision was made and is backed by the Moscow central command. Those who have argued for a split between so-called political and military sections of the command must also admit that they are wrong.

### **Moscow lies to Russians**

The same top Soviet circles who are arguing that their attack on a defenseless civilian airliner was a pre-planned U.S. provocation, have taken a similarly shameless approach internally, using their lies to whip a deceived Russian population into shape for further confrontation crises. For example, it is reported that since the massacre, one of the internal radio stations of the Soviet military, Radio Volga, has been broadcasting transmissions designed to shape the climate of readiness for such further actions.

One such was by Gen. Dmitri Volkogonov, who is also said to be a commentator for the news agency Novosti, and close to the Soviet political leadership. The general is reported to have declared: "We have to bring up every soldier for readiness and glorious deeds, for sacrificing his life for the motherland to fight the coming Third World War, should the imperialists force it on us."

Soviet Chief of Staff Nicolai Ogarkov presented the press on Sept. 9 with a lengthy justification for the attack on the KAL aircraft, concluding darkly: "It is the sovereign right of every state to defend its borders, including its air space. The Soviet Armed Forces, standing guard and peaceful watch over the Soviet people, are constantly in high combat readiness throughout the history of the Soviet state. They have been discharging their duties with honor, and in the future if need be they will also perform their combat tasks."

The Soviets are deployed worldwide to provoke such confrontations themselves, with their allies among Israeli forces associated with the new prime minister, Yitzhak Shamir and former Defense Minister Ariel Sharon, and with Libya's Nazi-loving Muammar Qaddafi.

On the same day the Korean airliner was downed, Colonel Qaddafi hosted a conference to celebrate the 14th anniversary of his seizure of power in Libya. With Soviet officials participating, plans were worked out to escalate the attacks on Chad and to overthrow U.S.-allied governments in the Sudan and Egypt.

Among those in attendance at the Libya conference were George Habbash and Ahmed Jabril, whose Palestinian terrorist units have worked both with the Israelis and with the Soviets, and which are now being reorganized from Libya together with the Armenian ASALA terrorists and the networks of Abu Nidal, for terrorist operations, including assassinations.

The Soviet fleet had meanwhile just completed maneuvers of an unprecedented nature in the Tyrrhenian sea off the coast of Italy, while reports continue to come in of another Soviet submarine being tracked in Swedish coastal waters.

At the same time, the Israelis were wrapping up the de-

cision, despite U.S. pressure, to pull out of the Chouf Mountains in Lebanon. This decision was just as surely made between the Israelis, the Soviets, and the Soviets' Syrian allies, as part of a broader package to drive the United States out of the Middle East, and threaten the oil supplies of Europe and Japan.

The Israelis refrained from informing the Lebanese government ahead of time about the intended troop withdrawal, giving the Druse secret-society militiamen time to take over abandoned Israeli positions in the Chouf.

Moscow's side of the deal was made clear when on Sept. 6 Druse leader Walid Jumblatt declared to the Syrian press that "Lebanon will be another Vietnam" for the United States.

Jumblatt is a well-known asset of Syria and Syria's ally, the Soviet Union. For over three months now the entire Soviet-built SAM surface-to-air missile system, which surrounds Damascus and shields Syrian forces in Lebanon's Bekaa Valley, has been directly hooked up to Moscow's centralized PVO Strani, the National Air Defense Command computer system—the same system of air defense believed to have been activated Sept. 1 when the Korean Air jetliner was shot down by a Soviet MIG fighter.

Jumblatt's maniacal militiamen, working closely with Moscow-run factions in the Palestine Liberation Organization and with Lebanon's Amal Shiite sect (cult brethren of the Shiite rulers of Iran), are running a military offensive to wreck the U.S.-backed central government of Lebanese President Amin Gemayel. With Syrian artillery behind them, the Druse are bombarding Lebanese Army positions, the Christians in east Beirut, and Christian villages in the Chouf Mountains, as well as the bunkers of U.S. peacekeeping forces in west Beirut. Four American marines were killed there between late August and the first week of September.

On Sept. 6, the Chouf Mountain town of Bhamdun, strategically situated along the Beirut-Damascus highway, fell to Druse fighters. The pattern of Druse attacks conforms to Syria's strategy of strangling Beirut by seizing all points of access to the capital. The Syrians hope to thereby destroy Gemayel's control over the country, fulfilling the prophecy of the government-controlled media in Damascus of the "partition" of Lebanon.

As for "America's ally" Israel, one Israeli source says flatly: "The Israeli withdrawal from the Chouf was coordinated with Syria." Former Israeli Defense Minister Ariel Sharon, the architect of Israel's invasion of Lebanon and a sponsor of covert Israeli operations to arm the Druse Muslims in the Chouf, is known to have pushed for the rapid Israeli troop pullback over the objections of the Reagan administration.

"We'll pull back to our withdrawal lines, and there will be a de facto partition of Lebanon," said another Israeli source. "There will be an agreement with Syria, not a formal one as such, but covering the 'red lines' and all that." This source admitted that Israel has been pumping extensive support into the Soviet-backed militias of Walid Jumblatt.

## Western Europeans call for beam weapons

*On Sept. 4, West Germany's leading Sunday newspaper, Bild am Sonntag, endorsed the U.S. President's energy-beam defense policy as a way out of strategic confrontation. Bild am Sonntag, published by the leading conservative daily Bildzeitung,, which is part of the Axel Springer publishing conglomerate, has a circulation of 4.5 million, the largest in the Federal Republic.*

*The article followed a Sept. 2 statement to EIR by Christian Social Union parliamentary deputy Ekkehard Voigt urging West German support for Mr. Reagan's strategic doctrine in the wake of the Soviet air attack. "This act of the Soviet Union in shooting down the South Korean airliner was by no means accidental; rather it must be seen as part of total Soviet strategy. . . . We in the West must at this time stand together and follow the leadership of the United States, politically, but also with respect to technologies, by which I mean in particular the U.S. policy of developing beam weapons for defense against nuclear missiles," stated Voigt (See EIR Sept. 13, page 64).*

*Excerpts from the Bild am Sonntag article:*

While Heinrich Böll, Pastor Heinrich Albertz, Pastor Soelle and Petra Kelly [leaders of the West German ecologist-disarmament movement] were blocking the entrance to a U.S. military facility in Mutlangen, sitting on their folding chairs, it turned out they were at the wrong party.

The Soviets had just committed their mass murder of 269 harmless civilian passengers, and once again proven their policy of contempt for human beings. Let the Americans do such a thing just once—immense demonstrations would have erupted, and the peace-loving Russians would have been standing there ready to hand out their comradely embraces and kisses.

But now, all of the detente utopians, all of the Petra Kellys and Heinrich Bölls in the world, have lost a battle. . . .

The Communist Party in Russia still has to heel at the side of the military. It could not be any different in a regime which keeps itself in power solely by means of tanks and missiles, at home as well as in the satellite countries.

The circle is clear: since power in Moscow does not issue from free elections, and so does not derive from the people,

they can only prop themselves up with weapons; but the military needs the party, too, because it is the party which covers for the military in the factories and on the farms. . . .

How one should deal with this great power, which has once more revealed its true face, is a difficult question. It is true that moral outrage the world over has become torrential. But it cannot divert attention from the crucial question: What does one do about such a ruthless power, which does not stop short of mass murder of civilians even in peacetime?

Is not President Reagan right when he demands that the advocates of freedom and humanity should have superiority in order to be able to defend these values of humanity? Can one possibly permit the Soviets to get away with such violations of the most elemental international law? But what steps would make sense?

President Reagan's appeal to the scientists to come up with new, purely defensive weapons, capable of turning all attacking missiles into scrap, is probably the right way. Laser-beam weapons cannot be used for an attack; but they can condemn all attacking missiles to impotence.

Discussions about such defensive weapons are probably more useful than disarmament talks accompanied by the act of shooting down civilian airliners.

The question of how to deal with the brutal and equally thick-headed political elders of the Kremlin will unfortunately preoccupy us for a long time to come.

But the Soviets have delivered a hard blow against the so-called peace movement: Böll, Albertz, and Kelly were at the wrong party. . . .

## Italy: political, army figures

*The national vice-secretary of the Italian Social Democratic Party (PSDI), Ruggero Puletti, declared Sept. 6 in an interview with EIR that his party believes the West should launch an immediate crash program to develop the beam weapons defense system announced by President Reagan on March 23. The PSDI, a member of the current five-party governing coalition, is a small party traditionally important within Italian cabinets, whose members are influential in the Italian armed forces and intelligence establishment. The editor of the official organ of the PSDI, L'Umanità, Focolari, told EIR, "We are absolutely fully aligned with the doctrine of President Reagan." Excerpts from the Puletti statement:*

We give our full support to the beam weapons defensive system, the more so because we are convinced that when the Soviets say that they want to destroy their missiles they have no intention at all of doing so. At this point the only thing that will work is a technological challenge, because the Soviets have overwhelming conventional forces in Europe and the only thing they understand is the logic of strength. No

one will believe any longer in the Soviets' good faith. The East is composed of totalitarian countries based on a chauvinistic ideology.

I consider the shooting down of the South Korean airliner an extremely serious act, consistent with the Soviet logic. It is an act of war. The Soviets are now moving step by step to state the truth. This proves the unreliability of the Soviet leaders, and it doesn't make the least difference whether that decision has been taken, as some say, by the military or by the political leadership. How can anyone discuss seriously at this point with that leadership?

We hope that this will open the eyes of the one-way pacifists. Peace cannot exist without security. It is even more important at this point to respect the deadline for the installation in Europe of the cruises and Pershing missiles. We need a re-equilibrium of the military forces. . . .

*Italian Liberal Party (PLI) parliamentarian and editor of the party's official organ, L'Opinione, Paolo Battistuzzi, in a Sept. 7 interview with EIR, endorsed the proposal by EIR founder Lyndon LaRouche for a crash program to develop Western beam weapons defense systems. The PLI is also part of the current government coalition. The dominant Italian party until the early 1920s, it is "conservative" in the American sense, with a strong presence in the diplomatic corps and banking circles as well as the military. Battistuzzi is a member of the Parliamentary Defense Committee. His statement to EIR:*

We are absolutely in favor of both the installation of the cruise and Pershings and the development of the beam weapons defensive system. Only a new technological effort can lead the West to overcome military inferiority and to re-establish equilibrium. We cannot build up tanks; the Soviets will copy them and will keep their advantage. We can compete only by means of a technological effort. That's what is necessary today.

The shooting down of the South Korean airliner was an extremely serious occurrence. We should ask ourselves at this point whether the Soviet machine went crazy, or whether we are facing a Soviet apparatus that, confident of its military superiority, began to commit one insane act after the other. The Soviets are calculating the interval of time until the West gets the Pershings and the cruises, and the new defensive system announced by President Reagan.

They could do crazy things in the meantime because they fear the loss of their superiority. As for the shooting down of the plane, there are no words strong enough to condemn it—but we wonder if this is the beginning of such a crazy escalation. The PLI considers the situation very, very serious and therefore fully supports the necessity of the installation of the missiles and the development of the new defensive system.

[Battistuzzi, who on Sept. 6 intervened in Italy's Parliamentary Defense Committee on the Lebanese situation, expressed "perplexity" about the position of Socialist Prime

Minister Bettino Craxi, who is willing to "negotiate" and "mediate" among the Lebanese forces, including the Druzes of Walid Jumblatt (see article above)].

*The following statement by Gen. (ret.) Giulio Macrì of the Italian Army was issued on Sept. 6 from Rome. General Macrì has been long-time collaborator with the U.S. armed forces command.*

With the shooting down of the South Korean airliner on Sept. 1 in the skies over Sakhalin, which provoked the death of 269 passengers, the Soviets have opened a new phase in the strategy of confrontation with the West.

Already on Aug. 16, in the Soviet magazine *Literaturnaya Gazeta*, the analyst Fyodor Burlatskii warned that the Soviet Union considered a *casus belli* the fact that the United States was prepared to develop a laser and particle-beam anti-missile defense system.

With this willful act of murder, the Kremlin leadership wanted to show that they are not simply bluffing.

I call on President Ronald Reagan and on the European heads of state to show, in this crucial moment, the firmness necessary. Nothing less than a crash program for the development of the new ABM systems can bring the Soviets back to reason.

## France: military specialist

*Jean Brocard, parliamentarian from Annecy-le-Vieux (Haute Savoie), and a member of the National Assembly's defense committee, made the following statement to EIR on Sept. 8. Jean Brocard has been Controleur General des Armées since 1967 and has been Commissaire de la Marine (1942-56), Controleur de l'Administration de l'Aeronautique (1957-63), financial adviser to the French ambassador to NATO (1963-67), Controleur of the Army Reserve (1971), elected deputy for Haute-Savoie (1968), president of the Association Nationale du Groupe des Republicains Independants (1974), vice-president of the Association Nationale (1976-81), and president of the Rhône-Alpes Regional Council since 1981.*

I condemn this act from two standpoints. Morally, the destruction of the Boeing is an act of international piracy: I condemn the Soviet Union. As for sanctions, other than expressing universal disapproval, I don't see their usefulness. I would rather see a military strengthening in the United States and Europe, a show of force towards the Soviets.

Economic sanctions are useless. The boycott decided upon by the pilots' associations is a good decision. But we must respond militarily, and beam weapons, in particular, represent an effective means toward which we should advance.

## Japan: defense policy expert

*Makoto Momoi, formerly the dean of defense studies at Japan's National Defense College, has endorsed President Reagan's proposal for defensive beam weapons in an exclusive interview with EIR. This is the first time any senior Japanese personage has made a public statement endorsing the Reagan strategy. The Japanese government has not made public its view. The interview took place during the Sept. 2-4 closed-door Shimoda conference among U.S. and Japanese policymakers in Virginia. Excerpts from the interview:*

**EIR:** What is your response to Reagan's March 23 proposal for defensive beam weapons?

**Momoi:** In terms of concept, the Russians have been putting emphasis on strategic defense, anti-missile capabilities, etc., for many years. But also technologically, it was the Russians who started to spread rumors that they were developing charged beam particles and so on. But the U.S. congress and Pentagon under Carter denied this, and denied the contentions by Gen. George Keegan.

The United States is always late on this kind of thing. I suspect that the U.S. has pride in its technology and thinks, "Oh, the Russians cannot do it." Then they find out that it [the Soviet achievement] is true.

Now the United States is putting emphasis on defense and lasers. This is good. But don't underestimate the Soviet technology.

**EIR:** Mr. Reagan proposed changing the strategic concept from MAD to a defensive orientation. Do you think that is better?

**Momoi:** I think it's good, particularly from the standpoint of reassuring the allies. It's very reassuring for us to learn the United States is not trigger-happy, and has a defensive orientation. One fear that has existed in Japan and Europe is that a nuclear war might occur between the superpowers, but it would be theatre nuclear war, fought in Japan and Europe, with the Russians and Americans affected less. This kind of fear is eased with the emphasis on defensive weapons.

**EIR:** But I have heard no comment from the Japanese government.

**Momoi:** No. We are discussing it inside. Perhaps what I'm telling you is the first time it's been disclosed. Of course, now I'm out of government, so I can speak.

**EIR:** Is your position a minority or a consensus, regarding beam weapons?

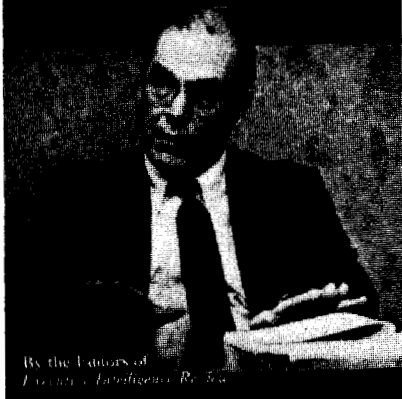
**Momoi:** I think it's a majority opinion among enlightened people. Amateurs say it's "Star Wars"—maybe the United States is bluffing." In the absence of detailed analysis this idea has been ridiculed.

**EIR:** Do you think Soviets might agree to joint or parallel development? . . .

**Momoi:** That's a good question. If you look back at the history of arms controls proposal, the Russian tactic has been: if they are ahead, they say nothing. If they see the U.S. catching up, then they say let's have agreement to force Americans not to move too quickly.

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# What beam-weapons defense will mean for Europe

by Michael Liebig

On Aug. 8, 1938, the London *Times* published a letter to the editor by Churchill's science adviser, Dr. Frederick Lindemann, which read, in part: "It seemed to be taken for granted on all sides that there is, and can be, no defence against bombing aeroplanes and that must rely entirely upon counter-attack and reprisals. . . . If no protective contrivance can be found and we are reduced to a policy of reprisals, the temptation to be 'quickest on the draw' will be tremendous. It seems not too much to say that bombing aeroplanes in the hands of gangster governments might jeopardize the whole future of our Western civilization. To adopt a defeatist attitude in the face of such a threat is inexcusable until it has been definitely shown that all the resources of science and invention have been exhausted. . . . The whole weight and influence of government should be thrown into the scale to endeavour to find a solution. All decent men and honourable governments are equally concerned to obtain security against attacks from the air and to achieve it, no effort and no sacrifice is too great."<sup>1</sup>

Today, almost 50 years later, we are faced with a comparable danger, although of a greater order of magnitude, since we have replaced conventional bombers with nuclear missiles. If "honourable governments" and "decent men" are not able to achieve an effective defense in the immediate future, a deployable defense system against nuclear missiles of *all ranges*, the future of human civilization will be sealed for all practical purposes.

Although the threat of use of the destructive capacity of nuclear missiles today is infinitely greater than half a century ago, we do have scientific-technological options for an effective defense against the nuclear threat: directed-energy beam weapons. President Reagan declared in his television address March 23, 1983 that he was calling upon the scientific community to turn its talents to creating "defensive measures" so "that we could intercept and destroy strategic ballistic missiles before they reached our soil or that of our allies."

## Retaliation and deterrence

Reagan's was a historic step in the direction of a strategy of "Mutually Assured Survival" instead of the nightmarish policy of "Mutually Assured Destruction" (MAD), of nuclear retaliation.

The global strategic regime of "nuclear retaliation" has effectively existed since the late 1950s, when both the United States and the Soviet Union had obtained a certain number of nuclear-armed intercontinental missiles, without, however, possessing a deployable defensive system against them. According to the doctrine of nuclear retaliation, an attack of one superpower against the other with nuclear-armed intercontinental missiles *cannot* be defended against; rather, by means of the potential for a nuclear "retaliation strike" against the aggressor, which also cannot be defended against, the aggressor is to be "deterred."

Under strategic conditions determined by the doctrine of nuclear retaliation, if one side is committed to conducting war because it perceives that its survival—perhaps not militarily, but as a state or political system—is threatened, its only option is a nuclear first strike to destroy the retaliation potential of its adversary as thoroughly as possible, and to limit the damage done by the adversary's retaliation strike. If the aggressor is willing to take the consequences of the losses of the retaliatory strike, which he cannot defend against in any case, then under certain conditions nuclear war can indeed be conducted, and won.<sup>2</sup>

"Deterrence by means of nuclear retaliation" will demonstrably fail when one power, armed with nuclear weapons and the means of delivering them, concludes that its survival can only be guaranteed by the destruction of its adversary or adversaries. Then the argument made by Lindemann in the London *Times* in 1938 makes felt its full force; that the side that has the relatively greater chance for victory will be the first to pull the trigger.

A strategy of nuclear retaliation cannot possibly deter a resolute aggressor. There can only be deterrence against a

resolute aggressor if there is a secure defense against his attack, and the attacked power can successfully conduct war into the territory of the aggressor, to defeat him militarily, and occupy his territory.

### **The history of 'deterrence'**

Let us briefly consider post-World War II history in this light. Up to 1949, the United States had a monopoly on nuclear weapons, and a decisive superiority in strategic delivery systems until the middle of the 1950s. The Soviet Union did have defensive capabilities, as evidenced by the dramatic development of the Russian air-defense system in the 1950s. The Russians gave their defensive capabilities top priority and did not commit themselves to the symmetrical development of retaliation capabilities by expanding their long-range bomber fleet.

Instead, they concentrated on developing long-range nuclear-tipped missiles. Through the 1950s, the Soviets, under the leadership of the extraordinary missile technology specialist Korolyov, developed a significant lead in this area. Since the mid-1950s, the Soviets have made large-scale deployments in Western Europe of intermediate-range missiles of the SS-4, SS-5 and SS-6 types. By 1957, the modified SS-6 had a range of over 10,000 kilometers. By the beginning of 1961, the Soviets had over 691 SS-7, SS-8, and SS-9 category missiles, against only 47 American "Atlas" ICBMs. The United States caught up by the middle of the 1960s with the "Titan" and the "Minuteman."<sup>3</sup>

By that time, the West was confronted with a strategic weapon of immense destructive power, *without* having the means to defend against it. That does not mean that there were no scientific or technological defense options: 25 years ago, there were a number of potential options for defending against strategic nuclear missiles, such as the Nike-Zeus anti-missile program for nuclear ICBM defense.

It might have been expected that the United States and NATO leadership would agree to a short-term symmetrical "retaliation strategy" by their own nuclear ICBMs, but only until a deployable strategic anti-missile system was readied. Instead, the offensive "retaliation potential" was expanded at top speed, and the strategy of nuclear deterrence became the binding military doctrine of the United States. Work on a defense system was still carried along, the anti-missile missiles Sprint and Spartan were developed, but the building of the Sentinel defense system with over 1,500 anti-missile missiles was repeatedly delayed.

Robert McNamara and Henry Kissinger, representing the majority of the non-military, Anglo-American strategic community, were chiefly responsible for these delays. The deterrence strategy of nuclear retaliation became the official military doctrine of the United States and NATO. Since the mid-1950s, nearly without exception; the key armaments and arms-control experts from the Anglo-American area participated in the Pugwash conferences, whose goal was to block

scientific-technological progress in the military field.<sup>4</sup>

Kissinger also chalked up the so-called ABM Treaty of 1972, according to which the United States and U.S.S.R. agreed not to develop comprehensive missile defense systems, i.e., to limit themselves to one anti-missile field respectively, one of which still defends Moscow, while the

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*The Soviet Union never committed itself to a symmetrical strategy of deterrence by retaliation, counter to certain Western expectations. Even after the Soviets' own "nuclear revolution," with the development of nuclear-armed ICBMs, Soviet military strategy remained traditionalist.... Soviet research on beam weapons was carried out under strictest security restrictions, not to wake any "sleeping dogs" in the West.*

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U.S. field in Grand Forks was never completed. In Kissinger's view, and that of the non-military, strategic planners of NATO, the ABM Treaty codified the "symmetry" of the deterrence strategy of nuclear retaliation. Under this perverse treaty, multiple-nuclear-warhead intercontinental missiles were supposed to become the "ultimate weapon" into the indefinite future, against which no defense was *permitted*.

### **Russian strategy**

Why did the Soviets sign a treaty which so fundamentally contradicts their own military doctrine? The Soviet Union never committed itself to a symmetrical strategy of deterrence by retaliation, counter to certain Western expectations. Even after the Soviets' own "nuclear revolution," with the development of nuclear-armed ICBMs, Soviet military strategy remained traditionalist. The Soviets see nuclear ICBMs merely as "the heaviest artillery," but certainly not as the ultimate weapon of Western deterrence. This nuclear heavy artillery is assigned to carry out a preventive destruction of adversary offensive ICBM and bomber capabilities, as well



as the central military infrastructure of the adversary. The next salvo is a rapid, offensive, and in-depth deployment of classical (conventional) armed forces with targeted deployment of lighter nuclear artillery to defeat the forces of the adversary and occupy his territory—in the first phase, Western Europe.

What about the effective *defense* against the nuclear offensive potential of NATO which cannot be destroyed in a preventive strike? A clause in the ABM Treaty permits research and development of strategic missile defenses, based on “other physical principles” than those of the anti-missile missile. In this, the Soviets thought they were ahead of the West. In 1962, Marshal Sokolovskii had emphasized the great importance of beam weapons for missile defense in Soviet military planning.<sup>6</sup> Soviet research on beam weapons was carried out under strictest security restrictions, not to wake any “sleeping dogs” in the West.<sup>7</sup>

### **Nuclear ‘forward basing’**

Within the Anglo-American strategic community, or at least within its hegemonic groupings, two further decisive conceptual changes took place since the early 1970s. After the SALT and ABM treaties, the consensus was that escape from the retaliation/deterrence strategy was finally buried by blocking strategic missile defense systems. On the presumption that “MIRVed” nuclear intercontinental missiles were the ultimate weapon, the classical armed forces were progressively dismantled (e.g., the lifting of universal military service requirements in the United States), as the western economies continued to decay.

So-called conventional armed forces were more and more oriented toward conducting neo-colonial wars in and against the Third World, focused primarily on securing Western supplies of raw materials and energy, and against Soviet destabilization attempts in the Third World. Most of even the well-meaning strategists overlooked the fact that the boorishly arrogant or even racist refusal to transfer technology and the denial of industrial development at all to the Third World were chiefly responsible for the successes of Soviet subversion operations.<sup>8</sup>

Next came the mutual U.S. and Soviet “forward basing” of nuclear offensive potentials in Europe. Part of the intention was to make up for the deteriorated fighting power of conventional forces in the West; and part was to set up new, merely quasi-strategic, options within the corset created by SALT and the deterrence-based doctrine of maintaining a strategic parity. The chief proponent on the American side was James R. Schlesinger, exemplified by his report “TNF Posture in Europe” in 1975.

The Soviet Union obviously had the same thoughts, and acted accordingly, without the public debate that occurred in the West. The highly mobile, highly accurate SS-20 missiles began to be installed from 1976 on: perfect preventive-strike weapons for destruction of the central military infrastructure

of NATO, and signifying at the same time the effective neutralization of land-based, or landing-strip-dependent nuclear forces of France and Great Britain.

Formally, the Soviet forward basing of SS-20s was answered with the Brussels 1979 decision of NATO to station highly accurate Pershing II and cruise missiles in Europe. The realization of that stationing resolution beginning in the winter of 1983 will escalate the spiral of forward basing that started in the early 1970s, and make confrontation almost inevitable. The Soviets will escalate their offensive potential against Western Europe with short-range missiles, particularly SS-22s. It must also be expected that the Soviets will escalate their forward basing vis-à-vis the United States, either by means of submarine-based intermediate-range missiles beneath the Polar Cap, stationing missiles in East Siberia, or midget submarine deployments along the U.S. coasts and so forth. This would naturally force the United States to escalate forward basing against the U.S.S.R.—not necessarily in Europe.

Since the beginning of the 1970s, each superpower has pushed the nuclear razor closer to the throat of its all-too-willing adversary, and we are sliding into the mutual launch-on-warning end-phase of retaliation/deterrence.

A solution to the problem of forward basing is hardly conceivable within the deterrence regime, since neither side can afford to give up its forward basing *within this regime* without forsaking vital military options. Ultimately, the reason for the deployment of intermediate-range missiles was to be able to conduct a high-precision preventive strike with as little warning time as possible, “if deterrence should fail,” as the jargon of retaliation/deterrence puts it.

That is why the speech given by President Reagan on March 23 was not a premature vision of the 21st century, but rather the beginning of a strategic reorientation of the greatest urgency.

### **U.S. beam weapons**

President Reagan’s primary motivation was, most probably, not the fact of the retaliation/deterrence regime being undermined in the Theater Nuclear Force area, but rather that in the SALT parity of strategic nuclear weapons, the Soviets have developed a marginal, relative first-strike superiority. This goes especially for the Soviet heavy ICBMs SS-18 and SS-19 deployed after SALT I, as well as the heavy Soviet fourth generation ICBMs currently in testing. These intercontinental missiles are, because of their extraordinarily great throw-weights and high megatonnage, ideally suited for destroying hardened American ICBM silos. Hence; the new American MX, soon to be deployed, would be in great danger from the outset.

The American beam-weapon program currently appears to consist of three phases. Phase One is an endoatmospheric, land-based point-defense missile defense system with chemical lasers, particularly for defense of the MX silo fields in

the next three to four years. Phase Two is an endo/exoatmospheric hybrid system, which combines land-based chemical lasers, with space-based reflector mirrors, permitting space-based target-acquisition and target-tracking instruments for missile defense. In Phase Three, a comprehensive Area Defense System is based in space, utilizing x-ray lasers.<sup>9</sup>

This U.S. laser defense program is by no means a maximum program, quite the contrary. For example, the time frame for realization of the program is around 10 years for all three phases. The first phase must be deployable by the time the MX is deployed if the modern land-based U.S. ICBMs are to have any deterrence/retaliation value at all.

American scientists in the national weapons laboratories have achieved a number of breakthroughs in beam-weapon research, the most fundamental in the area of x-ray lasers.<sup>10</sup> Dr. Edward Teller became the public spokesmen of these scientists. There is no way to ignore the fact that the Soviets, of course under strict secrecy, have driven their own beam-weapon research forward at full speed, and most likely still have the lead over the United States. It would not be surprising if the Soviets were the first to deploy a space-based demonstration laser system for defense against missiles, as part of a manned space station. Most probably, the Soviets also lead in the area of particle-beam research for land-based Point Defense Systems.<sup>11</sup> Nonetheless, American breakthroughs in the area of x-ray lasers, combined with American superiority in data processing and sensor technologies, have made it possible to at least catch up with the Soviets.

The Soviet leadership reacted to President Reagan's strategic directive of March 23 with bitter rage, chiefly because long-term Soviet political and military planning, premised on their emergence from the collapse of the deterrence regime as a global hegemonic power, was thrown overboard. The Soviets not only have lost the opportunity to be the first and sole possessors of a strategic beam-weapon defense against nuclear missiles, but also see the possibility that a beam-weapon program could become the central driving force in science and technology for the United States.<sup>12</sup>

### **The opponents of beam weapons**

The Soviets have of course exerted their immense influence over the churches in the West, primarily through the World Council of Churches in Geneva. The Pugwash networks too were immediately mobilized against the U.S. development of beam weapons, along with the KGB-controlled and funded "peace movement."

But far more important for the Russians are the Western "Spenglerians" and fanatic proponents of retaliation/deterrence, like Averell Harriman, Henry Kissinger and Lord Peter Carrington, who are committed to slowing down the American beam-weapon defense program. Their aim is an "ABM II Treaty" to suffocate laser ABM defense in the context of arms-control agreements, repeating the fate of the American Sentinel program in the late 1960s. On condition that the laser defense program were never to go beyond the R&D phase, the Kissingers and Carringtons wish to use the

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U.S. beam-weapons program as a bargaining chip in arms-control negotiations, thereby moving the Russians to artificially keep the deterrence regime alive a few more decades.

This latter grouping of adversaries of beam-weapon strategic defense is all the more dangerous because it is effectively supported by nearly all of the governments of Western Europe, which absurdly cling to retaliation/deterrence. These governments argue that the creation of an effective laser defense against nuclear missiles by the United States would break Western Europe out of the retaliation/deterrence umbrella of U.S. ICBMs, and must therefore drastically increase the threat either of Soviet intermediate-range nuclear missiles or of Soviet conventional potential against Western Europe. While beam weapons would turn the United States into an invulnerable "Fortress America," so goes the argument, the West Europeans would be left standing in the rain, decoupled from the American retaliation/deterrence.

Henry Kissinger is renowned for his pathological inclination to lie. But, on Sept. 1, 1979 at the 30th Anniversary of NATO in Brussels, he may well have told the truth. He brusquely announced to West European NATO partners that, aside from operational-tactical (TNF) nuclear weapons of the United States and conventional support, the Europeans should expect basically nothing from the United States should war break out. In truth, there is hardly anyone even in Western Europe who believes that the United States would launch a full intercontinental nuclear retaliation strike against the Soviet Union were the Soviets to attack Western Europe.

On the other hand, we claim that the United States *would* launch such an intercontinental strike, *if* there were an effective defense of American territory against nuclear missiles which enabled the United States to destroy an aggressor against its European allies militarily, without committing suicide in the process! An effective U.S. anti-missile defense system would offer the Europeans a real deterrence by means of the strategic offensive systems of the United States, a deterrence that has not existed since the 1950s. Therefore, the argument that a beam-weapon ABM defense would decouple the United States from Europe is absurd.

## Beam weapons and TNF

But Western European absurdities do not stop there. West European governments and military personnel, of course, know the reality behind the rhetoric of the "Brussels double-track resolution." They are well aware that it is precisely that retaliation/deterrence regime, which they defend tooth and nail, which has led to *both* superpowers building up an offensive intermediate-range potential in Europe, effectively as a "substitute" for the intercontinental plane, whereby the Soviets have obtained a lead of several years.

An effective, U.S. space-based x-ray laser ABM system would have two main consequences for the nuclear intermediate-range potentials in Europe. First, a comprehensive space-based American ABM system (corresponding to Phase Three in current planning) would be able to defend against a

Soviet intermediate-range nuclear assault. The ballistic trajectory of an intermediate-range missile like the SS-20 runs, if only for a very brief period, into outer space. The peak of the ballistic trajectory would be approximately 600 kilometers, so that the flight of the SS-20 is within the area of effective employment of space-based laser weapons. It was not, therefore, empty rhetoric when President Reagan and Defense Secretary Weinberger repeatedly emphasized that an American missile defense system would also protect the allies of the United States against nuclear assault.

The second consequence of an effective American laser ABM system is more far-reaching with respect to the intermediate-range potentials in Europe. Despite the claims of Moscow propaganda, the Soviet Union is working feverishly on the development and deployment of a beam-weapon anti-missile defense. In our estimation, neither side has yet attained a qualitative lead in development of beam-weapon defense systems. The American writer and politician Lyndon LaRouche has proposed an agreement between the United States and U.S.S.R. to pursue independent and parallel development and deployment of beam-weapon ABM systems.<sup>13</sup> Such an agreement would only constitute mutual acknowledgement of the respective stage of development of these systems by each superpower, but with the aim, directly contrary to the ABM treaty, of forcing the respective development and deployment of anti-missile defense. Such an agreement would mean alleviating the effective strategic blind-alley and mechanisms of retaliation/deterrence regime, and, following a transitional period, dismantling them completely. That in turn is a crucial step *in the direction* of a global strategic geometry of "Mutually Assured Survival."

Such an agreement would make it possible now, years before installation of a comprehensive anti-missile defense, to end the spiral of escalation of the current forward basing of intermediate range potentials in Europe and elsewhere. Both sides would be able to renounce deployment of their intermediate-range potentials in Europe (and elsewhere), without violating or undermining fundamental military-strategic interests. The renowned Zero Option for intermediate-range nuclear weapons in Europe would then no longer be empty talk.

LaRouche has pointed out that the fruits of scientific-technological progress will also flourish with a regime of "Mutually Assured Survival," as Dr. Teller underscored in his famous speech on beam weapons on Oct. 25, 1982 at the National Press Club in Washington, when he spoke of the "common aims of mankind."

But, to return for a moment to the sceptical Europeans and their absurd aversion to beam weapons: the ultimate, and vehemently presented, argument against strategic beam-weapon anti-missile defense is that, while laser ABM systems would remove the threat of nuclear missiles, this would only increase the threat of the superior conventional armed forces of the Warsaw Pact, and would even make a conventional war in Europe possible.

## A European beam weapon program

This apparently cogent argument is in fact the most absurd. Without the full participation of Western Europe in the development and deployment of beam weapons, Western Europe can neither be defended, nor is the development of any reasonable military strategy possible.

Within the deceptive calm of the retaliation/deterrence regime, West Europeans generally, and West Germans in particular, have fixated on a strategic mind-set which effectively rules out scientific-technological progress as a means of solving problems. The issue is not technological refinement of already existing technologies; rather, the issue is *new* technologies, such as those associated with beam weapons.

The cultural determinants of a successful military strategy can hardly be overemphasized in their importance. Western civilization has the cultural potential to realize, on account of personal freedom and initiative in science and technology, immense progress more rapidly, better and more effectively. The Eastern cultural matrix is far more plodding, far less innovative.

But were the Western cultural matrix to be undermined and riddled by cultural pessimism, irrationalism, denial of the classical heritage, and anti-technology ideology, the most deadly consequences would hit nations and economies. If Western Europe is not capable of maintaining and developing technological progress, confronted with the military potential of the East threatening Europe, no security is possible.

A division of labor and cooperation with the United States must be developed within NATO in order to launch a large, closely coordinated research and development and production program for beam weapons in Western Europe.

For the United States, the development and production of a space-based strategic anti-missile defense system against ICBMs and IRBMs has priority. Likewise of immediate and urgent importance for the United States is the development of beam-weapon defense against missiles and aircraft for the American navy, particularly aircraft-carriers. Also important for naval warfare is the deployment of beam-weapon technologies for strategic anti-submarine warfare.

A Western European beam-weapon program would have to concentrate on a beam-weapon defense system against short-range missiles, cruise missiles and aircraft.

A quarter century ago, Prof. Eugen Sänger proposed development of beam weapons as the only physical-technological possibility for anti-missile defense, since even at that time there were hundreds of short- and medium-range missiles aimed at Western Europe: "In order to remove this inertial barrier [of flak and flak-rockets] of a successful air and land defense, there is ultimately no other way than to employ the destructive energy no longer in material form, firing material masses from earth against the flying adversary, but rather to release those destructive energies in immaterial form, as pure energy, thus in the form of energy beams, which, on account of their far smaller inertia and higher velocity, will be capable of following and impacting

every material body without difficulty."<sup>14</sup>

Nuclear, or even non-nuclear short-range missiles, cruise missiles and aircraft must be defended against within the earth's atmosphere. Some years ago it was not experimentally known to what degree laser beams are absorbed in the atmosphere; since then, it has been established that atmospheric absorption is far less than initially presumed. There are determinate "frequency windows" in the atmosphere which can be exploited with appropriately tuned lasers. Additionally, it is now known that certain physical processes, such as so-called bleaching, are favorable to propagation of laser beams. Bleaching is a process in which the propagating laser beam very rapidly creates a channel which is saturated with respect to any increased absorption of laser beams of a determined frequency. Thus, by skillfully tuning the pulse, the weakening of the laser beam is drastically reduced.

For defense against short-range missiles, cruise missiles and aircraft, particle beams, in addition to laser-based beam weapons, are crucial to a Western European beam weapon defense program. These include so-called macro-particle technologies, leading to the development of a "rail gun" (magnetic canon). In the rail gun, macro-particles (ranging in weight from a few thousand atoms to a few dozen grams) are accelerated along the magnetic rail of a linear accelerator. In a process similar to that of a conventional canon, where projectiles are driven by gas pressure through the muzzle, a magnetic field "pushes" the projectile along the rail in a rail gun. Magnetic fields, however, increase the pressures many orders of magnitude, and thus the projectiles will achieve extremely high velocities (100 kilometers per second).

The second focus of a Western European beam weapons research and development program must be in the area of beam technologies for tactical land warfare. A chief issue here will be the extent to which beam-weapon systems can be miniaturized to permit mobile deployment.

The first phase of a Western European beam weapons program will have to give priority to fixed, land-based defensive beam weapons against short-range missiles and aircraft. The goal must be to install a barricade of defensive beam weapons along the NATO central front, which is capable of intercepting incoming missiles and aircraft. The design would consist of a chain of laser and/or particle weapon stations, layered in a density appropriate to the respective ranges of the beam weapon systems in order to be capable of repelling a massed-salvo assault.

In addition to the beam weapon barricade, it will be necessary to install defense of the most important military and civilian targets by means of land-based point-defense beam weapons. In this way, Western Europe would obtain a triple-layered beam weapons defense, i.e., 1) the space-based American laser-defense system against ICBMs and IRBMs, 2) the beam-weapon barricade in relative proximity to the borders, and 3) the Point-Defense-System for large cities, command centers, airports, and so forth.

This is not the place to go into the details of a NATO

program for research, development, and production of the above beam weapons defense system for Western Europe. Here it will be sufficient to briefly sketch certain of the most crucial features of such a program.

France and England have, because of their nuclear forces, scientific-technological research centers, which, although insufficient, represent a foundation for beam-weapon research work.<sup>15</sup> England, especially, has access to much of the most secret aspects of U.S. beam research.

There exists no such consoling backdrop of capabilities in the Federal Republic of Germany, Italy, or the other Western European nations. Here it will be crucial to create national and transnational research and development centers for beam weapons, which will recruit scientists, engineers and technicians from universities, research institutes and industry. Hundreds, if not thousands, of scientists and technicians will need to be sent to the United States, to familiarize themselves rapidly and thoroughly with the present standard of performance of beam-weapon technologies.

As one of the consequences of World War II, the Federal Republic of Germany in 1954 bound itself by international law never to produce or possess nuclear weapons, and re-emphasized this by signing the Nuclear Non-Proliferation Treaty. That state of affairs should remain as it is, but we must emphatically point out that the Non-Proliferation Treaty does *not* infringe, limit, or even reference research, development, and production of beam weapons, and that the Federal Republic must categorically refuse to accept any bridge or limitation on its participation in beam weapon research, development, and production efforts.

A concerted research, development, and production program in Western Europe with the indicated foci will relatively soon exert a revitalizing effect on basic scientific research in Western Europe. This is particularly crucial because of the present condition of West European universities. The beam weapons program will also quickly throw off technological-innovative spinoffs, which will be crucial for the industrial-technological regeneration of European economies: nuclear technology with nuclear fusion, fast breeder, and so forth; and metals processing, machine tools, welding technologies, communications technology, and medical technology.

Just as the development and industrial application of new technologies have been the motor for economic growth in the past, the same holds today for the revolutionary changes already visible in industry as a result of beam-weapon technologies. This is all the more crucial in view of the fact that long-term joblessness is ultimately a severe threat to national security.

A cooperative beam-weapon program will, finally, have a fundamentally regenerative effect upon the Western alliance, representing as it does a common effort on behalf of the whole of the alliance, and liberating the actual cultural, scientific and technological potencies of the West. A beam weapon program can therefore exert a countereffect to the continuing, nagging disintegration tendencies, because it

provides NATO with a rational and effective military strategy.

## A military strategy for Europe

As long as NATO military doctrine is based on the retaliation/deterrence regime, a rational military *strategy* for the defense of Western Europe, in particular the Federal Republic of Germany, that has any hope for success, is impossible. The irreconcilable contradiction between retaliation/deterrence and the claim that Europe is defensible is more or less consciously felt, if not understood, by most soldiers and citizens in Western Europe.

In the context of the present NATO doctrine of retaliation/deterrence and "flexible response," the West *cannot* prevent the entire military and civilian infrastructure of Western Europe from being hit with an immense barrage of nuclear salvos, should the Soviet Union decide to attack—"should deterrence fail."

Within the first hours of a Soviet assault, a large portion of that which is supposed to be defended will be destroyed, including immense losses among the civilian populations. One might argue that this is less the case the further one moves from the central front, but it is unconditionally the case for the Federal Republic. Should deterrence fail, should the Soviet Union decide to conduct war in Europe and accept all of the immense risks involved, this attack will ensue with the massed might of all available means. It will be conducted according to Lenin's slogan, "either no war, or a real one."

Soviet military strategy for a war against Western Europe is quite straightforward: if the continental offensive operations are to be successful, a comprehensive, massive nuclear, conventional, and chemical assault must be launched in the first hours of war, destroying the adversary infrastructure in depth in the area of operations. This surprise strike will be conducted with operational-tactical missiles and air forces. Within the first hours, NATO armed forces, their leadership and command structures, nuclear bases, air support and supply lines must be destroyed. Only in this way can the defense be disorganized from the outset. *Only then* will the armored and mechanized shock-wedges unfold their offensive action.

"In a future war, offensive operations will be the chief means deciding the armed conflict in continental operational areas. . . . The primary role in offensive operations will be played by the offensive-tactical rocket troops and nuclear armed air squadrons. Assault with nuclear weapons will be crucial on the battlefield. Other troop units [armored and mechanized units] will exploit the results of the nuclear assaults. . . . Nuclear weapons will be the chief means of destroying the most important targets. These are, especially, the nuclear weapons of the adversary and significant troop concentrations, particularly tank units, artillery emplacements, reserves of all forms, bridges, battle-positions, communications centers and so forth." (Sokolovskii, *Military Strategy*)—i.e., target groups I-IV of the Soviet targets list.

The centerpiece of Soviet military strategy against Europe is the continental offensive. The spearhead of the offen-

sive is the surprise, massed preventive strike against the military infrastructure of NATO. The first strike will be conducted with nuclear and/or conventional-chemical weapons by means of tactical missiles and air forces. Soviet military strategy foresees no repetition of the tank battles of World War II. Armored and mechanized shock forces are not the primary means of assault, but rather are assigned to exploit the results of missile artillery and air forces.

We might add at this point that a war in Europe would begin, with a probability bordering on absolute certainty, with a preemptive nuclear first strike. Only nuclear weapons would assure destruction of NATO infrastructure in a way corresponding to the Soviet target list I-IV. Were the attack begun, improbably, with conventional means, nuclear weapons will be deployed if 1) the Soviet offensive bogs down, in which case the Soviets must deploy them, or 2) NATO defenses are near collapse, in which case NATO will deploy nuclear arsenals.

In summary, a rational military strategy for Western Europe will only have a chance for success if NATO is capable of defending against a Soviet first-strike destruction of the essential military and civilian infrastructure of Western Europe. NATO must be able to stop the penetration of operational-tactical missiles and air forces, the chief instruments of this first strike. The instruments that make the successful solution of this task realizable are beam weapons.

On condition that there is a guaranteed leadership and command structure, deployable air forces and classical conventional forces, a Soviet attack can be successfully repelled, and the aggressor defeated. Above all, the availability of beam-weapons signifies a *real* deterrence of the adversary for Western Europe and thus the knowledge for the populations of Western Europe that their nations can in fact be defended.

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# Britain's defense aspirations founder on the rock of cost-accounting

by Mark Burdman

One of the paradoxes now under discussion among certain individuals close to the City of London is that the International Monetary Fund austerity policies which Prime Minister Margaret Thatcher so vociferously defends when applied to the countries of Ibero-America are in large part responsible for the growing number of problems confronting the United Kingdom's military capabilities, capabilities whose expansion and upgrading Mrs. Thatcher also vociferously supports.

As her London critics put it: Mrs. Thatcher may indeed not flinch in her intent to confront the expansionism of the Russian Bear, yet her Vienna School/University of Chicago economics is handing pieces on the chess board to the East!

Insofar as the United Kingdom as such is concerned, the central problem, sources indicate, begins with the momentous agreement reached in 1978 between then-Prime Minister James Callaghan and the International Monetary Fund for an IMF loan to the British economy in exchange for the imposition in the United Kingdom of decisive measures of austerity. Callaghan, as per the proclivities of his advisory circle at the time, ordered cuts in the defense-spending sector, to hit the "guns" component while preserving as much of the "but-ter" as possible.

The tendency of Mrs. Thatcher's Vienna School-taught advisers has been to go the Labour Fabians one step further, not in response to this or that stricture of the IMF, but in accepting the IMF principle of "cash limits" on overall spending allotments. "Cash limits" is the same kind of euphemism familiar to Americans in the hoopla around the "balanced budget." If carried to its ultimate logic, a London source told *EIR*, "it would suggest that we would be better off living on a desert island, spending and producing nothing, since as soon as you start spending and producing, you seem to always exceed what the accountants and the IMF like to call 'cash limits.' "

At present, the "cash limits" argument is being pushed vigorously by Chancellor of the Exchequer Nigel Lawson, to the dismay of Minister of Defence Michael Heseltine and many of the traditional military strategists and military-hardware interests centered around Jane's Fighting Ships and other institutions. Working alongside of the "cash limits" true believers has reportedly led various otherwise forward-

minded military thinkers to set aside the question of the necessity of development of advanced laser and other frontier military-applicable technologies; since, if faced with the "either-or" choice of preserving traditional military porkbarrels or venturing forth into new realms, they will reflexively opt for the former.

London sources have stressed to *EIR* that the IMF's influence in this respect is not at all unrelated to certain problems in the British military performance over the past period.

Outside of ill-defined strategic considerations as such, the decision by the British government in the past days to pare down the army on the Rhine in West Germany was in substantial part reached in the parameters of the idiotic austerity premises of the IMF's 1978 guidelines.

Otherwise, there is the question of an honest evaluation of the problems that have surfaced in post mortems of what the British call the "Falklands campaign." Reviews of performance against the Argentine military in that cabinet-warfare setting demonstrate the following:

- Only 40 percent of Britain's Sidewinder missiles actually functioned during performance-testing for the crisis.
- British frigates were surprisingly vulnerable to Argentine shelling, which even penetrated to the basic structural level of the frigates involved.
- British torpedo capabilities were not at all up to the par anticipated.

Whether austerity measures as such were a contributing factor in these and other problems; certainly austerity measures will militate against improvement of the technological quality of the United Kingdom's military potential. Chills run down various British spines when it is imagined what would have happened if the Argentines had been more effective and daring at various crucial moments of the combats!

The paradox involved here is of a crucial nature not only at the level of the Thatcher cabinet as such, but also at the highest levels of the British oligarchy, including within the monarchy itself. In June of this year, Prince Philip made a speech which reflected on the experiences of Charlemagne, Frederick Hohenstaufen, Alexander the Great, George Washington, and others, and called for the United Kingdom to create a new military academy to train military men in the arts of geometry and the sciences. According to informed

sources, the speech reflected a concern that in-depth British military capabilities are (proportionately speaking) vastly weaker than those of either the United States or France, and that the United Kingdom would have to study the experience of France's Ecole Polytechnique and America's West Point if it wanted to correct this problem.

Yet, in the ensuing period, *EIR* has reviewed various policy statements from Prince Philip's World Wildlife Fund decrying overambitious economic growth policies for undermining the equilibrium of nature. The World Wildlife Fund's Malthusian premises, as exposés by *EIR* have documented, are among the determining influences over the IMF's policy approach at the highest levels. Since the core of the Ecole Polytechnique and West Point traditions are an emphatic rejection of everything the WWF and IMF stand for, the laws of cause and effect dictate that the British influentials will have to give up some of the fondest premises of their past centuries' world outlook if they don't wish to play a subordinate role as a satrapy of the Imperial Russian "Third Roman Empire." Will the Sept. 1 events over the Sea of Japan and their aftermath give British leaders a sufficient jolt?

## What Prince Philip said

*On June 2, Britain's Prince Philip, who is a former naval officer, gave a policy address to the London-based Royal United Services Institute (RUSI) on the importance of the creation of a new military science academy. Excerpts follow. Emphasis has been added.*

. . . . It seems to me that it is about time the services recognised that even officers in non-technical military services should be treated as fully-fledged professionals comparable in every way with those in the law, engineering, medicine, or religion. . . . Reinforcing resistance to change in the purely military aspects of the service is the presence of a very large number of civil servants within the service ministries. Now, I am not suggesting, looking round here, that civil servants are naturally reactionary in any way. But their job is to administer the system within cash limits. And their inevitable resistance to any change to an existing system—except one which is demonstrably cheaper—therefore tends to affect the efforts of ardent reformers in the services. . . .

The fact is that universities have seldom concerned themselves overmuch with military matters except King's College, London, which had a Military Science Department as early as 1848, and Cambridge, which had one up until the last war. . . . Then why not a school of military science? In my opinion, company management is relatively simple compared to the complexities of a military regime. . . . [Lieutenant Colonel Peter] Harvey quotes a letter from Prof. Michael Howard in which he says. . . "There is no core of purely military studies that can be taught in a university. So even an ideal university syllabus for the needs of the profession of

arms would not have the kind of coherent identity that one can identify in degrees leading to careers in the other professions." I think what the Americans might say, we sure slobbered a bibful! . . .

However undesirable war may be, the fact remains that wars and the consequence of wars have probably had a greater influence on the destiny of mankind than any other human activity. . . . Afghanistan may be a long way away but I for one would hate to risk the chance of a similar situation developing in Europe. . . .

I think we should also bear in mind that some of the most influential men who have ever lived were originally or primarily military geniuses; men such as Alexander the Great, Julius Caesar, William the Conqueror, Charlemagne, Frederick the Great, Wellington, Washington, Mountbatten, and, although not a career officer, I'd include Churchill. . . .

Even a cursory glance at the careers of the most influential military leaders shows that they all gave a lot of their time to the study of their profession in great depth. The evidence also suggests that they possessed formidable intellectual and personal qualities. The idea that their profession . . . should rank below Anglo-Saxon poetry, business studies, or the obscure sociological subjects so popular in most universities strikes me as entirely ludicrous.

Now, I believe that we should ask the question: what does a young officer need to know to understand the purpose of the armed services as a whole and to be a useful member of his particular service? And I would suggest that what he needs to know comes under four broad headings. First of all, *organisation of war*. Under this heading I would place the history of warfare and the influence of decisive battles, the evolution of strategic principles and the development of units, staff command, and administrative structures to meet strategic and tactical requirements. . . .

Secondly, *defence policy*: this is important because it is very easy for officers to become so dedicated to their own particular service that they can no longer see it in the context of the whole defence system. And this section would, I suggest, include the formulation of a defence philosophy, evaluation of priorities and options, the allocation of responsibilities and resources between the services, and the assessment of nuclear and other nasty weapons, policies, and the concept of deterrence. I would also include the study of treaty organisations, allies, the purchase and sale of military equipment, subversion, and terrorism.

And thirdly, *logistics*: in this section I would include the whole infrastructure of weapons, research, development, and procurement, the defence industries, the organisation of transport, communications, supplies, intelligence, security, maintenance, and repair, to which I would add: the philosophy of selection entry, training, and promotion for all services at all levels.

And fourthly, *deployment*: by this I mean the composition, equipment, and use of military force to achieve an agreed strategy for a particular object in a peacekeeping task or in a limited or general war situation. . . .



# State Department's PAN takes a huge loss

by Timothy Rush

In one of the most stunning turnarounds in recent Mexican political history, Mexico's ruling party, the PRI (Partido Revolucionario Institucional) soundly defeated the fascist, separatist National Action Party (PAN) in the Sept. 4 elections in Baja California Norte. As late as early August, polls were giving the PAN anywhere from 60 to 75 percent support.

According to figures released Sept. 8 by a representative of the PRI, Sen. Norberto Mora Plancarte, the PRI won the governorship by a two to one margin over the votes for the PAN and other parties. Moreover, the PRI won the municipal presidencies in at least three of the four prominent Baja California municipalities, including the state capital, Mexicali. The official returns will be available Sept. 11.

The PAN is contesting the election results and claiming victory, but sources in the PAN are privately acknowledging defeat. PAN supporters in U.S. State Department circles said that if the PAN got even 20 percent, it was a "victory."

A decisive role in defeating the PAN was played by the Mexican Labor Party (PLM), co-thinkers of the U.S. National Democratic Policy Committee, whose advisory board is headed by Lyndon H. LaRouche. Revelations by the PLM and by NDPC leader William Wertz in California of the PAN's connections to the drug- and weapons-running operations of the Hollywood mafia, and to the U.S. Malthusian faction in the U.S. State Department and the FBI, broke into the Mexican press and are now before the government.

When, in a frenzy about the PLM and NDPC denunciations, the PAN lodged a formal protest with the state electoral commission on Sept. 3, demanding that an official investigation be taken up of a PLM-paid advertisement which "attacked the PAN and accused it of intending to incite residents of Baja California to violence," the electoral commission, formed by representatives from the registered parties and the government, voted to recommend that the state congress revoke the PAN's registration as a legal party, due to a series of PAN electoral abuses. Only two parties of the "opposite" extreme, the Partido Socialista Unificado de México (PSUM) and the Fourth International terrorist group called the Partido Revolucionario de los Trabajadores (PRT) backed the PAN by abstaining from the vote.

## The party of the IMF and the mafia

The PAN was attempting to take advantage of popular discontent with the austerity program imposed on Mexico by the International Monetary Fund—policies the PRI government has been enforcing—to win the elections. But, as the

PLM demonstrated repeatedly, the PAN not only backs the IMF policies itself, but is willing to barter Mexico's republican institutions and sovereignty to please the creditors.

The PAN was built up as the "institutional alternative" to the PRI in northern Mexico by the drug and weapons-runners of the Hollywood mafia who wanted to protect their border operations from crackdown on the drug trade by the Mexican government (see *EIR*, Sept. 6). But its associated political role is as a force that can introduce a process of broader institutional unraveling that would knock out the United States' natural partners in the Mexican elite committed to sovereign economic growth.

The victory is thus also a victory for the real interests of the United States, which would be hurt more than any other nation by "Iranization" on its doorstep.

## The 'Juárez Brigade'

The PLM sent organizers, called the Juárez Brigade after Mexico's president Benito Juárez, the great defender of the sovereignty of the Mexican republic in the mid-19th century, to Baja in early August after a series of PAN victories at the local level that were threatening to take the entire north of the country out of central government control.

Particularly effective was the PLM's use of history—a history more alive to the average Mexican than national histories are in most other countries. The PLM counterposed PAN candidate Alfredo Arenas's 1982 proposal to "pay off" Mexico's \$85 billion foreign debt by giving away Baja California to Mexico's creditors, to Juárez's statements calling Baja, along with the other border states, the guardians of Mexico's territorial integrity.

## From north of the border

From the U.S., the NDPC blew the whistle on U.S. State Department and FBI involvement in building up the PAN. Charges made to the press by California NDPC leader Will Wertz were covered by press on both sides of the border, including Mexico City's leading newspapers *Excelsior* and *El Dia*. Wertz called on the Reagan administration to do everything possible to prevent any violation of Mexico's national sovereignty around Baja's elections.

The PAN never attempted to refute the charges, but instead tried to discredit the NDPC as "only a front for the Mexican Foreign Relations Ministry," a ludicrous charge which carried little weight in the state.

*El Nacional's* article Sept 7 article noted that "the Na-

tional Democratic Policy Committee of California charged, in the *The Valley Press* [of *El Centro*], that the FBI and the State Department had intervened in the Baja elections. . . . The charge, which [also] appeared in *Novedades de Baja California*, mentions the intervention of Henry Kissinger, through whom the members of the PAN are receiving the support of government sectors in the neighboring country."

Faced with the "clearly foreseeable defeat" of the PAN, yet another State Department-linked entity, the Instituto Mexicano de Opinión Pública (IMOP), published a desperation poll claiming the PAN would win the election with 50 percent of the vote. IMOP is run by a notorious proto-terrorist "greenie" Adip Sabag, a leader of the now legally defunct Partido Socialdemócrata Mexicano (PSD), which was established with the help of State Department operative Charles

Henry Lee.

The PAN has lost little time, once its defeat was imminent, to raise the threat of violence. The secretary-general of the party, Jesús González Schmall, upon being informed that his party may lose its registration in the state, declared that in that case the party "will take power with true civic insurgency."

José Pérez Stuart, a pro-PAN columnist in *Excelsior*, made public the argument that State Department-linked operatives have been circulating through U.S. and other international circles in recent weeks: "The elections at the state level are the escape valve for the social pressure that the [economic] crisis is provoking. . . . If that release for popular dissatisfaction is closed off, [it will] open a chapter in the crisis not seen up to now."

## Mexican Congress launches debate over NDPC's charges

The charges of the National Democratic Policy Committee that the PAN party of Mexico was receiving help from the U.S. State Department and the FBI were raised on the floor of the national congress of Mexico Sept. 8. The debate, and front-page press coverage in all major Mexican press the next day, placed the issue at the center of national attention. The PAN responded with wild attacks on Lyndon LaRouche, the advisory board chairman of the NDPC, as a "multi-millionaire who is determined to become the first socialist [sic] president of the United States."

In response to press queries, the chief of the PRI majority in the Senate (equivalent to Senate majority leader in the United States), Miguel González Avelar, stated that "even the possibility that some political party is thinking of accepting the help and aid of a foreign government or organization must be drastically criticized and condemned." Congressional leaders of five parties other than the PAN and the PRI called for the Interior Ministry to carry out a full investigation of the charges.

The PAN's only defenders were an "opposite" faction of left-Jesuit forces, based in the newspaper *Unomasuno* and part of the Unified Socialist Party (PSUM) apparatus.

The new round of controversy over the NDPC charges was provoked by a front page interview with NDPC West Coast Coordinator Will Wertz, appearing in the leading daily *Excelsior* Sept. 8. Excerpts of the interview follow:

"William Wertz, coordinator of the Committee for the West of the United States, stated in a press conference that the official U.S. aid [to the PAN] is provided through the

State Department and the Justice Department. This last, is through the FBI, which is the federal judicial police of the United States.

Wertz said that "the U.S. help to the electoral campaigns of the PAN can be traced back for several months, since the electoral campaign of this political group in Sonora. . . . The PAN won the municipal elections in Hermosillo, [the capital of Sonora] with the help of the U.S. embassy, and the result is that the FBI has assigned a number of its agents to the mayor's office in Hermosillo, providing various forms of logistical support."

"The help," according to Wertz, "consists principally in promoting the credibility of the PAN, [but] also, other kinds of aid."

Wertz indicated that "the objective of the U.S. government is to use the PAN as a means to prevent the Mexican government from joining with other Latin American countries, which are trying to renegotiate the debt and integrate their economies."

The National Democratic Policy Committee has its headquarters in Washington, and its advisory commission is headed by Lyndon LaRouche. LaRouche was one of the candidates for the nomination of the Democratic Party for president in 1980. In addition, LaRouche represents the conservative wing of the Democratic Party.

According to members of this wing, LaRouche and the committee which he heads have maintained close relations with Mexico for many years, and has traditionally supported the policies of the Mexican government in Central America, in monetary questions, immigration, and others.

In fact, they say, LaRouche had an audience recently with the president. LaRouche is also the promotor of "Operation Juárez," which, they report, has the goal of creating just and respectful relations between the United States and Mexico, following the model of the alliance between Benito Juárez and Abraham Lincoln last century.

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## Book Review

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# Why the Eastern rites reject the *Filioque*

by Nicholas F. Benton

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### The Nicene Creed: Our Common Faith

by *Emilianos Timiadis*

The Fortress Press

Philadelphia, 1983, 128 pp.

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The Metropolitan of Sylbria and representative of the Ecumenical Patriarchate at the World Council of Churches' headquarters in Geneva, Switzerland, has published through the Lutheran Church a revealing identification of the "paradigm shift" by which would occur a new global religious reunification.

Timiadis's little book is especially influential among the clergymen and scholars orchestrating the "ecumenical dialogues" that are retooling Christianity. Led by Hans Küng and Martin Marty, schismatic Roman Catholics otherwise known as Tübingen theologians are calling for a "new world religion" based on a "paradigm shift" to an Oriental model of Christianity, hostile to the principle of scientific and technological progress, and especially to nation states dedicated to such principles, such as the United States.

The Great Schism that split Christianity into its Eastern and Western branches originally occurred over the issue of the *Filioque* clause in the Nicene Creed. It is both instructive and lawful, therefore, that in 1983 the Metropolitan Timiadis, while advocating policies to undermine the strategic interests of the United States, singles out the *Filioque* doctrine as the principal obstacle in the "ecumenical dialogue" leading to reunification and a new one-world religion. That is, it is not the *Filioque* clause, per se, but the culture which it represents, that must be changed.

The relationship between Timiadis's attack on the *Filioque* clause in the Nicene Creed, and his rejection of the Book of Genesis's injunction that "man should fill the earth

and subdue it" defines the theological content of the Eastern churches' current control over the foreign policy and KGB operations of the Soviet Union.

This control is based on the Eastern Church's commitment to a 14th-century Third Rome prophecy, which asserted that Moscow would follow Rome and Constantinople as the third, and final, seat of world empire. This control is the principal factor operative in Yuri Andropov's ravings against the Reagan administration's commitment to develop an energy beam defensive weapons system, and his deployment of "peace activists" in the United States and Europe to sabotage this policy.

Timiadis' book confirms that the Eastern Orthodox Church is, in its theology and practice, fundamentally irreconcilable with the Western Christian tradition as exemplified by the Augustinian founders of the modern nation-state, and always has been.

### The 'imitation of Christ'

The *Filioque* clause adds the words "and from the Son" to the Nicene Creed's affirmation that the Holy Spirit proceeds "from the Father."

It was St. Augustine, in his theological work defining the content of Christianity against the heresies, *On the Trinity*, who first explicated the importance of asserting that the Holy Spirit proceeds not from the Father only, but from the "Father and the Son."

The Council of Toledo was the first to officially proclaim the *Filioque* in 447 A.D., and it was generally included in the practice of the Church until 809, when Pope Leo III (795-816) rejected it. In 867, when Nicholas I reintroduced it, he was declared excommunicated by Photius, the Bishop of Constantinople. Then, in 1014 Pope Benedict VIII officially proclaimed it, finally paving the way for the rupture between East and West in 1054.

With the distinction represented by the *Filioque* clause—its Augustinian view that the Holy Spirit proceeds from the Son as well as the Father—the Church affirms that man's relationship to God is mediated (by way of the Holy Spirit) not simply to a "direct encounter" with God the Father (and the "risen Son"), but through the historical Jesus Christ.

That is, it is by connection with the life of the historical Jesus Christ that the Christian encounters the "grace of the Holy Spirit"—and while this connection is mediated through the canonical Biblical accounts, the Church, and the apostolic succession, the most profound implication is taking into one's self the historical Christ as the archetype of human identity: the notion of "being in a state of grace" is inseparable from imitating Christ in day-to-day life.

This identity for the Christian, as Augustine indicates, compels the powers of human reason to unlock the lawfulness of nature for the purpose of increasing man's dominion. It is the basis for a commitment to scientific, technological, and cultural progress to overcome backwardness, poverty, disease, and oppression, to bring man into greater "atonement" with the laws of God's ongoing process of creation. As one

can find in the works of John Milton, the voice of the Commonwealth faction in England which conceived the American republican project, assertion of this notion of human identity was the basis of the fight to establish the modern nation state. These strategists succeeded in establishing the United States as a constitutional republic rooted in the *Filioque* principle of man's self-perfection.

Rejecting the individual's connection to the historical Christ as a mediation of grace, the Eastern Church, like the Gnostic heretics in earlier periods, asserts that man's relationship with God stands outside history, in a direct encounter with the "Holy Spirit proceeding from the Father, alone."

In this view, the believer becomes not "Christ-like" in the moral fashion indicated above, but "God-like"—even though God is "totally other and unknowable."

This is the root of the Eastern Church's preoccupation with asceticism and withdrawal from the world, a world regarded as contaminated and inherently evil. In this view, the notion of "imitation of Christ" simply refers to the personal victory of Jesus over the flesh.

And while the Holy Spirit in this Gnostic view fills man with cultish "emotional rapture," Timiadis tips off the underlying Isis cult nature of the Eastern Church by identifying the Mother of God as "an expression of the incarnation of the Logos."

*EIR* founder Lyndon LaRouche, in a 1973 article published in *The Campaigner* magazine entitled "The Case of Ludwig Feuerbach," identified Feuerbach's odd substitution of the Virgin Mary for the Holy Spirit in the Trinity in his work, *The Essence of Christianity*, as a flaw revealing unresolved Oedipal rage along the lines of the Great Mother cultists identified by Augustine in his *City of God*. Such factors, LaRouche commented, are typically at the root of epistemological flaws, heresies, and the propagation of downright evil, embodied in irrational opposition to scientific and technological progress.

By placing the Mother of God in the position of a Logos proceeding from the Father, the Isis image is placed over that of the historical Christ in the Eastern Church. In Eastern Rite churches, the dominant figure depicted is the Virgin.

The World Council of Churches effort is not confined to direct "ecumenical" negotiations involving the Eastern rite, but extends to fundamentalist currents with their stress on irrationalism and fixation on "direct revelation" and "personal salvation."

The future of the United States, and of civilization as a whole, depends on a massive mobilization of the historic American commitment to scientific and technological progress that built this nation into the greatest power on earth. In the 1980s, as Mr. Andropov knows, this means a crash development of beam weapons and their vast technological spin-offs for the domestic economy. Wherever this is undermined by subversion, irrationalism, or passivity in the face of crisis, it is the work of the enemies of the *Filioque*.

## KISSINGER'S PLOT TO TAKE OVER THE REAGAN ADMINISTRATION

The surprise naming of Henry Kissinger to head the President's Bipartisan Commission on Central America is part of a long-standing attempt to subvert the Reagan presidency. Henry Kissinger's return to official life is far more significant than the Central American appointment would suggest.

This two-part study by **EIR** Washington bureau chief Richard Cohen is essential reading for any citizen concerned with the future of the United States as a republic. Part One was written in late 1982, long before anyone else recognized the Kissinger operation. It documents the months-long process of inserting, with the friendly offices of Secretary of State George Shultz, "Kissinger's boys" throughout the administration. Part Two analyzes recent developments, including Kissinger's boast at a cocktail party in Israel, just before his nomination to the Commission, that "within two weeks I will be back in government; within a short period after that, I will be running the government."

**The report is available for \$250.00.**

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## A most unusual Jesuit conclave

*On the eve of the election of a new general, the Basque "black pope" Padre Arrupe declares open war on the Pope.*

When the 33rd General Congregation of the Society of Jesus opened in Rome Sept. 2, at center stage was the society's General, Pedro Arrupe, known as the "Black Pope." The aged Basque prelate was forced out of active duty in 1981 by John Paul II, and now, after two years in which the Pope's hand-picked vicar has run the order, he will be formally replaced.

For the first time in the Jesuits' history the Pope himself opened the proceedings with a high mass in the Jesuits' own general curia and admonished the order to obey its "fourth vow," that of particular obedience to the Pope, and "vigorously combat atheism."

Both points of emphasis were John Paul II's response to a challenge from Arrupe, delivered in the old General's memoirs. The Pope evidently does not trust the Jesuits.

On Sept. 2 the Pope received the Dominicans with their new General Master, Damian Byrne, and reminded them, too, to maintain above all their "tie" to the Pope and religious vocation. But his big problem right now is the Jesuits.

Historically, there have been two ways of dealing with them: dissolving the order, as Pope Clement XIV did in 1773, or trying to put them under total control, a policy which has ruined the digestion of many a pontiff who adopted that arduous course.

Under fire are Arrupe's generalship and his most infamous offspring, the Theology of Liberation which has

spread through Ibero-America, most notoriously in the "machine-gun-toting priests" of Nicaragua. But the Jesuits are tough nuts to crack. Arrupe has just put out his spiritual testament, an autobiography titled *Itinerary of a Jesuit*. Arrupe's book is modeled on Ignatius Loyola's *Story of a Pilgrim*, down to the detail of being dictated to a fellow Jesuit priest (in Arrupe's case, Father Jean-Claude Dietsch).

This General Arrupe threw on the negotiating table shortly before the Congregation. The message was that the new General should continue Arrupe's work. Communist Party journalist Alceste Santini, whom some consider Arrupe's personal secretary, put it this way: "...this extraordinary Jesuit. . . will be hard to forget. Thus his 17 years in the leadership, which went from pre-Council ideological and pastoral integralism to the much-debated openings and experiments in dialogue with other religions and other cultures, have made their mark. The 33rd General Congregation will be a confirmation of this debate from which not even the Pope can extricate himself."

Arrupe's not denying anything. Quite the contrary. His biography, a manifesto against the Catholic Church, harps incessantly on his pet themes of "dialogue," "face-to-face," and "work in common" with the Marxists, the cults, and so forth. Says Arrupe, "I cannot accept their Marxism, but still I must speak with them. . . . Various types of collaboration are possible and

even desirable, because they favor personal contacts." "Collaboration" for Arrupe means training and unleashing the hordes of peaceniks whose creation and control the Jesuits share with the Soviet secret services: "Just think how much work in common can be done to fight the fear of the arms race and nuclear war." Another crucial "common action" Arrupe directs against science and technology, "so that the world can be more and more run by man and not by machines, by computers."

The Jesuit taking his dictation at a certain point draws his mentor's attention to the fact that "such courage of thought may be in contrast with the obedience the Society owes to the Pope." Arrupe, unruffled, shoots back: "We are not a second Swiss Guard. Our obedience *is not passive*, we have the availability of free persons."

As Pope John Paul II knows, the Jesuits, a secret intelligence service in the employ of the Spanish and Venetian oligarchies, only won Vatican recognition as a "religious order" in the 1500s after Loyola and the Venetian noble Contarini pulled the trick of declaring "absolute obedience to the Pope." This is the clause the Pope invoked to try to put order into the most dissolute of orders.

Now Arrupe has launched his declaration of war. Explicitly countering the grave reservations the pontiff has expressed recently on the Jesuits' behavior, Arrupe insisted at the conclave that the Society has made "great progress." John Paul II's candidate for new General is Giuseppe Pittau, one of the two who have run the Society since 1981. Arrupe is pushing the name of Peter Hans Kolvenbach, the Dutch rector of the Pontifical Oriental Institute, the Jesuit think-tank linked to the Russian Orthodox Church of Andropov and Khomeini's Islamic maniacs.

## The threat in Mecca

*Among this year's pilgrims are over a hundred thousand Iranians said to be trained street-fighters.*

Not only because of the Lebanese crisis, and an expected renewal of the fighting between Iran and Iraq, has the Middle East entered a most dramatic period. On September 5th began the yearly period of the Hajj, or pilgrimage to the holy shrines of Mecca, for millions of Muslim believers throughout the world—and this year again the Hajj means trouble for Saudi Arabia.

This has been the case ever since a small group of fundamentalists seized the Mecca Holy Mosque in November 1979, holding it until it was stormed by the Saudi army and French GIGN special police a few days later.

No one knows yet what will happen this year, but it is feared that events in Lebanon or the Gulf may become the catalyst for an explosion during the Hajj. The Saudis have again taken enormous security precautions. A special team of riot-control specialists from France has arrived, equipped with helicopters. The Saudis hope to be able to check each one of the pilgrims before they are allowed to enter the Holy Mosque.

Openly coming for a confrontation are no less than 110,000 Iranian pilgrims, accompanied by 3,000 Arab pilgrims sponsored by Teheran. According to *Times* writer Amir Taheri, these are divided in groups of 100 each, led by a mullah and a revolutionary guard. Each of the "pilgrims" is said to be an expert in street-warfare.

Saudi security nonetheless expects to be able to control the situation. Specialists say that this will be

possible if there is no complicity with the Iranians from inside the Saudi forces. In 1979 the Saudi national guard led by King Fahd's rival Prince Abdullah, was more than sympathetic toward the Mecca insurgents.

Islamic fundamentalist groups of all kinds have been reactivated throughout the Middle East. In recent weeks, both in Tunisia and in Egypt numerous cells of the little-known Al Tahrir al Islamiyya (Islamic liberation party) were discovered. As Tunisian army officers were brought to trial for plotting an Islamic military coup, it was revealed that Al Tahrir coordinated operations throughout the region from its main base in Teheran—and that one of its international headquarters was in Munich, West Germany.

Investigations by *EIR* pointed at the Islamic center there. One of the center's leaders is Fatima Hereen Sarka, the converted daughter of SS General Wolff, and a close associate of François Genoud in the recent "Hitler diaries" scandal. Al Tahrir's leader there was identified as one Salah Eid, based in West Berlin and the leader of a cell of Sufi mystics.

The Egyptian authorities later arrested some 20 members of yet another previously unknown group, which officials say for the first time included hardcore communists and muslim brothers in the same organization.

There has been another recent confirmation of the new Soviet Islamic strategy in the region: Nureddin Kianouri, the First Secretary of the

Iranian Communist Party (Tudeh) until his jailing by Khomeini four months ago, emerged from imprisonment to give a lengthy statement to Teheran Domestic Television Service that he had been born again as a Muslim fundamentalist. "What I have learned is that Marxism failed to take root and grow in Iranian soil because the Iranian people are deeply committed to the Shi'ite religion as pursued by Ayatollah Khomeini and his adherents," said Kianouri. "This religion, and system of values, provides an all-encompassing parameter that provides all the answers to all the questions arising among Iranian society in general. . . . This also means that Marxism has nothing better to offer them."

Meanwhile the celebration of the "Libyan revolution" was again the occasion for radical groups of all kinds to meet—especially the Palestinian rebels opposed to Yasser Arafat. On Sept. 6 they announced the creation of a "committee to monitor Arafat's activities," while Syria was relaunching its military drive against Fatah troops in Lebanon.

The Libyan festivities also saw the cementing of a relationship between the Armenian ASALA terrorists of Edward Hagopian, who is now permanently based in Libya, and the Abu Nidal group. (Abu Nidal is reportedly in East Germany for heart treatment.) Hagopian is now calling his members *mujahed* (holy fighters) and advocating a "holy war" against Turkey. He is working out of the Sebha military base in the south, whose commander, Colonel Messaoud, is also busy training Corsicans, Basques, and Sardinian separatists.

With Teheran as regional headquarters for the fundamentalists, and Tripoli and Damascus for the "political" terrorists, Moscow is ready to give the green light for an all out assault in the Middle East and in Europe.

## Out of the nosedive?

*The State of the Union address reaffirmed austerity; labor insists the country needs something more.*

President Miguel de la Madrid Hurtado gave his first *Informe* (State of the Union) message to the nation on Sept. 1, and left things pretty much where they were. This was a feat for such speeches, which carry much more weight in Mexico than the corresponding annual address in the United States. They traditionally contain new policy initiatives, and in some cases such dramatic announcements as the first devaluation of the peso in 22 years (Echeverría in 1976) and the nationalization of the banks (López Portillo in 1982).

De la Madrid clearly did not want to rock the boat of "Mexico's financial success" now finding port in Wall Street, London, and Basel. Preferring airplane metaphors, he stressed that Mexico has "pulled out of the nosedive" which had characterized the economy a year before, when Mexico declared to its international creditors that it was bankrupt, and the peso crumbled in value.

The President promised no relief from the crushing austerity program now in effect, for at least a year. But neither did he announce any dramatic new measures to further open up the economy to foreign capital, or sell off state sector companies—both measures urged by certain international bankers.

He did not skip over potential expansion of ties to the rest of the continent, but he gave no hints that Mexico was seriously considering joining the debtors' cartel activity so prevalent

elsewhere. De la Madrid outlined the importance of the Mexico-Brazil summit at Cancún at the end of April, noting that "In my meeting with President Figueiredo of Brazil, we spoke of Latin American collaboration as a paramount question. Concrete accords were made with Brazil in the areas of capital goods, steel, and petrochemicals. With Latin America we share problems and we have common yearnings." But he went no further.

In an interview with *Le Monde* released the next day, he was both more and less explicit. He stated that "I don't believe in an overall refinancing of the foreign debt of the developing countries, and especially of Latin America. The situation varies with each country. I do not share the opinion of those who advocate a long moratorium. That solution is neither realistic nor just." But he added that agreement is necessary to establish greater cooperation among the countries to emerge together from the crisis. This "has to be planned," he declared.

Cutting across the technocratic tenor of the bulk of the three-hour speech was a passionate final call for Mexicans to stay "on a war footing" to preserve the nation in a great hour of crisis. He urged particular determination to overcoming inflation, which "everyone must fight from his own trench."

"The economies [of the world] are not recovering; international finances are erratic. The challenge is enormous; it is analogous, in the economic

realm, to times of war. The destiny of the nation is in the balance," De la Madrid declared.

More appropriate to this call than the unmitigated austerity he himself offered, was the proposal made the next day by Fidel Velásquez, head of the Mexican Labor Confederation (CTM). Whereas de la Madrid had stressed that the fight against inflation was the number one battle of the country, Velásquez, speaking to the closing session of the CTM's annual national congress, said the central battles were two: the fight against inflation, and the fight for a recovery of production. His program for a rebound of production featured:

- Forcing speculative investment into productive investment;
- Establishing a "selective credit program" that gives special consideration to "production of basic and strategic goods."
- Establishing preferential interest rates for productive activity;
- Allowing "flexible amortization due dates" for repayment of capital on loans.

Velásquez insisted that, since the government has bailed out private sector companies by shouldering those companies' dollar debts, in return those firms must adhere to 1) maximum reinvestment of profits, and 2) maximum plant utilization.

Perhaps Velásquez's most important announcement was that he has no intention of retiring, though he is 83, and that he will continue leading the CTM until he dies, "if that is the will of the membership."

One of the most insistent rumors just before the President's *Informe* was that he might nationalize the private television monopoly in the country, Televisa. De la Madrid did not go ahead with such a decree, but the rumor sent a shock through the dirty-money-ridden Televisa circles.

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# International Intelligence

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## *Nicaragua's D'Escotto helped CIA in Chile*

Maryknoll priest and current Nicaraguan Foreign Minister Miguel D'Escotto helped the CIA overthrow socialist Salvador Allende and install butcher Augusto Pinochet in Chile in 1973, according to an article in the Aug. 24 issue of the Brazilian magazine *Veja*. The article cites former U.S. ambassador to Chile Edward Korry as saying D'Escotto's name was mentioned on two lists of "trusted people" of the U.S. embassy in Chile, and that he also helped the CIA to finance local political candidates.

*Veja* said that the Maryknoll order's magazine, edited by D'Escotto at the time of the overthrow of Allende, ran an editorial supporting Pinochet's coup d'état: "This was the only way to end the irresponsible adventures of the Allende government." D'Escotto, says *Veja*, was "recruited" to politics by the Belgian "anti-Communist" Jesuit priest Roger Vekemans in the late 1950s.

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## *Soviets' Far Eastern chain of command*

For the benefit of specialists and others studying the Soviet shooting down of the Korean 747, *EIR* has assembled brief profiles of the Soviet chain of command involved.

The Soviet planes that shot down the Korean Air Lines jet were deployed out of the PVO (Anti-Aircraft Defense) forces, whose commander-in-chief is Marshal Aleksandr Koldunov. The shooting occurred in the Far East Military District.

Below Minister of Defense Marshal Dmitri Ustinov and Chief of the General Staff Marshal Nikolai Ogarkov, there are three main commanders who would have been involved in taking the decision to shoot down the airliner:

Marshal A. Koldunov, head of the PVO since 1978. Born in 1923, Koldunov was a pilot, a 1960 graduate of the General Staff academy, and then commander of various

air defense units including, as of 1968 in Baku, Soviet Azerbaijan. In 1971-78 he was Commander of Anti-Aircraft Defense, Moscow. Koldunov is a member of the Communist Party Central Committee.

General V. Govorov, born in 1924, is the son of Marshal Leonid A. Govorov, a famed World War II commander. V. L. Govorov headed the Moscow Military District, a vital command, from 1972 through 1980.

Official Western reports list Govorov as "Commander, Far East Troops," noting that this identification was made in March 1981. A Radio Liberty research report states that Govorov was promoted to full Central Committee membership at the 26th Congress (March 1981).

General I. Tretyak, born in 1923, fought in Byelorussia during World War II. In 1966 he was promoted to the rank of lieutenant general and made commander of the Baku garrison. From 1967 until 1976 he commanded the Byelorussian Military District. Tretyak took the Far East District command in 1976.

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## *Soviet naval maneuvers near Italy NATO center*

Just before the Soviets' "defense of airspace" in the Far East, their Black Sea fleet was conducting military maneuvers in the central Tyrrhenian Sea a few miles away from the NATO naval center of Naples, and then 30 miles away from Cagliari, Sardinia. The magazine *Il Mondo* wrote that "this is the first time that the Soviet navy has held its maneuvers in the middle-south Tyrrhenian. Never has the Soviet navy been seen so far north and so near to Italian territorial waters."

The Soviet navy conducted maneuvers on Aug. 25-28 in an area trafficked by ferries, tourist boats, and NATO warships. The Soviet naval groups included the Leningrad helicopter carrier of the *Moskva* class, a *Kashin*-class destroyer and an anti-submarine frigate. The ships passed near the island of Ustica (north of Palermo) and sailed up to few miles away from Capri island, before moving West. The Italian defense ministry

announced that "at the same time two other Soviet naval groups, the first including two *Kashin* destroyers and a *Krivak* frigate, and the second including two *Mirka* frigates, operated in the channels of Sicily and Sardinia. The maneuvers took place outside Italian territorial waters and "are believed to be concerned with anti-submarine maneuvers," the ministry said.

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## *Craxi, Andreotti cross U.S. on Lebanon peace*

On the advice of Foreign Minister Giulio Andreotti, Prime Minister Bettino Craxi is launching what he calls an "Italian peace plan" for Lebanon. A better title might be "partition plan."

The plan is based on 1) the involvement of the Syrians in the negotiations and 2) support for Druse leader and Soviet asset Walid Jumblatt. Its essence was expressed by the head of the Italian Communist Party's foreign department, Giancarlo Pajetta, who stated after an enthusiastic meeting with Craxi that he agrees with the prime minister, and that what is required is the dispatch of Soviet troops to counterbalance the Americans.

When Andreotti addressed the defence and foreign committees of the Chamber of Deputies Sept. 6, it was a "cold, skeptical, pro-Syrian" speech, according to the press, with constant polemics against President Reagan: "The agreement reached last May by Habib was partial and came too late, it showed limits that cannot be overcome—first of all the Syrian decision to oppose it. Italy always recognized the importance of Syria. . . ."

Andreotti also declared that one cannot hope for too much from the Gemayel regime and stressed that Italian troops, after consultation with the French, Americans, British, and Lebanese, will be ready to withdraw from Beirut. The United States has requested an increase in the Italian deployment.

Defense Minister Spadolini took the opposite position: "If behind the game of violence and the re-exploding of the civil war



there is the aim to a partition the country, the Western nations must say in a clearcut way that the only way out of the present crisis is an independent and united Lebanon."

### **'Right to Die' group founded in Colombia**

The Jesuit order has helped give an organized voice to Colombians who think their life is no longer worth living.

Beatriz Kopp de Gómez and co-founder of the Death With Dignity Foundation Father Alfonso Llano, S.J., argue that their movement defends neither suicide nor euthanasia, only the "autonomy of the individual." Jesuit Llano, claiming to speak in the name of the Catholic Church, insists that the Church is equally a defender of the right to life and of the right to death with dignity.

One of the first projects of the Foundation has been to circulate copies of "living wills" which would force doctors to withhold life-saving assistance from dying patients who have signed the will.

### **'I was on Moscow's payroll': Negri**

Professor Toni Negri, the most notorious Red Brigades terrorist in Italy and recently elected member of Parliament for the Radical Party, declared in an interview to *Il Giorno* Sept. 7 that he had worked in Moscow as a Communist Party functionary in 1957, during which time he met with such Politburo members as the late Central Committee Secretary Mikhail Suslov. Negri also bragged that he had been on the Soviet payroll for two months. It was following his Moscow visit that Negri became "evil," deciding that "the bosses must not exist."

Negri is charged with armed insurrection against the state; formation and participation in an armed band; promotion, organization and direction of subversive associations; and other things. As he was giving his interview, a special legislative commission voted to lift his parliamentary immunity

and to send him to jail. The recommendations of the commission, from which the Communist and Radicals abstained, have been sent to the parliament which must now decide between letting Negri go free or putting him behind bars—probably for life, since each of the crimes with which he is charged carries a life sentence.

A "compromise" proposal has been made by Socialist deputy Antonio Testa, to postpone the parliamentary vote until after the court completes its trial of Negri and his accomplices, scheduled to begin Sept. 26. The Socialist Party of Prime Minister Bettino Craxi has been repeatedly linked to terrorism by Italian magistrates. The Testa proposal is also supported by Paolo Cerino Pomicino, vice-president of the Naples Christian Democratic Party.

The Communist Party, formerly bitterly opposed to setting Negri free, has recently begun to come out in support of the terrorist.

### **Colombian government goes after drug mafias**

With the appointment of Liberal dissident leader Rodrigo Lara Bonilla to the justice ministry last month, Colombian President Belisario Betancur guaranteed the opening of a long-awaited war on that country's drug mafias. Lara immediately initiated a congressional debate on the impact of "hot money" on Colombian politics and the economy; in one of his first acts he named the names of several leading "cocaine kings," including billionaire congressman Pablo Escobar and his colleague Carlos Lehder.

Escobar's threats to sue the new Justice Minister for slander have proven empty, but Escobar and Lehder have mobilized their substantial resources to demand Lara's resignation, and have won the influential Bogotá daily *El Tiempo* to their cause. *El Tiempo* is associated with the political faction of former president López Michelsen, whose presidential campaign last year failed despite multi-million-peso infusions from Escobar and Lehder.

Both Lehder and Escobar face criminal charges in the United States.

## Briefly

● **ANISE MAKHLOUF**, the Armenian wife of Syrian President Hafez Assad, serves as the essential connection point between the Libyan regime and the most extremist wing of the Armenian Secret Liberation Army (ASALA) terrorist group, European intelligence sources report.

● **THE POPE** was the subject of an emergency security alert the morning of Sept. 3, initiated by the Italian secret services (SISDE).

● **MOHAMMED HIJAZI** has completed a tour of Europe for Libyan intelligence to plan new terrorism against targets decided by Qaddafi.

● **TIMOTHY LEARY** will not be allowed into Britain, the Home Office announced, since his involvement in drugs makes him "an offence to the morality of the country."

● **NEW LINKS** between Iran's Savama intelligence service and the Irish Republican Army (IRA) are being viewed by European security sources as critical in building a terrorist infrastructure targeting France, and in conducting nuclear missile-related technologies to Iran.

● **TASS** News Agency's correspondent in Geneva has been seen on more than one occasion meeting with leaders of the extreme Christian-integrist wing of the Lebanese Falangist Party in Lausanne, Switzerland.

● **SUDEUTSCHE ZEITUNG** Sept. 7 editorialized that the motivations behind the Soviet shooting-down of the KAL jet Sept. 1 could only be understood by familiarity with the writings of 19th-century mystic Vladimir Solovyev on the "Russian soul." Solovyev believed that Moscow must become the Third and Final Rome.

● **THEO SOMMER**, Helmut Schmidt's associate at *Die Zeit*, suggests that the United States is responsible for the Soviet air strike against civilians because it has not created a climate of trust.

## U.S. policy toward Moscow after the KAL incident

by Lyndon H. LaRouche, Jr.

*The following background news release was issued Sept. 6.*

President Ronald Reagan's nationwide U.S. broadcast of Labor Day evening settles two sets of facts conclusively. First, his replaying a tape-recording of the Soviet pilot describing the action of destroying the KAL 7 airliner, left no doubt that the Soviets knew that this was KAL 7, that its lights were showing in normal fashion, and that the Soviet command ordered the airliner and its passengers massacred. Second, the President presented a simple and clear set of policies toward the Soviet Union.

The President's policy-statements covered two areas. The first area was the Soviet butchery of the KAL 7 passengers, and U.S. response to that Soviet action as such. The second area was U.S. longer-range policy toward Moscow in light of the character Moscow displayed by ordering the massacre of civilian airline passengers.

Under the first area of policy, the President's message presents us with the following key policies.

- 1) That the Soviet command had ordered the destruction of the airliner, knowing that it was a 747 airliner with its lights properly displayed, and that there was no U.S. RC 135 in the air anywhere in the vicinity during the period of the action.

- 2) That U.S. efforts in connection with the Soviet destruction of the passenger airliner are directed, in collaboration with other nations, to securing Soviet acknowledgement of the deed and Soviet compensation to relatives of the victims.

- 3) That the United States will seek to obtain agreements with the Soviet Union and other states to the purpose of ensuring that no similar incident occurs in the future.

- 4) That the United States is temporarily suspending in-

progress bilateral negotiations with the Soviet Union, but will continue with arms-limitation negotiations. The Madrid and Geneva negotiations will be continued as scheduled.

In the second area, the following key points of policy emerged from the President's broadcast.

- 1) United States policy toward the Soviet Union must now proceed in recognition of the political character of the present Soviet leadership, as that political character is defined by the decision to destroy a civilian airliner.

- 2) The President affirmed, emphatically, continued objectives of massive reduction of arsenals of mass-destruction, as he had proposed in his March 23, 1983 promulgation of a new U.S. strategic doctrine based on defense weapons-systems, and taking-down of arsenals of "revenge weapons" of mass-destruction.

- 3) However, in light of recent Soviet command decisions, a realistic policy of maintaining military strength must be pursued pending Soviet agreement to enter into negotiations affording durable peace.

The proper shaping and execution of the President's policy requires a surgically precise, and public assessment of the political character of the present Soviet leadership. In aid of that I resummulate my earlier assessment of the Soviet leadership as a government motivated by a "Third Rome" variety of drive for imperial domination of the entire planet.

### **Why we should tell the truth about Moscow**

From February 1982 through and slightly beyond March 23, 1983, I and many others advised President Reagan that we believed that the Soviet government would consider a workable alternative to Nuclear Deterrence if the President



Honoring "Holy Mother Rus." Orthodox priests lead a procession commemorating the dead in the "Great Patriotic War," the Russian name for the fight against the Nazi invasion in World War II.

of the United States would deliver such an offer publicly. The President, acting in a climate of such advice, presented the Soviet leadership with a most fair and generous offer on March 23, 1983. This offer was elaborated and reemphasized by U.S. Defense Secretary Caspar Weinberger immediately thereafter. It was the best and fairest offer of durable peace the Soviet Union has received from the United States during the entire postwar period to date.

Despite Soviet lies concerning the nature and intent of the President's offer, the Soviet leadership had studied the new U.S. doctrine for over a year prior to March 23, 1983, and knew full well that the proposal was scientifically and militarily workable, and also knew that the offer was sincerely as stated by the President and Secretary Weinberger.

Yet, the Soviet leadership: 1) Never acknowledged the substance of the offers made publicly by the President or Defense Secretary; 2) Lied wildly and violently concerning the nature of the offer from the President, including forcing Soviet scientists to deny the feasibility of the ABM weapons systems the Soviet Union is continuing to construct for deployment; 3) Pretended willingness to negotiate SS-20 deployments in Europe, but rejected offers, by means of escalating negotiating demands each time the President attempted to meet previous Soviet offers half-way.

Since the Soviet leadership knows that the continuation of both powers to an operating doctrine of Nuclear Deterrence means probable thermonuclear war during the near- to medium-term period, Soviet refusal to consider even exploratory negotiations of the President's offer demonstrated a Soviet commitment to risking actual thermonuclear war during the near future.

The principal long-term reason for Soviet rejection of the offer of durable peace given to them publicly by the President is the Soviet estimation that the development of strategic ABM systems based on "new physical principles" would cause a general economic recovery in the U.S.A. and Western Europe, an economic recovery of the United States which the Soviet government presently refuses to tolerate. In other words, *the Soviet leadership's medium-term strategic ambitions depend upon the assumption that the U.S. economy will collapse under weight of combined economic depression and international financial collapse during the near future, and therefore the Soviet government will tolerate no policy by the U.S.A. which portends a general economic recovery.*

Also, the Soviet Union is engaged currently in a crash effort to emplace strategic ABM defense systems on its own behalf, intending to gain a margin of advantage for launching a preemptive first strike against the United States, and will do everything possible through its Nuclear Freeze dupes and other means to sabotage and delay a U.S. "crash program" which might overtake Soviet development and deployment of strategic ABM defenses.

Finally, within approximately a month of the President's offer, this writer learned that the Soviet government at the highest levels had targeted him personally as the person Moscow viewed as the putative intellectual author of the President's new strategic doctrine. This targeting of this writer showed that the Soviet government was lying when it charged that the President had announced the offer merely to mask some contrary commitment. (More recently, the Soviet government has classified this writer as International Public Enemy Number One, basing this charge on the Soviet estimate that this writer was the intellectual author of the doctrine. Soviet KGB operations against this writer are now deployed relatively massively in Asia, Europe, and the United States itself. Encouraged by repeated overt denunciations of this writer by Soviet authorities, some Soviet sympathizers in the West have placed the writer and his wife high on a list of preferred assassination targets.)

Despite the Soviet refusal of the offer of durable peace, the new U.S. strategic doctrine stands in its own right. It is the only sane policy for the United States and its allies—especially now, since Soviet official sources have several times threatened to launch a preemptive thermonuclear attack upon the United States.

However, as of late April 1983, this writer, as one of those who had encouraged the President to make his generous peace offer to the Soviet Union, was obliged to locate and correct the included error in his own assessment of the character of the Soviet leadership, and to direct the corrected assessment to the President's advisors with the same energy and concern he had urged the President to extend the peace offer.

This writer was horrified, but not entirely surprised by

the evidence. Since approximately 1956, the Soviet Union has been in the process of entering a post-Communism phase. Contrary to wishful thinkers among Soviet specialists, the kind of change occurring in the Soviet Union is not one to justify cheers; it is a change very much for the worst. This writer and his associates had more or less accurately described this trend during 1972-1973, when he characterized the Soviet approach to "detente" as an imperialistic drive aimed at creating a parody of the old Byzantine empire, coopting Germany, and putting the world under the rule of a "New Constantinople." More recently, in a book-length report presented to the U.S. Senate Foreign Relations Committee during July 1982, this writer had warned of the need to act to secure certain kinds of agreements with the Soviet Union before a change visibly in progress might be consolidated in the Soviet leadership. The error in the writer's pre-March 23, 1983 assessment of the Soviet leadership was specifically that he had thought to prevent a development which had in fact already occurred during the Summer and Autumn of 1982.

The Soviet leadership confronting us today is the Russian Empire of Ivan Grozny, Potemkin, and Rasputin, of the letters of the Russian Nietzsche, Fyodor Dostoevsky, of Bakunin. It is the Russia of Moeller van den Bruck, the Soviet Russia which the Nazis' "national Bolshevist" faction and Alfred Rosenberg envisaged as a natural ally of the Nazis. The discrediting of Soviet Marxism both within the Soviet Union and without, from 1953-1956 onward, did not point Soviet corrective thinking upwards, but downwards. The discrediting of Marxism as the "wave of the future" throughout the world outside the Soviet Union, under conditions of military threats from the West, and deepened hatred of the West, its culture, its people, struck the Soviet leading strata as a wave of cultural pessimism, the same cultural pessimism which transformed many cultured, civilized Germans into Nazis during the course of the Weimar period. This pessimism brought forth a replacement for Soviet Marxism from the bowels of Russian history, the ideology of the Russian proto-fascists, Dostoevsky, Richard Wagner's crony Bakunin, and the mad monk from Mount Athos, the "Ayatollah" Rasputin.

This cultural pessimism struck Soviet society at many points in various ways, most notably two social strata. In the top strata, outside the Zhukov-Sokolovskiy-Ogarkov military circles of Russian nationalism, this struck a responsive current among the circles of Yuri Andropov's patron, the Finnish mystic Kuusinen. In the broader population, it struck response in the peasant cultural tradition, the *Raskolniki*. The two strata in question conflict and yet converge. A thousand years of Byzantine cultural repression—which Czars such as Peter I and Alexander II had opposed, like Pushkin, like Witte, and like some "westernizing currents" among the Bolsheviks, admixed with hideous oppression by the Russian

church during two centuries of Mongol rule, has left its evil imprint upon the culture the peasant family transmits. In this peasant heritage there are the Tolstoys, the Dostoevskys, the Bakunins, and their natural followers among the Pugachevs waiting to explode with the violence of the berserker's axe when aroused to irrationalist fits of rage—as exhibited in the massacre of 269 passengers on KAL 7.

The strata intersecting Kuusinen in the old Communist International apparatus are predominantly the heirs of a network of Venetian agents in the Russian revolutionary leaders of 1917, men like Karl Radek, N. Bukharin, C. Rakovsky, the mystics of the Bogdanov circle, and so on and so forth. These were the paid subagents of the fat man from Odessa, Alexander Helphand (Parvus), the agent of Venice's Count Volpi di Misurata. These are shrewd, intelligent, and usually outwardly "westernized," but deeply mystical men of calculating irrationality. They are "westernized" on the exterior, but conniving "Raskolnik peasants" on the inside. Russian literature is filled with self-revealing characterizations of these types.

The eruption of cultural pessimism during the 1950s intersected Soviet entry into Bertrand Russell's Pugwash Conference back-channel. Russell, who had been disposed to conduct "preventive nuclear war" against Moscow during the 1946-55 period, in order to establish his dream of Anglo-Saxon empire ("world government"), responded to Soviet development of fission and fusion arsenals, by offering to divide a world-empire with Moscow.

In the West, many have thought of Henry Kissinger, the Rockefellers, W. Averell Harriman, and others as virtual Soviet agents. In reality, they have been Pugwash Conference agents, a faction of supranational interests in the West who have entered into agreements with Moscow and Peking, to divide the world into three empires. That is why they sometimes appear to be Soviet agents—not because they are Soviet agents, but because they have a 25-year-long secret agreement with the Soviet Union's leading circles, an agreement reached behind the back of the U.S. government and people.

Over the years, especially since 1968-72, the Soviets have seized upon the Pugwash circles' offer of a Soviet empire—sometimes called a "New Yalta" agreement—as the strategic alternative to the earlier Soviet Marxist doctrine. They have accepted the offer with one qualification: they intend to cheat their Pugwash partners of the West, as their Pugwash partners intend to cheat the Soviets. It is this 25-year-long Pugwash Conference agreement which has created a world defined by conflict among the greeds of two-and-a-half empires; unless we destroy the Pugwash Conference agreements based upon Nuclear Deterrence, Malthusianism, and "New Yaltas," the logic of one empire's cheating upon another means assured thermonuclear war. The Soviets know this, and are prepared to win that thermonuclear confronta-

tion, to gain assured, perpetual world domination by means of destroying the power of the United States.

When the President offered the Soviets a door out of this descent into thermonuclear Hell, the Soviets rejected the offer of peace, because they had chosen to cling to the Pugwash Conference doctrine, and were already committed to risk general war.

The confluence of Raskolniki tendencies within strata of the Soviet population and leadership, with the lure of imperial strategic solutions made available by Pugwash, molded the Soviet leadership's evolution over the recent 25 years. The result was the emergence of a leadership combination, consolidated during Summer of 1982, whose common denominator is a modern revival of the old Russian mystical doctrine, that Moscow shall become the world-capital of the Third and Final Rome.

What is the proof that this has already occurred, that this is not merely an ominous potentiality of circles such as the notorious KGB anti-Semite Yemelyanov? The acid test has been Soviet reaction to the President's March 23, 1983 offer, a test made conclusive by the manner the Soviet government has officially defined its view of this writer's role in influencing (if indirectly) the President's choice of strategic doctrine. The decision by the collective forces of the Soviet top leadership, to proceed with the shooting-down of KAL Flight 7 is totally consistent with the "Third Rome" mentality dominating the presently ruling leadership combination. The barrage of lies since issuing from Moscow on the subject of that incident has internal features which are indelible paw-prints of Raskolniki's efforts at peasant shrewdness when caught redhanded in an act of homicide.

The objection has been raised, vociferously from some quarters, that even if all this is true, one should not say this publicly. It is argued vehemently, that saying such things will make the Russians more intractable, that it exhibits atrociously poor tactical sense, and so forth and so on.

Such critics clearly have no sense of strategy. Once we begin to lie publicly, and then to attempt to defend those falsehoods for appearance's sake, such diplomatic deceptions can have no effect upon us but to destroy our own capacity for clear thinking. We lose the power to be honest with ourselves, since we must check our inventory of outstanding lies to be sure that we say and think nothing which might injure the interest of one or more among our outstanding lies.

It is irrelevant whether or not the Soviet leadership is infuriated by stating the plain truth about them publicly. The important thing is that the Soviet leadership knows that this writer's references to the "Third Rome" policy in Moscow today is nothing but the simple truth. Do you imagine that the Soviet leadership could take this writer's proposals on any matter seriously if they believed this writer were fool enough not to recognize that they have a "Third Rome" strat-

egy after the evidence assembled in the aftermath of March 23, 1983. What do the Soviets think of leading figures who deny the Soviet's "Third Rome" strategy? *They think of them as fools!*

The Soviet leadership takes this writer very, very seriously. They estimate him as their Number One Adversary. Why? He has no "objective power," no authority to command any part of the U.S. or any other government. What is it that they fear? They fear—and respect—one who sees through them accurately, and laugh at those who make foolishly wrong charges against them. They fear that this writer's ideas might influence the perceptions and policies of governments—otherwise, they would merely laugh at this writer and his poor resources, instead of promoting his name to near the top of the terrorist hit-lists.

No! Describe the Soviet leadership accurately! Say openly what they know themselves to be! Unless you can do that, why should they believe you have the knowledge to teach them anything about themselves or the present strategic situation?

We must attempt to civilize these fellows, as the President's stated Soviet policy of Sept. 5 implicitly specifies. Naturally, they are human beings, with the potentials for good a human being possesses. However, they are handicapped by a certain defect, a cultural and moral injury done to them by the Byzantine empire and the Mongol oppression. Because of this cultural injury, they are not yet fully civilized, and under stress lack certain elementary qualities of human compassion we of the Western Augustinian heritage view as elementary morality. Their shooting-down what they knew to be a civilian airliner is exemplary of the point.

True, there are monstrous things sometimes run through the institutions of government in the West. In every case, the author of such monstrous things is the gang which the Soviets call "the realists," the fellows who are their preferred negotiating partners through back-channels such as the Pugwash Conference. The Soviets should not refer too much to the war in Vietnam, or we shall have to remind them that the fellows who pushed the United States down that long tunnel of endless warfare were then and now the Soviets' favorite Pugwash cronies of the West, the same fellows now prominently orchestrating the international Nuclear Freeze movement in concert with Moscow.

Let Moscow allege all sorts of things against the United States and President Reagan. President Reagan offered them genuine war-avoidance—peace, and they choose instead, the course of thermonuclear holocaust. By that test, and the shooting-down of the civilian airliner, they exhibited the fact that the would-be czars of the Third Rome are not yet properly civilized. We are therefore obliged to keep as much order in the world as we can manage under the circumstances, until Rasputin's Moscow gives up its mad dreams of becoming the Third and Final Rome.

# Reagan's opponents in Congress deflated

by Susan Welsh

The Soviet downing of Korean Air Lines flight 007 has left Washington, D.C. opposition to President Reagan in disarray, as both left-wing freezemen and right-wing ideologues scramble to maintain their political credibility. Many liberal Democrats have adopted a legislative policy typical of the Russian Army's time-honored tactic: retreat and wait for snow. Action on the congressional nuclear freeze resolution, a ban on anti-satellite weapons, and other measures dear to the hearts of the Harrimanite Dems will be stalled as long as possible, and opponents of the MX missile program say that they will try to delay a House vote on it for at least a month, hoping for more auspicious conditions.

The President's liberal political opponents, the same people who are promoting "peace-loving" Yuri Andropov while denouncing Reagan's beam-weapon defense policy, are now accusing the President of "too weak" a response to the Soviet massacre, in the Sept. 5 televised address to the nation in which Reagan denounced the Soviets' "crime against humanity" and outlined measures the United States would take in response. Henry Kissinger, in an interview on NBC's "Today" show Sept. 6, criticized the Reagan administration's handling of the crisis and particularly the decision to go ahead with a scheduled meeting between Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko. "I do not think that is the week in which he should be meeting Mr. Gromyko," Kissinger said. "The danger you're in in a situation like this is that the rhetoric and actions go out of whack, and that the Soviets listen to the threats and look at the actions, and don't find them related to each other. . . . I think that's one of the dangers right now."

Senator Paul Tsongas (D-Mass.), a member of the Senate Foreign Relations Committee and sponsor of a resolution to ban all weapons in space, was "disappointed" in Reagan's speech, according to a spokesman for his Washington office. "The speech Monday night conveyed the horror of the incident but there was nothing in the speech that the Soviets would be worried about."

Senator Carl Levin (D-Mich.), also of the Senate Armed

Services Committee, "thought the speech was not adequate," according to an aide. "He had already called for the complete cessation of trade with the Soviets until they change their behavior. This is the latest in a series of inhumane acts by the Soviet Union—Afghanistan, Poland, the Mideast. We cannot deal with this regime on a business-as-usual basis. We should also see if we can get out of the grain deal."

Liberal House Democrats are complaining that the President linked his address on the Soviet action with an appeal for passage of his defense program. Said an aide to Rep. John Conyers (D-Mich.), the President is using "heated rhetoric" and making "rhetorical statements" about an issue which should not properly be grounds for a "superpower battle." Abandoning the MX missile program, as a gesture in recognition of the fact that nuclear war may be close, could be an appropriate "show of strength," the aide remarked. A spokesman for Rep. Edward Markey (D-Mass.), a leading advocate of the nuclear freeze resolution in the House of Representatives, said that the congressman had made no comment on the President's speech, but disapproved of his linking the MX missile issue. "We're not hurting the Soviets by spending money on the MX missile," he said. "It's a waste of \$20 billion."

## Stonewalling

A Capitol Hill defense policy staffer, commenting on the plans of the nuclear freeze lobby, said that their strategy is to delay. In any defense-related vote taken within the next 30 days, he said, they will have "no prospect of success." They hope to delay the MX vote until mid-October or later. Rep. Addabbo (D-N.Y.) believes he has the votes to do this. Rep. John Seiberling (D-Oh.) and Rep. Clement Zablocki (D-Wisc.) are working to stall a vote on funding for anti-satellite (ASAT) weapons programs. On the Senate side, Edward Kennedy and Mark Hatfield now believe that they may have to give up on getting the freeze resolution out of committee, and therefore are thinking about trying to get the nuclear freeze resolution incorporated in an amendment tacked on to some other bill later in the fall.

The only vote which the freeze supporters say will come up early, as scheduled, is that on chemical weapons program funding, which Zablocki thinks he has the votes to squelch.

## No time for disunity

Lyndon H. LaRouche, Jr., commenting Sept. 7 on the statements of Senators Tsongas and Levin, said that he was happy to see that they had realized that Yuri Andropov was not the peace-loving individual these Senators had previously believed. LaRouche urged that the Senators be the first to clean up their own past and repudiate the nuclear freeze movement, and particularly their own previous opposition to the President's anti-ballistic missile defense policy. At a time of great international crisis like the present, LaRouche said, we can ill afford counterproductive disunity within America's national political leadership.

## Democrats change tune, while labor fiddles

The shockwave from the Korean airliner incident has produced a sharp about-face in the "six-pack" of Democratic presidential contenders. Prior to Sept. 1, they all were eager to peddle the stock Harriman-Manatt refrain lauding the "peaceful" intentions of Yuri Andropov and the intransigence of President Reagan.

After the downing of the Korean jet, the "six-pack" sounded a quite different tune—several tunes, in fact—but could not escape the scathing criticism of their fellow Democrat, Rep. Samuel Stratton.

In a statement issued Sept. 1, Walter Mondale said: "This barbarous and despicable act cannot be excused. . . . I join with many others in demanding a full explanation from the Soviet government for this murderous act. The U.S. government should take this matter immediately to the United Nations Security Council."

A Mondale aide added that the incident would force a "thorough review of the Vice President's thinking on the state of U.S. Soviet relations. We are in a state of shock here."

John Glenn was more cautious in his initial comments: "I deeply regret the tragic loss of life and deplore this unjustifiable act. However, any response by the U.S. government should await a further determination of the facts of the incident."

Rubin Askew said almost the same

thing: "The incident is tragic and apparently inexcusable. All the facts are obviously not yet known, and a full explanation and a full inquiry are needed."

In a more forceful vein, Ernest Hollings declared: "You are dealing with a hard-core adversary in Soviet Russia. . . . I would not want to go ahead with sanctions or a grain embargo. They do no good. What you really have to do is convene with the allies and get together in the National Security Council to register in the most meaningful way you can disapproval."

But, ironically, it was the leading nuclear freeze advocates Alan Cranston and Gary Hart who gave the sternest warnings. Said Cranston: "Frankly, I don't think there can be an acceptable explanation. . . . We are all in dire danger. . . . such incidents, whether the results of miscalculation, tactical error or an act of madness, bring us to the brink of nuclear war."

"The Soviet attack on an unarmed civilian passenger plane . . . was cowardly, unprovoked and barbaric," stated Hart. "The administration should explore a range of responses, including the cancellation of Soviet landing rights in the United States and the expulsion of Soviet military personnel from their embassies and consulates."

But Hart is hardly abandoning the freeze movement. Arms control talks with the Soviets, said an aide, "must not be halted or circumscribed. We now have a real opportunity to press the Soviets on arms control, while their political standing in the world appears damaged."

In this vein, Hart issued a subsequent statement saying that "suggestions that we should suspend arms control talks with the Soviets as retribution are misplaced. . . . It is because of behavior such as this week that we should pursue the toughest arms limitation agreements possible for our own national security."

## 'Reagan looks like a fool,' says AFL-CIO

While AFL-CIO chief Lane Kirkland appeared on a Sunday television news show Sept. 4 to demand sharp retaliation, ranging from another (ineffective) grain embargo to bans on technology transfer, more liberal union leaders linked to the Socialist International were insisting that now, more than ever, arms control is needed.

A spokesman for Kirkland's AFL-CIO joined the rightwing lunatics who insist that President Reagan has suffered a defeat: "With this jetliner incident, Reagan looks like a fool because of his bad timing. He has just relaxed all sorts of restrictions against the Soviets, in areas like providing grain and cultural exchanges, instead of increasing sanctions. He's done this while his far-right people are all parading around outside screaming against the Soviets. Yes, the plane incident will set back arms control efforts, but Reagan does not look good."

The initial reaction of a spokesman for the Communications Workers of America: "We don't know all the facts, whether the Korean pilots did communicate with the Soviet fighters, or even if the plane was shot down. Unfortunately, the Soviets haven't denied it."

"What if it had been a nuclear-equipped U.S. military plane? We could have had war, and Reagan thinks he can achieve peace through war. So we need more negotiations, not less. It means we have to step up the peace/freeze movement more than ever."

But the self-righteous self-contradiction award of the week was earned by a spokesman for the American Federation of Teachers, who observed that "What you have to realize is that the U.S. kills a lot of innocent people all the time, as in Central America and the Vietnam war. This incident may damage the peace movement, but may strengthen it too."

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## LaRouche denounces 'Aaron Burrs of the press'

Prominent Democrat Lyndon H. LaRouche, Jr. described as "Aaron Burrs of the press" those journalists "who continue to babble the absurd charge that President Reagan has not proven that the Soviet murder of 269 civilian airliner passengers was not an accident," in a statement Sept. 5.

"After the Soviets have filled the international news circuits with obscene arguments in defense of their decision to shoot the plane down," LaRouche observed, "and after the President played back a tape-recording of the Soviet pilot describing in detail the blinking lights of the civilian airliner he was in the act of shooting down, some idiot of a CBS commentator said immediately after the broadcast that the President had not proven that the massacre was not accidental."

LaRouche asked that citizens be urged to telephone or telegraph the White House, to tell the President's staff what they think of such reporters.

"Give the President the ammunition to tell these editors and journalists where the patriotic citizens of this country stand."

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## Turnout for Kirkland hits record lows

Despite AFL-CIO chief Lane Kirkland's instructions to local unions to use the Labor Day events on Sept. 5 to "get Reagan," and his own personal appearances in New York City, Chicago, and Omaha, turnout at the events was dismal everywhere. In New York, only 50,000 turned out for the march down Fifth Avenue, traditionally the nation's largest. The New York parade drew over 400,000 last year.

In the depressed steel city of Baltimore,

a mere 500 watched while the president of the local AFL-CIO chapter, dressed up as Ronald Reagan, was chased by a man carrying an axe and wearing a sign reading "Axe Reagan."

American organized labor, suffering the worst unemployment rates since the depths of the Great Depression and a disastrous plunge in real income, is demoralized. Reports from the Midwest put attendance at some monthly union meetings at one or two members.

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## DC press corps on anti-Reagan rampage

Leaders of the Washington, D.C. press corps spent over 30 minutes haranguing White House spokesman Larry Speakes on alleged "contradictions" in the evidence which President Reagan and U.N. Ambassador Jeane Kirkpatrick had presented to the public proving Soviet command involvement in the shooting down of a Korean Air Lines commercial jet Sept. 1. At the Sept. 6 briefing, Lou Cannon of the *Washington Post*, stated that Andropov had "outflanked" Reagan's "propaganda offensive" by confessing to downing the KAL 007. "Reagan said they should acknowledge the attack," Cannon said, "and now they have." Cannon was referring to the Sept. 6 TASS release, which attempted to attribute the attack to the alleged presence of a U.S. reconnaissance plane in the area.

Steve Weissman of the *New York Times*, Leslie Stahl of CBS, and Sam Donaldson of ABC continued to harass Speakes, standing up to insist, "Where is your irrefutable evidence? This isn't it," shaking the transcripts of the radio transmissions in which the Soviet pilot announced: "I am closing on the target. . . . Am in lock-on. . . . I have executed the launch. The target is destroyed."

But the only evidence of contradictions in U.S. evidence the reporters had was an alleged discrepancy of 8 to 12 minutes be-

tween the time the Soviet transmissions indicate Flight 007 was shot down and the time at which the flight's trail disappeared from the Japanese radar tracking it.

Speakes stopped the flow of accusations by stating emphatically that "This action, the shooting down of an unarmed civilian airliner, is inexcusable. . . . There is no way that the enormity of this crime can be mitigated. There is no excuse for anyone who would seek to mitigate the severity of this action." At that point, Weissman piped up, "I protest, Larry. Nobody in the news media is trying to mitigate the severity of this crime." Speakes replied, "No one has accused you, Steve. Look at this statement. I haven't said a word about press or media."

Several minutes later, after Speakes had asked her to stop shouting while other reporters were trying to ask questions, CBS's Leslie Stahl charged out of the briefing room shouting, "I don't like being told how to behave."

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## Beam-weapons study for Reagan is completed

The first draft of the study of directed-energy antiballistic weapons (beam weapons) which President Reagan commissioned after his March 23 speech calling for developing the weapons, has been completed by the Defense Technologies Study Team (DTST) headed by former NASA director James C. Fletcher, according to the Sept. 5 issue of *Aviation Week*. This initial study was based on a 15-year, long-range perspective, but, *Aviation Week* reports, "The Pentagon plans to initiate in the next few weeks a study of the application of directed-energy weapons technology—high-energy lasers and particle beams—to near-term ballistic missile defense."

The study "provided a report far more positive and enthusiastic on directed-energy weapons development than any of us expected. . . . A number of high-level U.S. officials who opposed it in the past are likely



## Briefly

to find it embarrassing." A high-level Pentagon official told *Aviation Week*.

The study "emphasizes development of short wave length lasers and particle beam weapons over the next 15 years, including a space-based, free-electron laser concept by Los Alamos and nuclear warhead-pumped x-ray lasers by Lawrence Livermore and Los Alamos," the article continues. "The Fletcher group will reconvene to map a near-term program, which officials expect will reorient the Defense Advanced Research Projects Agency."

### Ramsey Clark 'exploring' for Jesse Jackson

Former Attorney General Ramsey Clark, one of the leaders of State Department operations in Iran that brought the Khomeini regime to power, announced in New York Sept. 7 that a "Rainbow Coalition" had been formed to test the waters in New York State for a Jesse Jackson presidential bid.

Clark was joined by former Manhattan Borough President Percy Sutton, environmentalist Citizens Party leader Barry Commoner, and Democratic Rep. Edolphus Townes in forming a New York Jesse Jackson for President Exploratory Committee.

The committee is important, Clark said, because it "is comprised of blacks, whites, Hispanics, peace activists, nuclear freeze activists, women, politicians, labor, clergy, and business leaders."

### New right demands knee-jerk response

The "new right," led by *Conservative Digest* Richard Viguerie and Conservative Caucus head Howard Phillips, have condemned the Sept. 5 response that President Reagan announced to the Soviet attack on the KAL airliner as "flunking the test." Viguerie de-

nounced Reagan the next day for having "just walked away from the town bully without drawing his gun."

At a demonstration outside the White House Sept. 7, Howard Phillips demanded that the United States take a far harsher stance, and National Conservative Political Action Committee (NCPAC) director Terry Dolan said Jimmy Carter's sanctions against the Soviet Union after the invasion of Afghanistan were stronger than Reagan's.

The *Washington Times*, owned by Sun Myung Moon's Unification Church, reported that Phillips and Viguerie are now canvassing for a Republican presidential candidate to oppose Reagan following his showing his "true colors" in response to the KAL 7 incident.

### Globe returns 'Scotch verdict' on ABM defense

An article in the Sept. 7 *Boston Globe* titled "Thinking the Unthinkable" called the strategy of developing effective defense against nuclear missiles, as presented at the Aug. 20-23 conference on "Technological Bases for Peace" at Erice, Italy, "not proven."

"No alternative to the threat of 'mutual assured destruction' exists to deter the superpowers from war. Within that menacing and uncertain framework, the diplomatic effort must go forward to control offensive weapons and diminish the prospect of their use."

Dr. Edward Teller, the scientist leading the U.S. delegation at the conference, and "whose thinking was influential in formulating President Reagan's so-called 'Star Wars' speech last spring, argued vigorously that defense could make a difference. Notwithstanding Teller's strong bass voice and commanding personal presence, he was hobbled in putting across his argument since the futuristic technology which allegedly substantiates his position is either classified as a military secret or has not yet been developed," the *Globe* claimed.

● **FRANCIS MULLEN**, acting director of the Drug Enforcement Administration, wrote a letter to the editor of the *New York Times* Sept. 7 denouncing the *Times*'s recent editorial opposing the use of paraquat to control marijuana production in the United States. The *Times* had called using the herbicide paraquat to kill growing marijuana plants "poisoning" drug consumers. Mullen established that while not a single case of paraquat poisoning had been reported in the United States since the herbicide was first brought into use, growing marijuana consumption is a serious public health hazard.

● **NAWAPAC**, the North American Water and Power Action Committee, was formed Aug. 24 in Houston, Texas to support legislation and educational activities on programs to meet North America's growing water shortage by utilizing surplus water from Alaska and Canada. Nicholas F. Benton, the PAC's founding chairman, is a candidate for mayor of Houston.

● **JESSE JACKSON'S** announcement at a Chicago political function that he was canceling his trip to Moscow after the Soviets shot down the KAL airliner Sept. 1 was greeted with a cry of "Why not go? Their money is green!" from the audience.

● **THE GREEN PARTY U.S.A.** announced Sept. 8 that it was endorsing Walter Mondale for President. The party, affiliated with the West German Greens whose national executive member, Rudolf Bahro, is touring the United States and Canada through Oct. 1, had originally endorsed John Anderson.

## Editorial

# *A third great oil crisis?*

The next phase of Soviet activities in the Mideast was signaled by two events the first week in September.

The first signal was a visit by terrorist kingpin Abu Nidal to East Berlin and other locations in Eastern Europe, immediately after his consultations with the old Nazi Ahmed Ben Bella and the networks of Swiss banker François Genoud, the de facto head of the Nazi International.

Abu Nidal was a mastermind of the murder of such leading PLO moderates as Dr. Issam Sartawi and of the synagogue bombings of recent years. His Fatah Revolutionary Council holds death threats over the head of Jordan's King Hussein, the PLO's Yasser Arafat, and others; it was Abu Nidal who arranged the hit against Israeli ambassador to London Shlomo Argov, providing the pretext for Israel's 1982 move into Lebanon.

The invitation of Abu Nidal to Eastern Europe, with the undoubted nod of Yuri Andropov, demonstrates the Soviet mind-set. There exists no operational distinction at this point between KGB assets and Swiss-controlled "national socialists." Along with the Abu Nidal trip came revelations by the government of Qatar that it had cracked a nest of terrorists preparing to fire anti-aircraft missiles at incoming planes carrying Arab Gulf leaders to a summit meeting in Qatar this month. European intelligence experts conclude that the Soviets are about to "destabilize the Gulf oil-producing states," the operative word being "oil"—to force Europe, Japan, and the Arab states to submit to Russian imperial designs.

The other signal came when Nureddin Kianuri, the first secretary of the Communist Party of Iran, known as the Tudeh Party, held a lengthy interview with Teheran Domestic Television Service. He proclaimed the bankruptcy of Marxism as an instrument for satisfying the deep psychological needs of the Iranian masses, which must now turn to Islam. (The same statement could have been made from Moscow by First Deputy Prime Minister Gaidar Ali Reza Aliyev, merely substituting the words "Russian masses" for "Iranians" and "Russian Orthodox Church" for "Islam.")

Kianuri expostulated: "What I have learned is that Marxism failed to take root and grow in Iranian soil

because the Iranian people are deeply committed to the Shi'ite religion as pursued by Ayatollah Khomeini. . . . This religion, and system of values, provides an all-encompassing parameter that provides all the answers to all the questions arising among Iranian society in general, among the Iranian masses, and among the uneducated hut dwellers of Iran. . . . This also means that Marxism has nothing better to offer them. . . ."

The "conversion" of Kianuri, a decades-long Tudeh leader jailed by Ayatollah Khomeini four months ago, conforms to the shift within the Kremlin, at the instigation of Aliyev (himself a Soviet Shi'ite of Persian heritage), toward the view that Islam will enable the U.S.S.R. to extend its influence across the borders of its southern neighbors.

Kianuri conveniently revealed what he said was privileged information from Soviet sources: that leading exiled opposition leader Shahpour Bakhtiar had covertly worked with Iraq in the Iraqi September 1980 invasion of Iran. That was calculated to blunt the growing power of the Bakhtiar-allied opposition to Khomeini, which on Aug. 5 managed to rally tens of thousands of Iranians in the streets of Iran calling for the reinstatement of the 1906 Iranian constitution and the ouster of Khomeini. So large were those demonstrations that the Iranian guard was unable to stop them.

It is possible that the Soviets will make a major move into Iran, because we can expect more Soviet tests of American will, beyond Muammar Qaddafi's aggression in Africa, and the Syrian-fueled destruction of Lebanon. Some sources say that Iran's Tudeh leaders have "for the first time in a very long time been putting out the line that their main hope now is for the Soviets to invade Iran—a new Afghanistan."

In this week's International section, Western European spokesman express their view that the Soviet murder of KAL passengers was only the first shot in a Soviet offensive, and urgently propose that President Reagan's strategic defense policy go into high gear as the only way to reverse a rapid slide toward world war. With our eyes on the Middle East, *EIR* concurs.

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