

EIR

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Chernenko: puppet of the Russian military junta

Nazi-Soviet terrorism strikes Ibero-America



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What has happened since Henry Kissinger's nine-year-long policy of wheeling and dealing with Syria and fostering the partition of Lebanon succeeded? The United States is being pulled out of the Middle East, and the world faces the threat of an oil-price explosion, if not a supply cut-off, due to the Iran-Iraq war, which the Soviets are prolonging and fine-tuning through inputs to each side, in preparation for a new blow to the West.

In Washington, D.C., Kissinger himself is running the kind of inside-outside operation he did during Watergate, worming his way into control of every foreign-policy sphere while his assets, like Winston Lord of the Council on Foreign Relations and Mideast operative William Hyland are positioned as Walter Mondale's senior advisers. If the United States lasts so long, we face the prospect of a Kissinger administration, either way, in 1984 and 1985. In this issue, you will find that *EIR* founder and contributing editor Lyndon H. LaRouche, Jr. is making every effort possible to reverse this Kissinger onslaught. While he has gained widening support from the grass roots and, privately, from certain policy circles, he is the only U.S. leader to publicly take on the Kissinger threat.

In our editorial and our National section, we spell out the implications of that fact, and identify Kissinger's agenda. At the top of his list of items for renewed "negotiations" with a Kremlin military leadership that would have no need to bargain, only an opportunity to dictate, is an end to the U.S. program for development and deployment of energy-beam weapons. We are glad to report that Western European support for the beam-weapons effort continues to build. On Feb. 22, fifty diplomats, military officers, NATO officials, industrialists, and parliamentarians attended *EIR*'s Brussels conference on antiballistic-missile strategy and the Soviet capabilities in that area. As for Japan, see our International section for an exclusive report on Foreign Minister Shintiro Abe's offer of collaboration with the U.S. beam-weapons program.

If you agree that the security of the West requires that Kissinger be removed from influence, we suggest that you send that message directly to President Reagan.

Susan Johnson

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Volcker tells Reagan: 'Heads I win, tails you lose'

by Richard Freeman and Kathy Burdman

Large British institutional investors, the British press, and the *New York Times*, drove the dollar and the U.S. stock market downward the week of Feb. 20-25. They threatened President Ronald Reagan with worse to come, unless he adheres to the tight-money policy outlined by Federal Reserve Board chairman Paul Volcker last month.

Fed reports published in late February indicate that at the December meeting of the Federal Open Market Committee, which sets Federal Reserve monetary policy, Volcker steered through a vote, with only one dissent, calling for tight credit in 1984. In Senate testimony on Feb. 8, Volcker called for savage (defense-centered) budget cuts on top of tight money, stating that otherwise the budget deficit would push up interest rates. The fact is that Volcker's high interest-rate policy is responsible for 70% of the deficit.

Volcker began threatening dire consequences if the President didn't emasculate the budget and restrict growth through credit restriction: "a pull-back of foreign capital . . . loss in the dollar abroad . . . a shock to inflationary prospects . . . aggravation in the foreign debt" and an inability "of the banking system to handle the flow of funds." Volcker's speech marked a high point in foreign liquidation of stock market portfolios and dollar holdings.

The dollar had fallen from an early-February historic high of 2.85 deutschemarks to the dollar to 2.63 by the end of February, a drop of 7.7%. The stock market has shed 11% of its value in six weeks. A spokesman for Irving Trust bank in New York projects that the dollar would fall below 2.60 marks before any stabilization in early March.

The U.S. markets are being determined almost entirely by electoral politics, in this case, by the desire of not only the British and Swiss banks but of the Soviet Union, to undermine President Reagan. The threat is that unless Reagan

kowtows to Volcker, the markets will panic.

Under those conditions, a new round of high interest rates will explode the myth of the U.S. economic recovery, Reagan's favorite selling point, and render the \$800 billion in Third World debt unpayable in a way which can no longer be covered up. However, if Volcker gets his way, he will continue to demand budget cuts as the price for holding down interest rates, and his austerity policy will sabotage the economy and Reagan's campaign.

'United States: debtor nation'

The U.S. markets' vulnerability to such manipulation has never been higher. The economy survived through 1983 because foreign investors bailed it out with \$160 billion of foreign flight capital, mostly from Europe, as Volcker pointed out in congressional testimony in early February.

The *New York Times* has made front-page news of the dollar's vulnerability. In a Feb. 20 article headlined "U.S. Nears Status of Debtor Nation," the *Times* reports that the United States will soon become a net borrower from the world "for the first time since World War I. Foreigners have been lending and investing more money in the United States than Americans have been investing abroad."

The *Times* pointed out that, according to the Commerce Department's Bureau of Labor Statistics, last year, foreigners invested \$49 billion in the United States while investments made abroad by Americans during the same period reached only \$28.5 billion. Americans' total overseas holdings on Sept. 30, 1983 were \$834.2 billion, versus \$711.4 billion held by foreigners in the United States.

First to suffer the consequences of the "dollar scare," which has thus far been more scare than substance, has been the U.S. Treasury market. As Council of Economic Advisers

chief Martin Feldstein, a Volcker ally, made clear in the 1984 Economic Report of the President, "a capital inflow from abroad is financing the equivalent of 40% of the budget deficit."

At the end of February, the U.S. Treasury was unable to market \$16.25 billion worth of its bonds and bills; the flight from Treasuries was led by British and other foreign investors. British and Swiss investors, along with the Soviets, who have amassed over \$30 billion speculating against European currencies recently, are now positioned to trigger a further dollar drop and stock-market collapse.

The British press has meanwhile hammered on the lying theme that Reagan and his defense budget are destroying the international markets and the West. The Feb. 18 *Financial Times* of London, in an editorial entitled "Fiddling While Rome Burns," accused Reagan of nothing less. "President Reagan has suffered some severe setbacks, and is being manhandled by the media—everlastingly, it seems, on holiday, while his world crumbles. If this disaffection grows into a serious electoral threat, he could have a dollar collapse in good earnest to add to his troubles."

The same newspaper two days later reported that "jitters" at the recent fall of the dollar, "brought moves by several [British investment funds] to reduce their exposure to a sustained drop in the U.S. currency's value." The paper reported that Prudential Assurance, Courtland's textile group, and one large unnamed pension fund were among those selling the dollar.

Clash in the Oval Office

Volcker and the President met several times during February, in what became a series of head-on clashes over monetary policy. According to a Feb. 17 Evans and Novak syndicated column, the President urged Volcker to let up on the credit spigot and Volcker declined. Through the narrow prism of his re-election chances, the President has begun to realize that Volcker is a danger.

Twice before the White House has been blackmailed on behalf of Volcker. Last summer, when Volcker's term expired, the British and Wall Street banks raised a hue and cry that if Volcker were not reappointed, the "recovery" would fall apart. The Federal Reserve's faked industrial production increase statistics were paraded about, and Reagan reappointed Volcker. He had contemplated firing Volcker as early as 1981, according to several press accounts, but the British and Wall Street prevailed against the President's better judgment.

Meanwhile the multibillion-dollar Mexican and Brazilian loan packages have begun to unravel, according to bankers across the United States involved in the negotiations.

At this point any crisis in the Ibero-American or other foreign debt markets would be blamed on the President—who has had almost nothing to do with it—rather than on Volcker, who has created and managed the entire bubble. The *New York Times* editorial of Feb. 21, "America in Hock to the World," put out the line. Unless the President keeps

Volcker in office and slashes defense spending, they write, U.S. farm exports would be smashed, American manufacturers would not be able to export, and the Third World debt situation will fall out of control.

Even the \$3.5 billion Mexico package for this year, which has been sold as a "sure bet" because of Mexico's vast IMF-dictated import cuts to free dollars to pay interest, is falling apart, insiders say. An official at a leading Philadelphia bank in charge of collecting loan commitments for Citibank and the Mexico consortium chairman in the entire Southeast quarter of the United States, said on Feb. 24 that "nobody wants to give any money to Mexico because they're convinced the economic miracle can't last." Regional bankers are beginning to realize that precisely because Mexico has cut imports so much, its economy will have to fall apart soon. "I've spent the entire Washington Birthday weekend trying to come up with a package and I'm getting turned down all over the place," he complained. "Not even \$3 billion," he said, "of the total \$3.5 billion package has been raised."

The banker also reported that he has been asked to report the names of regional banks who won't chip in to Citibank in New York, and that Citibank's debt overseer, senior vice-president William Rhodes, is phoning the names to Volcker and Comptroller Todd Conover. "Volcker and Conover are getting on the phone personally at a very high level with the recalcitrant banks and armtwisting them, to be very, very polite," he said. "The threats are tremendous. These regulators have the power to close down some of these banks."

On Brazil, bankers are openly telling reporters that the much-ballyhooed \$6.5 billion Brazil loan agreement of last fall, yet to be disbursed, is now falling apart because the IMF is getting ready to declare Brazil to be out of compliance with its IMF program, specifically the IMF's inflation target.

The British banks in particular are refusing to go in because the U.K. government has stalled their share in the companion \$5 billion OECD export-import bank loan program for Brazil.

"Brazil is well over 120 days in arrears now, and even if the IMF gave their blessing tomorrow—which is almost impossible—there is no way that funds could be dispersed to them until the end of March," one Florida banker involved explained. "By the end of March, Brazil will be 150 days" or five months, in arrears, he said.

The total arrearages of Latin America could be mounting toward the \$10 billion mark by the end of the first quarter, *EIR* calculates. Argentina could be another \$1-\$2 billion in arrears at least, Argentine negotiators told creditors on Feb. 22. If Mexico and Venezuela accumulate arrearages, which they will do if their current loan packages—for purposes of interest payment—fall apart, the totals could zoom.

Most of these arrearages are actually being paid—not in U.S. dollars, of course, but in soft currencies, Brazilian cruzeiros, Mexican pesos, and so on, as *EIR* reported last week, into blocked accounts at the debtors' central banks (see Banking).

Is Henry Wallich prosecutable under the Nuremberg Doctrine?

by Lyndon H. LaRouche, Jr.

Henry Wallich is a supporter of the doctrine of genocide of the Club of Rome. In his capacity as an official of the Federal Reserve System, Wallich is demanding implementation of economic and monetary policies whose precalculable effect is genocide among populations of developing-sector nations. Therefore, according to arguments submitted by U.S. Justice Robert Jackson and officials in the postwar Nuremberg Trials, Henry Wallich is indictable for capital crimes against humanity.

Justice Jackson's brief on this matter includes the stipulation that the mere fact that no existing statutes may exist covering certain categories of crimes does not prevent the perpetrator from being held accountable for such crimes. If the Justice's argument to this effect be held true, then Henry Wallich today is walking in the shadow of the gibbets of ignominy. He is willfully causing the deaths of millions by means of famine, epidemic, and related causes, and is on that account a mass-murderer, purely and simply. He is a capital offender in the specific sense Justice Jackson's arguments stipulate.

This matter is not one for an ordinary judge or attorney of the present time. An ably qualified attorney today is one skilled in guiding his clients through the murky and treacherous swamps which our accreted legislative and judicial law has become, a body of law which in its entirety is often far removed from, or even sometimes hostile to the notions of natural law known to our republic's founding fathers from such authorities as Nicolaus of Cusa, Grotius, Puffendorf, and such moral philosophers of the law as William Shakespeare and John Milton. Perhaps numerous among our practicing attorneys might wish to plead a case on premise of such natural law, but they would be usually perplexed to discover a judge who would hear such a plea.

The matter of the indictment of Henry Wallich pertains not to the extant corpus of legislative and judicial law as ordinarily practiced today, but to a higher body of law, the higher body of law informing the composition of most ele-

ments of our Federal Constitution. Today, such matters of higher law are usually abandoned in our courts, and left, if merely by default or otherwise, to philosophers. Thus, it is a matter on which I am among those best qualified to judge, and among the rarer few such likely to assume the duties of delivering judgment.

Since Mr. Wallich has not yet been indicted, and I am not presiding over his trial on charge of the indictment, I limit myself to stipulating the lawful conditions bearing upon his prospective indictment. If, in proceeding so, I appear to indict, try, and convict him, the courts before which such indictment and trial are conducted in that fashion are, first, the court of his own conscience—if, indeed, he has one, and, second, the conscience of his peers. For you, too, in condoning the presence of such men as Henry Wallich on our Federal Reserve Board, are to that degree complicit in the mass-murders Wallich is perpetrating.

The philosophy of law of the United States

The United States of America is a federal constitutional republic, and on that account an heir of the republican tradition associated early with Solon of Athens, the tragedian Aeschylus, and Socrates and Plato. We stand in a republican tradition directly and irreconcilably in opposition to the sodomy-ridden, slave-murdering form of society exemplified by Lycurgus's Sparta, and to the evil law and social practices of the ancient Chaldeans, and the Assyrian, Babylonian, Persian, Roman, Ottoman, Austro-Hungarian, and Russian empires, or the wicked Holy Alliance of Clement Prince Metternich.

As the writings of Philo of Alexandria, the Apostles, and St. Augustine affirm this, in principles of law, Judeo-Christian law coincides with the republican law of classical Greece.

The modern commentaries on such a body of Judeo-Christian republican law are most efficiently traced to the writings of Dante Alighieri (e.g., his *De Monarchia*) and of Cardinal Nicolaus of Cusa (e.g., his *Concordantia Catholi-*



Henry Wallich

ca). Grotius, Pufendorf, and Leibniz best exemplify the successors of Cusa. The informing of the literate popular mind of these matters during the 17th through early 19th centuries is most notably the dramas and other writings of William Shakespeare and John Milton (for the English language) and Friedrich Schiller (for German).

The special significance of the contributions of Dante and Cusa is that they, above all others, were the architects in law of the modern form of sovereign nation-state republic, who considered not only the lawful ordering of internal affairs of such republics, but of the higher, common body of law properly regulating affairs among such sovereign states. Therefore, whenever a question of natural law is posed to us today, we are obliged to refer to such literary precedents in formulating our own judgments in the matter at hand, as in the present instance.

It is also relevant, from study of primary sources expressing the views of the founders of our federal constitutional republic, that although the opinion on matters of natural law among those circles was more informed by the successors of Dante and Cusa than those two authorities themselves, the prevailing views expressed were in accord with the influence of such authorities. To that degree, the intent of our Federal Constitution, and the intent to establish a practice of consti-

tutional law, as distinct from Roman or British law, is clear to similar effect.

It is relevant to remark at this point, that the present functioning of the Federal Reserve System is explicitly in violation of provisions of our Federal Constitution, including Sections 8 and 9 of Article 1, and that Henry Wallich's capital offenses against natural law were not feasible if the Federal Reserve were not already in flagrantly explicit violation of the plain language and intent of our Constitution.

As to the Judeo-Christian substrate of our republic's natural law, the following are to be stressed in the present instance.

We are enjoined, by the Book of Genesis, that the ordering of life in society shall be by means of labor to produce the physical means of human existence. We are also enjoined that mankind must be fruitful, must increase the population to fill the earth, and must exert dominion over all other objects and creatures of nature. On this account, the teachings of the Club of Rome and like-minded neo-Malthusian institutions and persons are in axiomatic and clear violation of fundamental premises of Judeo-Christian law.

In matters of law, as distinct from theology, the distinction of Christianity from Judaism is exemplified by the mission of the Apostle St. Paul, in accordance with Christ's teachings recorded in the New Testament. Christ was given by God to save all mankind, that whoever loved God must thereafter love all mankind as Christ expressed such love. The distinctions of race, of nationality, are abhorrent to us, and therefore abhorrent to natural law. Christ freed mankind from the evil pagan heritage of cults of "blood and soil."

In a related matter, it is the policy of our justice under natural law, to destroy the evil and save the sinner, in every case a practical separation between the two can be accomplished.

Yet, in modern proceedings under natural law, we are not permitted to give the weight of law to the pleadings of any religious denomination. Our republic's law to this effect was influenced by such precedents as the Edict of Nantes, the 17th-century law of toleration of Prussia's Great Elector, and the teachings of John Milton. The rigorous argument for such a policy is provided by Cusa, including his *De Pace Fidei*. Affairs of the state must be subject to the special teachings of no religious denomination; the state is permitted to recognize only those ecumenical principles as principles subject to empirical verification. This might appear to create a paradox in our argument for natural law, that, on the one side, we affirm the Judeo-Christian premises of republican natural law, and yet refuse any special interpretation of Judeo-Christian law by particular religious denominations. The fact of the matter is that the ecumenical principles adduced from Judeo-Christian culture's heritage have been proven empirically to be the only known principles of a republic morally fit to exist.

We summarize those empirical proofs.

The first proof of a fundamental distinction between man and beast is obtained most readily by comparing the size and condition of human populations in the most primitive condition of mankind known, the so-called hunting-and-gathering society, with the scale and condition of the human population today.

Labor and increase of population

In a hunting-and-gathering society, approximately ten square kilometers of habitable area are required to sustain the life of an average individual. The life-expectancy of such an individual must have been significantly below 20 years of age, and the conditions of life generally poorer and more precarious than those of the faster, stronger baboon. Yet, through advances typified by the fishing and agricultural revolutions, mankind has presently a population more than a hundred times that of the ten million-maximum possible for primitive mankind, and we have in reach the means for sustaining a population of such tens of billions of persons at a better level of existence than was available in the United States during the early 1970s.

All of this has been accomplished as the fruit of scientific and technological progress. Moreover, it is readily shown that if a society halts technological progress for a protracted period at some point in its existence, that society must collapse and die. The creative-mental powers which give rise to scientific and technological progress are that facet of human nature which absolutely separates man from beast, and requires that human behavior be in every essential respect different than that of each and all varieties of beasts.

Yet, each new human individual is born in a beast-like condition of enslavement to what appear to be original and immediate hedonistic impulses, a condition which Judeo-Christian theology defines as "original sin" of man born of woman. The distinction is that loving direction of the development of that child's mind brings forth expression of a divine spark of Reason, a capacity to produce, assimilate, and employ efficiently such mental-creative productions as those of scientific and technological progress.

The sum of all known human existence proves conclusively that these fundamentals of Judeo-Christian law are true, and all contrary opinion false and also wicked. If a society acts contrary to the implications of these proven truths, that society must die of its own bestiality, as the Roman Empire died of the weight of evil in Roman law and Roman policy generally.

The historical fact, that the possible increase of human population through technological progress is implicitly ordered, shows that despite the contradictions among the scientific and related opinions associated with each technological-revolutionary advance in the human condition, there is a principle consistently embedded in each and all such revolutions, a principle which may be named a "principle of discovery."

Since this principle of discovery brings mankind into increasing mastery of nature, that constitutes empirical proof that such a principle of discovery guides mankind toward increasing agreement between man's will and the implicit will of the lawful ordering of our universe. This principle of discovery expresses the divine spark distinguishing mankind from beasts. If we can but rise in our chosen sense of identity to make this divine spark's development the purpose of our mortal existence, and if we dedicate such exertion to the benefit of all mankind, as if for Christ's sake, we are acting, as Cusa puts this, "in the image of the living God." In the works which successfully satisfy such a requirement, as Cusa puts the point, man "participates in God" by doing God's work, by bringing his will toward greater conformity with God's Will.

The purpose of a republic is the development of the individual according to these principles, to foster the development of such powers and sense of moral identity within the new individual member of society, and to afford the individual the opportunity to employ the developed mental-creative powers in practice to the benefit of present and future generations according to this same principle.

Every right and privilege afforded by states to persons within society must be always subordinate to that purpose of the republic we have just identified. The sacredness of the life of the human individual, the right of the individual to be developed in such a fashion, to such a purpose, and to be afforded all reasonable opportunity to employ such developed powers to the advantage of present and future generations, is the proper definition of *the principle of equity*, as Shakespeare argues for such a principle of equity in his *Merchant of Venice*.

The second-greatest of all crimes is to violate that principle of equity. The greatest of all crimes is to attempt to destroy the institutions of law which afford the protection of such a principle of equity to individuals and nations. The first class of offender is a violator of the law; the second class of offender is an abomination before the entirety of the law.

Henry Wallich is such an abomination before the entirety of the law. He is of the same class as Adolf Hitler, Pol Pot, and the Ayatollah Khomeini, as are all leading supporters of the Club of Rome's and kindred doctrines. They represent an evil which must be destroyed, and also made an example in the conscience of the population that their like might never be tolerated again.

Let Henry Wallich and his kind not protest that we proceed from ex post facto law. The natural law was written by the Creator before any other law was proclaimed. It is the oldest of all laws in this universe, beside which every other provision of law is merely an ephemeral caprice of the passing epoch or moment of history. On this point, the argument of Justice Robert Jackson was well-grounded.

Let Henry Wallich be brought as soon as possible to the processes of true justice.

The 'suicide' of banker Yaacov Levinson

by Mark Burdman

Israelis will undoubtedly be discussing for weeks to come the apparent suicide of Israeli banker Yaacov Levinson on Feb. 22. Preliminary evidence leads to the suspicion that, if he was not murdered outright, Levinson was driven to kill himself by an insidious campaign of innuendoes and gossip by agents of the Soviet KGB and friends of Henry Kissinger, united in their common antagonism to Israel's sovereignty.

'An economic Gaullist'

Levinson was the builder of the banking empire of Bank Hapoalim and until his death the chief official in the Ampal (American-Palestine) Corporation, a key institution historically for funneling money from U.S. supporters to Israel for investment projects into the Israeli state. He was known as "an economic Gaullist in an Israeli context," a man who favored growth-oriented capital investment and high-technology projects, including ambitious construction projects.

In this sense, Levinson was the heir of a dirigist tradition associated with the Israeli "Old Guard" of the late Finance Minister Pinhas Sapir and Prime Minister David Ben-Gurion, who knew that Israel could only develop through centrally deployed funding of desert irrigation, city-building, and other capital-intensive projects.

Levinson was regarded as a point of potential resistance to the austerity onslaught of Finance Minister Yigal Cohen-Orgad under pressure from the U.S. State Department, the International Monetary Fund, and the pro-Nazi Bank for International Settlements. He was being mooted as finance minister should the Labour Party return to power and should he overcome his own reluctance to assume government positions.

Budget-cutting mania

The day of Levinson's "suicide" was also the day of the announcement by Cohen-Orgad of cuts in Israel's budgets, including slashes in vital sectors like defense and welfare, so that Israel can repay its foreign debt of (by conservative estimates) \$22 billion. The international elites associated with Kissinger would want Levinson's death to be a "message" that the old days of production and "making the deserts bloom" are over.

"His death is a catastrophe," an Israeli in Europe told *EIR*

Feb. 23. "He could have been the one man to slow the slide of the Israeli economy into disaster."

Since the first weeks of 1984, Levinson had been hounded on never-substantiated charges that he had engaged in financial irregularities as head of Ampal. Tel Aviv gossip circuits are buzzing with talk of intrigues by anti-Levinson forces within Ampal and Hevrat Ovdim, the holding company for the industrial empire of the Histadrut national trade union confederation. More interesting, however, is that the main tormentor of Levinson had been journalist Uri Avnery, editor of the pornographic *Hoalem Hazeh* scandal sheet and a man who maintains very close channels to the Soviet KGB.

An Israeli military intelligence source told *EIR* Feb. 23: "When you think of Levinson being dead, think of all the trips Uri Avnery has made to Moscow." A source linked to the Israeli Foreign Ministry told *EIR* the same day: "I wouldn't be at all surprised if Avnery is an agent of the KGB. He's a major crook and I wouldn't put anything past him."

The U.S.S.R. and Kissinger

The Soviets, for reasons of ideology and global strategy, would like nothing more than to punish Israel by weakening forces committed to a nationalist economic perspective. Duped individuals both within Israel and in the Jewish communities outside Israel have been harboring delusions, in the days following Chernenko's accession to power in Moscow, about a strategic "deal" to be reached with Moscow, premised on the Soviets opening the valves of Jewish emigration from the U.S.S.R., but the heightening pitch of anti-Semitism in the first weeks of 1984 should be a better clue to how the Moscow military junta ultimately wants to handle the Jewish state.

Again, it may be coincidence, but the reports of Levinson's suicide broke simultaneously with reports received by *EIR* that Dr. Henry Kissinger had arrived in Moscow on or about Feb. 20.

In May 1984, Henry Kissinger is due to keynote the hallmark Israeli economic event of the year: the Jerusalem Economic Conference, co-sponsored by the Israeli Finance Ministry, the Israeli Ministry of Economic Coordination, and other Israeli ministries. The conference will nominally focus on the theme of "high technology for Israel," but the perspective of Kissinger and his State Department epigones is that this translates into making Israel a "high-tech" imitation of Hong Kong surviving on the basis of the arms-sale programs implied by the development of Israel's Lavie jet.

Any idea of Israel following in Japan's footsteps and integrating its economic development into the spinoffs of the U.S. beam-weapon program is violently opposed by Kissinger and his allies.

The co-keynoter of the May conference will be Lawrence Klein, a member of the genocidal Club of Rome and top economist at the Wharton School in Pennsylvania. Kissinger, Klein, and their ilk are committed economic Schachtians, in the tradition that led Germany toward the Holocaust.

Defense priority: Time to rebuild America's steel heartland

by Leif Johnson

For a nation that uses more steel in tin cans than it uses for all its armaments, the time has come to face rebuilding its steel heartland or else accepting Henry Kissinger's 1982 plan to reduce America's world influence to 25% of its post-war role.

The LaRouche-Riemann economic model projections for the first quarter of 1984 are that the United States requires a full 135 million tons of steel mill product capacity to fulfill our defense requirements. The Soviets currently have a capacity to produce 100 million tons, and their Warsaw Pact satellites add another 35 million tons.

The statistics of decimation

There are no unemployed steel workers in the Russian Empire—although much production there is highly inefficient. The picture in the United States is very different. Last year America produced 67 million tons, down from 100 million tons in 1979—only four years ago. In 1979, 491,000 people were producing our most basic industrial product. Last year only 242,000 were left. No one claims the reduction is due to enhanced productivity.

Examine the situation in the steel belt around Pittsburgh. From producing 24 million tons of raw steel in 1979, the furnaces in Pittsburgh, Youngstown, McKeesport, and Monongahela fell to only 10.3 million tons last year. Steel employment in the city of Pittsburgh dropped from 87,200 to 42,200.

While the 67-million-ton output of 1983 was slightly better than the 60 million tons of 1982, it turned out that the mills produced more of ordinary grades like flat rolled sheet for autos, but less of quality steels for heavy equipment, machinery, oil field equipment, and piping. Therefore, in value of product, there was a decline of as much as 5% in steel mill shipments.

This is occurring as the steel industry hastens to shut down its integrated capacity to produce high-quality steels from ore, moving towards the scavenger "mini-mills" which produce from scrap steel. At the same time, the industry is

integrating itself into a shrunken world steel market, specializing in certain product lines, but losing the capacity to produce a full range of mill products.

How much steel is needed?

Many military experts claim the United States could fulfill its defense requirements with as little as 50 million tons of steel—some say even less. Fifty thousand tanks require only 500,000 tons of steel; aircraft and missiles have even less steel; 50,000 military trucks adds up to only 200,000 tons of steel.

The fact is that only a small portion of steel required for defense goes into armaments directly. The overwhelming requirements are in what we call the "civilian sector." In order to produce and transport war materiel, vast quantities of steel are required for railroads, highways, bridges, industrial buildings, heavy construction equipment, machine tools, oil equipment, forgings, castings, stampings, merchant marine vessels . . . down to tin cans.

In World War II, far more steel was put into the Liberty and Victory merchant ships than into the entire naval fleet built during that war.

More steel went into the 3 million machine tools than went into all the jeeps produced.

Many thousands of bridges, urban water systems, railroads, and interstate defense highways now need repair or replacement. With this enormous steel deficit—hundreds of million of tons—the United States needs to produce at least 135 million tons per year.

As the LaRouche-Riemann study points out, to achieve that level of output requires the most advanced technologies like the ultra-high temperature plasma process. Where shall we locate the new steel mills?

The answer is straightforward: in the steel heartland.

America's steel industry was originally located heavily in the area around Pittsburgh and Youngstown, Ohio to draw on coal from Pennsylvania and West Virginia and iron ore and limestone from Minnesota. The transportation grid was

built up and a large skilled labor force was assembled.

With the most important ingredients, labor and infrastructure, already in place, all that is required is the new and rebuilt mills. That means that all the plants recently closed, including the 23 mills being shut by U.S. Steel and Bethlehem's Lackawanna plant, must be kept intact pending rebuilding.

Immediately, one of the biggest markets for the heartland's steel will be the steel plants themselves. Along with the bridges that must be rebuilt and the thousands of miles of rail lines refurbished, two of the nation's most strategic waterways will absorb hundreds of thousands, if not millions, of tons of steel.

The Lake Erie-Ohio River waterway

The first is the Ohio River, whose locks are in desperate disrepair. The second is the nation's most important new waterway project: the Lake Erie-Ohio River Waterway, a billion-dollar, 10-year project that will slash the costs of hauling iron ore from Minnesota to Pittsburgh.

At present, the ore is shipped from the Superior ore docks to Ashtabula, Ohio and hauled from there to Pittsburgh by rail. The 135 miles from Ashtabula to Pittsburgh, 13% of the mileage, takes 60% of the transportation charge. The new waterway, which includes a 72-mile stretch of the Allegheny River and 128 miles of the Monongehela River, would bring the iron directly by ship to Pittsburgh and beyond. It would also provide a direct water link between Cleveland and New Orleans.

The project was first seriously considered in 1947, but the Pennsylvania Railroad and R. K. Mellon of Mellon Bank—a founder, with the Rockefeller and Hanna interests, of the steel trust—killed it. In 1965 the Army Corps of Engineers made a detailed recommendation for the Erie-Ohio Interconnecting Waterway which was accepted by Ohio but defeated by then governor William Scranton of Pennsylvania.

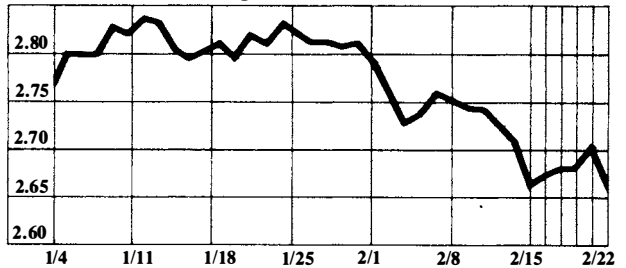
Just as the steel industry had defied President Roosevelt's World War II demand to increase output, and forced a show-down with President Kennedy in 1961 when the industry wanted to begin the "build-down" it is now engaged in, steel companies worked to block the waterway. One of the most vociferous "post-industrial society" forces demanding an end to the "smokestack industries" was the Academy for Contemporary Problems established in 1972 at the estate of Armco Steel magnate George Battelle. The Swiss Battelle family has spawned several leading anti-industry foundations including the Battelle Institute.

As exciting as reviving the steel-making capacity of the heartland is the effect on the metalworking industries in general. The machine-tool, forging, metal stamping, casting, die-making shops and factories, so desperately assaulted by the Volcker depression and flooded by imports, will instantly revive. That is fortunate, because they are just as important to national defense as are new steel mills.

Currency Rates

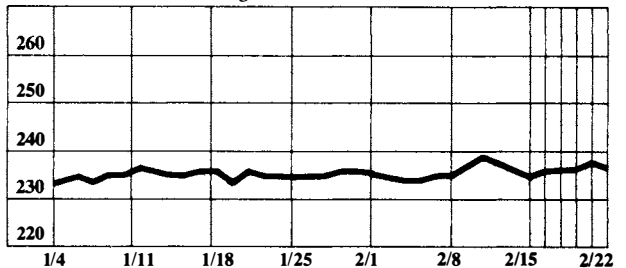
The dollar in deutschemarks

New York late afternoon fixing



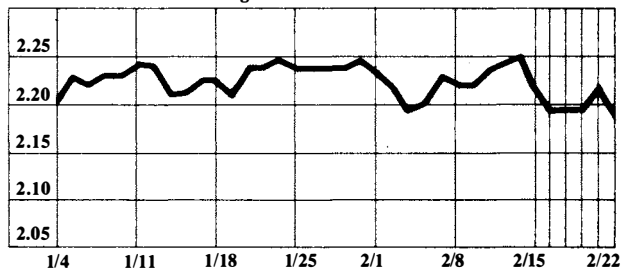
The dollar in yen

New York late afternoon fixing



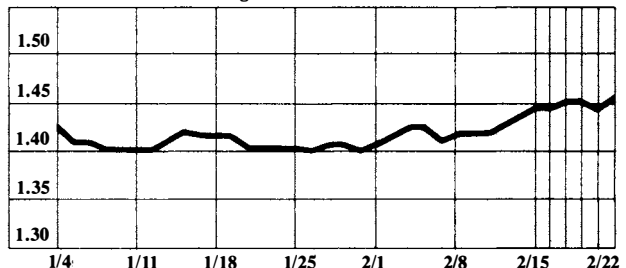
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



New frontier: NASA preparing for the first satellite repair

by Marsha Freeman

Despite the national press hoopla about the misdeployment of two commercial communications satellites on the recent Shuttle flight, the primary mission objective of the National Aeronautics and Space Administration (NASA) was achieved with shining success. From the start of the Shuttle program, NASA explained that the real value of the Space Transportation System was not only that it is a reusable launch capability, but that it would enable man to go into space to work and discover on a regular basis.

By testing new equipment and new procedures, this 10th Shuttle mission laid the basis for man to go into Earth orbit to repair and build important space equipment and satellites. The successful use of the powered backpacks, and the ability of the crew to improvise while in space, has increased NASA's confidence in these unique uses of the Shuttle.

In 1980, NASA launched the Solar Maximum Mission satellite to gather data on the active phase of the Sun's solar-flare cycle. Several months after launch, the one-of-a-kind scientific satellite developed minor electrical problems which have prevented it from orienting toward the Sun and collecting the data scientists were waiting for.

On the next Shuttle mission, scheduled for an April 4 lift-off, NASA will send two astronauts out to capture the Solar Max, bring it into the orbiter's payload bay, and repair it. Without the just-completed Shuttle mission, which successfully tested the new equipment and procedures which the satellite repair will require, this next feat would not be possible. These techniques and new tools will be needed for the construction of large structures in space, and for use of the just-authorized space station.

Fixing an ailing satellite

In every space walk outside a spaceship since the first in 1965, the astronaut or cosmonaut has been tethered to the ship. The 10th Shuttle mission, however, included the first

tests of Manned Maneuvering Units (MMU), powered backpacks to be used without tethers.

The Solar Max will have to be approached by an astronaut from outside the Shuttle after the commander brings the orbiter to within about 300 feet of the satellite. At that point, he will put on the MMU and go out to meet the Solar Max. He cannot be tethered to the orbiter because he would become entangled in the line as he moved.

The Solar Max satellite is now slowly spinning. The astronaut will attach himself to the satellite and stop it from rotating by pushing the attitude control button on the MMU. This will control the firing of the MMU's small thrusters until the astronaut, with the Solar Max attached, stops spinning.

At that point, the astronaut will bring the satellite to the payload bay, where it will be grappled by the 50-foot Remote Manipulator arm and be repaired in the cargo bay. If it is found that the satellite could not be fixed in space, it can be put into the bay and brought back to Earth. Without this procedure, a once important scientific satellite would eventually become a piece of space debris.

A human satellite

At 7:27 a.m. Central Standard Time on Feb. 7, Shuttle mission specialist Bruce McCandless became the first human satellite—orbiting the Earth at more than 17,000 miles per hour, free from the Challenger.

He used the MMU jets to push himself away from the orbiter at a leisurely one foot per second—which is slower than walking speed. It took McCandless about eight minutes to venture out 150 feet from Challenger. On a second trip he moved 320 feet away.

The only way the astronaut could judge his distance from the rest of the crew was to measure the apparent size of the orbiter as it became smaller the farther away he traveled. Radar onboard Challenger kept a much more precise reading

on McCandless's whereabouts.

Astronaut and mission specialist Robert Stewart followed McCandless in donning the same MMU and departing from the payload bay. Because the team was running a few minutes behind on their timeline, Stewart obtained permission from mission control in Houston to go out 150 feet, stop and check his MMU propellants, and then travel the full 300-foot distance without coming back to the bay first.

On Feb. 9, the two mission specialists performed another nearly six hours of extravehicular activity (EVA) and tested a second MMU backpack. They also used a set of powered tools designed for the Solar Max repair mission and tested the procedures for refueling a satellite in space. NASA plans to be able to refuel satellites while in orbit, to extend their useful life past the seven years that are the average today.

One of the disappointments of this mission was the performance of the IRT, or Integrated Rendezvous Target. This large balloon was supposed to be filled with gas after being released from the payload bay, but it failed to inflate properly and exploded. The IRT was to be a target with which the orbiter could practice rendezvous as close as the 300 feet, which will be necessary with Solar Max.

The Shuttle crew was able to use some of the balloon debris as a target of sorts, but through the serendipity which is characteristic of most space ventures, commander Vance Brand had an opportunity to try out maneuvers with the Challenger, even without the IRT.

While the astronauts were performing their second extravehicular activity on Feb. 9, one of the plates that holds a foot restraint in the payload bay came loose and started drifting out into space. Stewart requested permission to use the MMU to go after it, but Commander Brand quickly decided to maneuver the orbiter itself to chase the runaway piece.

When the piece was close enough to the bay, Stewart reached out, grabbed it with his feet, and brought it back into the payload bay. This quick response proved to Brand's satisfaction that the orbiter could be easily maneuvered in orbit, should an astronaut away from the Shuttle with an MMU have difficulty and need to be rescued.

For McCandless, this perfect first performance for the Manned Maneuvering Units held a personal satisfaction; he has worked on their development for the past 17 years. Both astronauts commented on how easy the units were to use, and NASA is confident that they will open up whole new arenas for human activity in space.

Communications satellites may be repaired

A major problem on this Shuttle flight was the incomplete deployment of the Western Union and Indonesian communications satellites. The satellites were deployed perfectly from the orbiter, but their booster stages, which take them to the 22,300-mile geosynchronous orbit, did not function properly. The McDonnell Douglas Payload Assist Modules, or

PAMs, seem to have fired for only about 15 of the planned 85 seconds, which put the two satellites into highly elliptical and near-useless orbits. These satellites are not designed for on-orbit repair.

Due to the smashing success of the mission's MMU tests, however, NASA is considering repair of the two communications satellites. Fuel on board each satellite, which is used to make small adjustments in its orbit when it is functioning properly, could be used to place them in circular orbits where they could be "caught" by a Shuttle crew.

NASA will have to design a device that can grapple the satellites and place them in the Shuttle's payload bay. And, according to *Aviation Week*, this recovery mission will have to be within the next year, before their orbits decay too much for a Shuttle rendezvous.

The satellites could be brought back to Earth and re-fitted with upper stages that could boost them into their proper orbit on a subsequent flight. It is possible that it would be cheaper for Western Union and the Indonesian government to pay for this rescue mission than build another set of satellites.

Could space treat arthritis?

One of the most interesting scientific experiments aboard this last Shuttle mission was designed by Dan Weber, a student at Hunter College High School in New York City when the experiment was conceived. He has been working with scientists at the Pfizer Company to study the effect of zero gravity on arthritis.

His interest in this problem was sparked by his close relationship with his grandfather, who suffers from rheumatoid arthritis. Weber observed that his grandfather's symptoms were relieved by swimming and hydrotherapy. He has also learned that astronauts in microgravity gain up to an inch in space as their spine stretches out because gravity is not there to compress their muscles and joints.

To test his hypothesis that space might relieve the pressure on arthritic joints, Weber designed an experiment to fly six rats in the Shuttle. Three were injected with a chemical which produces symptoms similar to arthritis, and the other three were not.

All the rats were measured before the flight for weight, food, and water consumption, paw volume, and activity levels. While in flight, the crew monitored the rats, recording observations of their activity levels and other parameters. They also turned lights on and off to simulate normal Earth day cycles.

Upon their return to Earth, the rats were re-measured, and blood samples which measure the chemicals associated with arthritis were taken to determine joint deterioration.

If it is found that weightlessness relieves the arthritic symptoms which are suffered by millions of people on Earth, space may become a very attractive place for some arthritis victims to live and work.

Market structure aids oil crisis threat

by William Engdahl

From the standpoint of global strategy, the timing is very advantageous from the Soviet point of view for triggering a new world petroleum crisis.

World consumption remains several million barrels below the peak year of 1979. On average, for 1983, the world produced 57.9 million barrels per day (bpd) of crude oil. At the height of the 1979 Iran crisis, the world produced 62.7 million bpd. The decrease in output occurred because Middle East OPEC producers have averaged a severely reduced 12.0 million bpd for the past year, compared with an average 21.2 million bpd four years ago. Due to soft demand—a major indicator of the lack of industrial recovery in the West—the OPEC official benchmark price for Saudi light crude plummeted in 1983 by \$5 a barrel to \$29.00.

This “slack” market could tighten in minutes should the Iranians make good on threats to shut the Strait of Hormuz or possibly make a surgical missile hit on the principal Saudi oil port at Ras Tanura with the SS-12 Soviet missiles they are said to have recently obtained. Here is what is at stake.

Supply and prices

Every day, some 8.5 million barrels of crude, about 20 percent of the free world production, move aboard huge oil tankers from Iran, Iraq, Kuwait, Saudi Arabia, Qatar, and the United Arab Emirates. They all must pass through the 24-mile-wide Strait of Hormuz. Though recent engineering studies calculate it would be highly unlikely sufficient tonnage could be sunk to physically block the Strait, which is two to three hundred feet deep, a dramatic hit on a large tanker would prompt Lloyds and other major insurers of oil tankers to charge prohibitive war premiums.

What would be the effect of even a temporary loss of this 8 million bpd? For Japan and large parts of Western Europe, which are highly dependent on Gulf oil imports (Japan imports 100% of its oil needs) it would be catastrophic (see *EIR*, Feb. 28). Even though at this point, there is a certain smugness around Washington and New York that the United States is no longer heavily dependent on oil from the Persian Gulf,

the price impact of such a crisis would be staggering to a world economy on the brink of complete crisis.

The Dallas Federal Reserve Board calculates that some 4 million bpd could be made up more or less immediately from alternate routes and untapped capacity in other producing regions. Such options include Nigeria, which could easily add another million barrels to its daily output, as well as Indonesia and Venezuela. In addition, over the past six months, Saudi Arabia has been pouring an immense stockpile into a “floating reserve” estimated at close to 70 million barrels.

Decentralized markets

The danger is not, then, the threat to supplies so much as the transformed nature of the international petroleum market since the 1979 “oil shock.” While in 1978, only a tiny 2-3% of total world oil sales were taking place in the short-term so-called Rotterdam spot markets, today 40-50% of world oil trade is traded in spot. This means that the global market is vastly more open to panic bidding than ever before.

Added to this is the introduction of a major new element of pure speculation in paper with enormous panic potential in any perceived shortfall crisis. This is the creation of the New York Mercantile Exchange, known as NYMEX, and its London International Petroleum Exchange counterpart. Rather than selling actual cargoes of crude or refined petroleum products, these speculative boondoggles bloat paper prices based on “futures,” anticipated future rise or fall in oil price. Almost overnight, the NYMEX daily trades an average of 9.5 million bpd. A short-term supply crisis could be magnified into a price panic through the combination of the new futures market and the high spot market dependence.

And the man heading this new NYMEX futures operation gives rise to additional concern. He is John Treat, the man who ran Carter Energy Secretary James Schlesinger’s Iran Emergency Task Force in 1979. As this writer documented at the time, Schlesinger’s deliberate supply manipulations during that crisis were a major factor to force panic when the actual shortage was non-existent. Treat is well primed to force a new price crisis this time around.

“The creation of the New York oil futures market,” one West Texas oil trader told me, “allows a tiny handful of insiders with large funds to have enormous impact on manipulating price.” Over recent weeks, Treat has made an attempt to persuade the Reagan administration to turn major portions of the almost 400 million barrels of government Strategic Petroleum Reserves now in underground storage in Texas and Louisiana over to NYMEX speculative control. The eruption of a new Mideast crisis could give Treat the lever he needs. A U.S. Department of Energy simulation last summer calculated the price of oil would soar to \$95 per barrel from the present \$29 per barrel within eight weeks of the closing of the Strait of Hormuz. Treat’s NYMEX is one reason such a scenario is entirely possible.

Loans only Volcker could love

The Fed chairman considers any bad Ibero-American debt good, if it's on Citibank's books.

Details are emerging on Federal Reserve chairman Paul Volcker's plan to rip up U.S. banking regulation on foreign debt. As *EIR* reported last week, Volcker intends to allow the money-center banks to accept interest payments on their dollar debt not in dollars, but in Brazilian cruzeiros, Mexican pesos, and other soft money.

Under U.S. law, loans whose interest is not paid in dollars for more than 90 days must be declared "non-performing," and the bank must write off that interest income. Brazil is already 120 days in arrears in its \$7 billion interest bill for fourth quarter 1983 and first quarter 1984. They will pay up to \$4.5 billion of that in cruzeiros.

To cover up the fact that Brazil and other debtors are "just a tiny bit pregnant" with arrearages, Volcker invented a new bank regulators' category where any loan whose arrearages are inconvenient could be hidden.

This was revealed in an interview last week with a source close to Volcker, who gave the Fed chairman's interpretation of the Dec. 15, 1983 "Interagency Statement on Examination Treatment of International Loans," masterminded by Volcker and published by the Federal Reserve, the Treasury's Office of Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

The Volcker Interagency Statement was bad enough. It rewrote the three regulators' category system for foreign loans. Previously, if a loan was "non-performing" (90 days in arrears), it usually was "classified" by the regulators, i.e., tagged as bad, un-

der one of three categories: substandard, value-impaired, or loss.

The Interagency statement created a fourth category, "Non-Classified Credits Warranting Attention," consisting entirely of what will now be called Other Transfer Risk Problems (OTRPs). "This category applies when:

"1) A country is not complying with its external debt service obligations, as evidenced by arrearages, forced restructuring, or rollovers;

"However, the country is taking positive actions to restore debt service through economic adjustment measures, as part of an IMF program.

"2) A country is meeting its debt obligations, but non-compliance appears imminent;

"3) A country has been classified previously, but recent debt service performance indicates classification is no longer warranted. . . ."

According to my Fed source, Volcker crony Fed Governor Henry Wallich told a meeting of top New York bank executives at Citibank Feb. 12 that this means a debt can now be totally bankrupt as shown by "arrearages, forced restructuring, or rollovers," or about to be, or still be, and remain unclassified. "The regulators are willing to account the loans to be performing loans, and will not account them to be non-performing," Wallich said.

By what criterion is a loan granted this new treatment? The Fed's say-so, which the Interagency statement calls "*judgmental factors* in the general assessment" of the loan by the regulators.

In fact, the criterion is that to be overlooked, the debtor's bad debt simply has to be big enough and bad enough to bankrupt the monetary system. The Interagency Statement also makes plain that only the worst loans will be protected.

"The agencies recognize the importance to the stability of both the international banking system and world economy of providing continued international flows of bank credit, especially to countries implementing IMF-approved economic policies. Such new flows may strengthen the functioning of the adjustment process, help to improve the quality of outstanding credit," it states.

That is, my Fed source said, "We can't criticize loans to any big debtor like Mexico or Brazil, or it will cut off new credit and undermine the IMF's power!"

Wallich explained that these big debtors will be exempt from penalties now being slapped on the poorest Fourth World nations under Section 905(a) of the U.S. IMF bill, which he wrote. He interpreted for them the Fed's Dec. 23 document R 0498, which states that debtors who show "failure. . . to make full interest payments on external indebtedness" must have their loans classified as "value-impaired," and the loan principal written off.

Wallich told the bankers that exception would be made in the case of big debtors, such that "full interest payment" for these countries, to fulfill requirements of Sec. 905(a), need not be made in U.S. dollars. He told the bankers that they could accept cruzeiros as payments on all their Brazilian loans without time limit, and similarly with other big debtors.

"Can we account the cruzeiro interest as income?" he was asked. "You can account it any way you and your accountants wish," he answered.

The IMF's country hit list

Which Third World nations will be killed off under Henry Wallich's new bank regulations?

The official *IMF Survey* bulletin recently published a list of countries having "serious debt servicing difficulties" which *EIR* believes to be a partial list of developing nations due to be cut off from all world credit under the Wallich Plan for genocide. The plan, which is part of the recently passed U.S. IMF bill, was written by Federal Reserve Board international Governor Henry Wallich.

The published IMF list includes Zaire, Sierra Leone, Gabon, Togo, Sudan, Liberia, Madagascar, the Central African Republic, Senegal, Uganda, Malawi, Romania, Costa Rica, Guyana, the Dominican Republic, and Nicaragua.

The hit list is published in a Jan. 23 *IMF Survey* article on a new IMF report entitled "Recent Multilateral Debt Restructuring," which reports on the sharp rise in debt agreement collapses during the past two years. The *Survey* published the names of countries to be triaged, ostensibly as a list of "poorer nations" which have repeatedly had to have their foreign debt restructured by the Paris Club of government creditor negotiators.

However, it is obvious that in reality this is a list of African and Central American "black, brown, and yellow people" which the Club of Rome's Alexander King states must be eliminated from the earth. The Wallich Plan, written by Club of Rome banker and Fed governor Henry Wallich, is set up to do just that.

The IMF list follows reports last October in the Swiss newspaper *Neue*

Zürcher Zeitung that the Swiss National Bank's Swiss Banking Commission had put out a list of countries to be banned from world credit and trade markets. These were countries which had not paid their debts in a number of months, which were "marginal" to Swiss trade, and which Swiss banks should avoid, the paper reported, noting the Swiss authorities had been careful to "deny that this is any sort of hit list."

The London *Financial Times* last Oct. 25 also reported that the Swiss Banking Commission is privately circulating a hit list of "undesirable countries" to which Swiss banks should not lend and against existing loans to which Swiss banks should accumulate emergency reserves.

The purpose of a hit list is to mark as pariahs the countries named, cut them off from world trade, and triage their populations.

Under the Wallich section 905(a) of the International Lending Supervision Act of 1983 (IMF bill), as *EIR* reported in detail Jan. 17, U.S. banks will be penalized for lending to countries having "protracted difficulty" paying debts.

The Fed and Treasury will force banks to set aside penalty reserves, known as "Allocated Transfer Risk Reserves," on loans to such countries. This means that banks will have to take direct losses in the amount of reserves thus set aside, in effect, writing off the debt of these nations.

The plan will be implemented so as to kill the weakest debtors first,

"Fourth World" countries "such as Zaire, Sudan, and others which have been behind for six months to a year or more," banking sources told *EIR* recently. "Once the banks actually have to take losses on them, no one will ever lend them a cent again, not even short-term trade credits."

The *IMF Survey* study on debt restructuring complains, "The growing severity of debt servicing difficulties is reflected in the sharp rise in external payments arrears, and in the significant increase in both the number of countries seeking debt relief." The study cites 29 countries which have had to go through debt relief bankruptcy court at the Paris Club since the beginning of 1982.

"The regions experiencing the greatest difficulties in debt servicing were Africa—whose debt service ratio rose from 7% to 15%—and Latin America—whose debt service ratio increased the most, from 28-42%."

The IMF notes that the "serious debt-servicing difficulties" were caused by "a rapid rise in foreign borrowing by developing countries," which allowed "expansionary incomes policies, expansionary fiscal policies, unrealistic exchange rates" and other indecent attempts by the developing world to increase living standards.

This profligacy can be dealt with by cutting such loans off completely, Wallich has said.

In a related speech on "IMF Adjustment Programs," IMF Director Jacques de Larosière added Feb. 6 that the IMF agreement to keep big Latin American debtors in the system has killed these countries just as surely as those being thrown out of the lifeboat. De Larosière revealed that large Latin American debtor nations such as Brazil, Mexico, and Argentina under IMF programs have taken a full \$31 billion in import cuts during 1982-83.

Thatcher's rampage

Simultaneous attacks on "American imperialism" in technology and on the CAP promote European decoupling.

The British government headed by Maggie Thatcher is on the warpath against the United States and the European Community. The issues at stake are high-technology sales and the EC's Common Agricultural Policy (CAP).

A glimpse into the thinking in London was given on Feb. 17 by a front-page article in the City's daily, the *Financial Times*, with the leak of an internal report of the International Computers Ltd. (ICL) corporation, partly owned by the British government and part by Lord Carrington's General Electric Company, warning of "growing technological imperialism by the United States."

The report demands that Britain reduce "its technological dependency on the U.S.A."—the thesis, "discussed with the [British government's] Dept. of Trade and Industry," being that U.S. export restrictions, notably conducted through the OECD-based COCOM agency, represent an "intolerable reach of U.S. export and other law into British sovereignty." COCOM is the Western agency in charge of preventing export of sensitive technologies to the Soviet bloc.

Trade and Industry Minister Norman Tebbit, often tipped as a future prime minister, who is Margaret Thatcher's chief monetarist partner in the British cabinet, recently flew to Washington to demands relaxing such "unjustified barriers to free trade."

A City insider recently reported that "you are going to witness a wave of anti-American, dirigistic high-technology industrial projects with a

Europe-wide base. It will come from quarters you would not expect, such as British Prime Minister Thatcher and Norman Tebbit.

"This will be done to counter the U.S. attempt at excluding Europeans from the high-tech area. These days, government and private sector experts that come to Washington to attend high-tech seminars are barred, there's a sign on the door that says 'meeting chaired by Col. John Doe from the Pentagon, only U.S. citizens allowed.'"

The "high-technology wave" in Europe is spearheaded by a group of 17 top business leaders pulled together last year by Volvo chairman Pehr Gyllenhammar, who is a member of Carrington's Kissinger Associates firm. The group, which includes Olivetti's Carlo de Benedetti, Renault's Bernard Hanon, Thyssen's Dieter Spethmann, and the British National Coal Board's Ian McGregor, met several times last year to establish guidelines for industrial projects, and convened on Feb. 17 to "get down to concretes and define actual projects," with the mottos of "Down with U.S. technological imperialism" and "Free trade with the East" high on its standards.

Statements, speeches, articles, and other manifestations have abounded in recent weeks from the spectrum of decoupler politicians, from France's finance minister, Jacques Delors, to West Germany's KGB-influenced politician Horst Ehmke, head of the Social Democratic parliamentary caucus, in favor of a "European Monetary

Union" centered on the transformation of the European Currency Unit, the ECU, into an "actual currency," to "break with the dollar imperialism."

But at the same time, the European Community established in 1956 by treaty agreement might be in its last weeks, as Maggie Thatcher's five-year vendetta against its economic "guts," the farm parity system of the Common Agricultural Policy (CAP), nears success.

Since she became prime minister, Mrs. Thatcher has used the spurious idea that Britain's contribution to the EC budget was "excessive and unfair" to press her case for large refunds. Exerting unbearable pressure on depression-squeezed EC finances, the case has been broadened by the Foreign Office to include a demand for imposition of strict fiscal constraints on the CAP, which spends approximately \$16 billion a year, and a global review of the EC budget.

The continued threat of withholding the British payments to the EC budget has reached the point where, after a foreign ministers' emergency meeting in Paris the week of Feb. 13 utterly failed to resolve differences, Sir Geoffrey Howe, Britain's foreign secretary, threatened to let "Europe rot away." The Community's finances are on the brink of bankruptcy; one third of the budget will have been spent in the year's first quarter.

The U.K. had refused to join the original Community of Six in 1956 because it objected to the dirigistic growth policies embodied in the CAP. The policy followed by both Labour and Conservative governments in the past 30 years has been to abolish the CAP. Sir Geoffrey today is railing against the "major problem [posed by] the production surpluses [which] exceed the possibilities of economic outlets," and warns of "looming catastrophe" for the EC.

Business Briefs

European Labor

Truckers' strike spreads unrest

The strike by France's two national truckers associations, who set up blockades throughout France after a strike by Italian customs officials closed the border between the two countries, is spreading to other sectors of the economy—and to other nations. The blockades began on Feb. 16.

The strike spread to West Germany and Austria by Feb. 23, when all traffic between Germany and Italy was halted. Truckers blocked the strategic Brenner Pass through the Alps by a human chain, a tactic first used by the "peace" movement last year.

French truckers are demanding compensation for losses due to the Italian officials' strike. Negotiations that began between the government and the two truckers' associations on Feb. 21 have been ineffective. The strike, which has caused numerous violent clashes, is being compared by the French press to the truckers' strike which brought down the Salvador Allende government in Chile in 1973. Maurice Voiron, president of one of the truckers' associations, challenged the government that if negotiations with the truckers failed, "the Chile syndrome could develop."

The strike is reportedly being directed through U.S. independent trucker leader Michael Parkhurst, who was involved in the Chilean strikes. Leaders of the French truckers attended a 1982 meeting run by Parkhurst in the United States.

The blockades were called in response to work stoppages by French and Italian customs officials which caused trucks to back up for miles. The truckers, who have accused the government of favoring railway travel to trucking, are demanding reimbursement for time lost as a result of the customs strikes, for spoiled cargoes, and other minor grievances.

More than half the French departments have been affected by the truckers' protest. French miners went on a two-day strike Feb. 20 and 21, while at least one association of small businessmen called for a strike by their members to express solidarity with the

truckers. Other trade unions are watching the outcome of the truckers' confrontation with the government preparatory to taking action.

European Community

Labour joins Tory assault on EC

Neil Kinnoch, the new head of the British Labour Party, responded to Tory Foreign Secretary Geoffrey Howe's threat to collapse the European Community (EC) by calling for a "fundamental restructuring of the European Community."

"The EC in its present form," the Labour leader wrote in the current issue of the London monthly *New Socialist*, "cannot be characterized as a truly European community since it encompasses only a few Western European countries and none from Eastern Europe, thus precluding any venue which might facilitate the East-West dialogue. Yet this dialogue is as indispensable as economic cooperation and arms control."

Claiming that President Reagan is one of the main obstacles to the realization of the EC's economic objectives, Kinnoch calls for a new "Messina Conference," (such as the one which led to the Rome Treaty and the founding of the EC), whose purpose would be to pursue close relations with "other economic and political alliances which now exist on the continent of Europe."

Kinnoch declares that the present world economic crisis will require the common and coordinated activities of "all the Socialist forces of Europe" (both East and West), and must include the establishment of a "nuclear-free Europe as proposed by both the Socialist government of Andreas Papanreou and the British Labour Party, as well as fundamental transformations in the functioning of the community."

Kinnoch made his statement after a Feb. 10-15 visit to the United States where he met with Secretary of State George Shultz, Cyrus Vance of the Palme Commission, and members of the New York Council on Foreign Relations.

Energy

North Africa gas project relaunched

Sources cited in the Spanish newspaper *Cambio* reported in the Feb. 14 issue that Reagan administration representatives have been going to Algiers since the beginning of the year to negotiate a gas pipeline that will supply Europe from the North African Magreb. Vice-President George Bush apparently expressed interest in the project on his last trip to Algeria and has taken steps to get it moving again.

The total cost of the project, which is being run by Bechtel Corporation and will use technical assistance from Nigeria, Algeria, Morocco, and Spain, would be \$10 billion. The U.S. Eximbank has already opened a \$250 million credit line to open the first part of the gas duct.

Nigeria is apparently most reluctant to participate, although Bechtel has already created a firm there, called Nibec, to study the project. The Nigerian government is concerned about foreign debt.

Ibero-America

Venezuela rejects IMF austerity terms

Venezuela's new president, Jaime Lusinchi, has rejected the IMF's demand that his nation devalue the bolivar, impose a five-fold increase in domestic fuel prices, and eliminate all subsidies, import restrictions, and price controls. According to the Feb. 23 *Financial Times*, there will be some measures "parallel" with IMF demands, but the government will either modify or reject steps that would lead to a recession.

Venezuelan Finance Minister Manuel Azourua stated that, instead of devaluing the bolivar, the government will set a parity between the preferential rate of bolivar and the free-market rate. They are ready to accept an inflation rate of 20% to 25% as a result.

Briefly

Lusinchi's government is expected to raise the preferential exchange rate on the bolivar for essential imports of food and medicines. While government subsidies on essential food items are to remain in effect, other subsidies are to be "phased out." Domestic prices are expected to go up by 20%.

Venezuela will also reportedly ease restrictive foreign investment rules, a move which could render the nation vulnerable to the "assets for debt" policy Henry Kissinger and his business partners have been attempting to force on the developing sector.

Austerity has already taken its toll. Ruben Jaen, chief of cardiovascular services in the Hospital Clinico Universitario in Caracas, stated that between March and October 1983, several people died because of lack of medical equipment. Measures taken in February 1983 included restriction of imports in order to save foreign exchange for debt payments.

Food Crisis

Drought refugees starve in Zimbabwe

Over 40 persons a week are dying of starvation in Zimbabwe, mostly peasants who have fled from severe drought conditions in Mozambique. Over 20,000 have left Mozambique for northeastern Zimbabwe—a region where the corn crop has failed for the past two years.

The drought in Zimbabwe is so acute that the country will have to import nearly a third of its maize supply this year, according to the *Financial Times* of Feb. 16. The country's stockpile is scheduled to run out by the end of April, and the financial straits of the country, recently under attack from the IMF, endanger its ability to buy grain.

Conflicting reports estimate that between 40,000 and 200,000 persons have starved to death in Mozambique in the past six months.

Zimbabwe's Ziana news agency quoted officials reporting that women were arriving at hospitals in the northeast carrying their

dead children. Rushinga district administrator Kanyandura Kanyau reported that the death rate has doubled in recent weeks. School headmasters are reporting that they expect to lose many students to starvation this year.

Zimbabwe has been unable to make any provisions for the refugees, who are being fed with the already inadequate rations provided for the local population.

In Ibero-America, Bolivia, which is also suffering from severe drought, has called for air transport of the 30,000 tons of wheat it just bought from Argentina. Bolivia has exhausted its reserves and faces mass starvation.

In Brazil, over 1,000 peasants fleeing the drought in the Northeast raided a government food storehouse and looted businesses and markets in the town of Aguas Belas.

Development Strategy

Peking calls for modernization policy

The *People's Daily* urged China's policy of economic modernization in a front-page commentary Feb. 21 which attacked conservatism and refusal to change traditional methods. The paper stated that many officials still regard the present reforms as capitalist, and others oppose all changes they think are contrary to Chinese tradition. "The inertia and sloth of history do not encourage the spirit of reform and opening up. . . . We advocate bold and positive reform, which also must be cautious and stable . . . but some people consider caution and stability to be incompatible with boldness."

Modernization can mean either that "we will use this opportunity to use new management experiments and the fruits of science to develop the national economy and to reduce as fast as possible the gap between us and economically developed countries," or that "the opportunity will be wasted and we will stick to the beaten path, so that the gap with advanced world standards becomes ever greater."

● **CELSO FURTADO**, Brazilian economist, called on France to be the first country to support unilateral action on foreign debts by Ibero-America. In an interview with the socialist magazine *En Jeu*, Furtado recalled that at the Williamsburg economic summit in May 1983, French President Mitterrand had called for a relaunching of the North-South dialogue "without posing the problem of foreign debt which is paralyzing the Third World countries." He said he expected from France "immediately a change of policy vis-à-vis Argentinian foreign debt and obligations of Argentina toward French banks and insurance companies."

● **VENEZUELA** will participate in a Western Hemispheric meeting on drugs April 9. Laundering of narcotics revenue is so extensive in Venezuela, the nation's press claims, that the value of the U.S. dollar has been depressed, whereas it should have skyrocketed. The former head of the national police, the PTJ, recently noted that the value of the bolivar rose in early February because a huge sum of black-economy funds was being laundered.

● **THE U.N. WORLD FOOD COUNCIL** has issued a report claiming that the threat of a global food crisis now seems remote. The report is to be discussed at an informal seminar of statesmen and food experts at Bellagio, Italy, according to the Feb. 15 *London Times*.

● **BRAZIL'S** Acominas steel project, built with British inputs, is facing shutdown. Over 2,400 workers have been handed dismissal notices and subcontractors on the project have not been paid.

● **THE ECONOMICS** ministry of Argentina was in Rome for a meeting on the "economic future of Argentina" Feb. 22 and 23.

Nazi-Soviet terrorism strikes Ibero-America

by Robyn Quijano

The Nazi-Soviet alliance behind international terrorism is accelerating the creation of religious and "nativist" cults throughout Ibero-America, with the aim of eliminating the nation-states of the continent. Sendero Luminoso, the "Shining Path," the communist-terrorist gang of Peru, provides the best example of a well-advanced army of destroyers, recruited and deployed through joint Nazi-Soviet operations and pledged to wipe out all traces of Western civilization and culture. It is the drugs-for-weapons smuggling operations which provide the common infrastructure for this alliance.

Last year Sendero Luminoso, which began terrorist actions in 1980, carried out thousands of bombings, assassinations, and massacres—nearly 300 in the capital city of Lima. Sendero's professional-level coordination and skill have allowed it to carry out major simultaneous assaults on the power grids of Lima and other cities.

On Dec. 31, 1983, Sendero blew up more than 24 electrical towers across the country, blacking out Lima and at least eight other cities. This spectacular New Year's Eve action implied an intimate knowledge of the nation's electrical power grid and a high level of commando-style training.

Such operations are the hallmark of this group, which has recently announced the formation of new Sendero groupings in Colombia and Bolivia, the other two largest drug-producing countries in the region.

Where does Sendero get such a capability? Certainly not from the backward, indigenous population of Peru which they claim to represent.

Sendero Luminoso identifies itself as a radical Maoist grouping, followers of Kampuchea's Pol Pot, the Chinese-run, Sorbonne-educated fanatic whose regime exterminated half the population of that country in order to wipe out all remnants of Western culture, including all learning, all hospitals, and all cities.

The ideology of Sendero is Mother Earth cultism, based on the alleged superiority of the indigenous cultures, at one with nature and naturally "communitistic." The magical death cult of the Wari culture, which preceded the Inca civilization in Peru, is part of the belief structure of Sendero. The Wari lunar calendar, as well



Sergio Méndez Arceo, the "Red Bishop" of Cuernavaca, Mexico, is the grey eminence behind the Mexican radical left and also on intimate terms with leaders of the fascist National Action Party (PAN).

as the coca growing season, are used by the terrorist group for planning its large simultaneous actions.

Sendero Luminoso was created in the 1960s out of the anthropology and sociology departments at the University of Huamanga in the Andean city of Ayacucho. Ayacucho was one of the centers of the Inca empire, and remains a center of hideous backwardness and poverty. Most of the Indian population of the area speaks only Quechua.

The university's anthropology and sociology departments are under the strong influence of French action-anthropologist Jacques Soustelle, who specializes in primitive cultures, particularly the Aztecs, whose ritualistic human sacrifice he glorifies as "the unavoidable cycles of human sacrifice" necessary to Aztec social organization. While in Peru in 1983, Soustelle visited the anthropology center, the Instituto de Estudios Peruanos. Two of his followers at the Institute, Jose Matos Mar and Julio Cotler, are involved in studies of the backward Indian cultures of the region.

In mid-February, two associates of the Institute were arrested in the small town of Yauyos; in their possession was literature promoting subversion and other proof of their connection to Sendero Luminoso.

While these anthropologists supply the belief structure to brainwash the university youths that lead the large terrorist apparatus and their backward Indian followers, the massive drug-running infrastructure of the country provides the arms and logistics.

Peruvian authorities have documented the Sendero connection to the cocaine mafia of Peru, which is jointly directed by the Nazi associates of Klaus Barbie and East Bloc intelli-

gence networks. The KGB's hand in Sendero can be traced through North Korean and East German networks long active in Peru, and through Soviet involvement in the "indigenous movement" internationally. There are also regular Quechua-language radio broadcasts beamed into Peru from Havana.

The terrorists control entire regions in which the central government cannot intervene; this is their most crucial service to the drug-producing apparatus. The drive for "liberated territory" to establish "Indian republics" is the cover for replacing nations with drug plantations. The areas of greatest Sendero concentration overlap completely the areas of the greatest density of drug production in Peru.

The top-level controllers

This special report details the Nazi-Soviet interface in the strange alliance between the Nazi Mexican National Action Party (PAN) and the communist coalition, the PSUM, as well as the Soviet manipulation of the continent's "indigenous" movements.

What makes these operations thrive is the complicity of "respected" international institutions in running the drugs-for-weapons smuggling operation as well as the creation of synthetic cults for the proliferation of insurgencies throughout the world.

The old Nazis on the ground in Ibero-America owe their allegiance to the more refined Swiss-centered Nazi apparatus. François Genoud, Swiss banker and head of the Nazi "Mal-mö" International, is not only bankrolling the defense of Klaus Barbie, the "butcher of Lyon," by "communist" lawyer Jacques Vergès, but is the key connection to Swiss financial

interests which managed Hitler's loot, including gold from the teeth of concentration camp victims, at the Swiss Bank for International Settlements.

It is not surprising, then, that the International Monetary Fund and the World Bank, both dominated by the same international financial circles, have imposed the kind of looting policies on Latin America that demand the growth of the drug economy and cause the kind of economic dislocation that sparks social explosions in order to feed the Nazi-communist terrorist insurgencies.

The other "respected" institutions which provide cover for the disintegration of the region are the Club of Rome and the International Institute for Applied Systems Analysis, both of which overlap with the KGB through D. Gvishiani, the son-in-law of deceased Soviet leader Kōsygin. These institutions espouse Malthusian depopulation policies that are coherent with the indigenous movement's hostility to Western technology, and the Thirty-Years-War style massacres set for the region.

These institutions are allied to force a shift in the cultural paradigms within the Ibero-American population, away from the Augustinian tradition predominant in the region. They share the determination to control large populations via cultural warfare. U.S. and Western European anthropologists in the tradition of the bestial Margaret Mead work with Soviet penetration of the indigenous movement.

The common ground is the "blood and soil," mother earth ideology, the same Phrygian Cybele-Dionysus cult that Friedrich Nietzsche and Fyodor Dostoevsky espoused, and which Nazi ideology is based on.

It is totally coherent, then, that José Carlos Mariatigue, the founder of the Peruvian Communist Party, the figure to whom Sendero Luminoso dedicates its existence, wrote in 1928 that "my work is developed according to the wishes of Nietzsche." Not only was Mariatigue fascinated with Nietzsche's fascist nihilism, but he believed that the Jesuits, who had not yet created "liberation theology," were the only ones who understood how to exploit "the natural tendency of the Indians to communism."

The Jesuit role in insurgencies in Latin America has a long history. From the "right" insurgencies against the Mexican state in the Cristero rebellion to the "Christian-Marxist dialogue" which has surfaced in Jesuit, Cuban, and Soviet publications since 1978, the Jesuit brand of Gnostic cultism is a major factor in the cultural warfare against the continent.

Abimael Guzman and Julio Cesar Mezzich, two of the top leaders of Sendero Luminoso, were trained by Jesuits through their university years. Mariatigue and his idol, Tupac Amaru, the Indian who led a rebellion in 1780 against the Spanish King Charles III, an ally of the American Revolution, were also trained by Jesuits.

Attack on 'Monroe-ism'

The indigenous movement and its Nazi-Soviet controllers all define their hostility to "Western culture" as a hostility to

the United States and what the Soviet magazine *America Latina* has defined as "Monroe-ism." In the December 1983 edition of *America Latina*, Anatoly Shulgorski writes on Simon Bolivar and his relevance for the issues facing Latin America today. He emphasizes Bolivar's belief in the Noble Savage doctrine of Rousseau—the 18th century environmentalist who claims that the earthquake that devastated Lisbon in the mid-18th century proved that God did not mean for men to live in cities—and counterposes to Bolivar "Monroe-ism." In the same issue, Mexican philosopher Leopoldo Zea writes an article entitled "The Soviet Multinational Experience and the Problems of Latin American Integration," which centers on the importance of Russia as a model for the continent, and the essential battle between "Bolivarismo and Monroismo."

The obsession with Monroe-ism and the operation to foster Latin American integration *against* the United States is crucial in the context of the history of the last few years. Why do the Soviets refer to the Monroe Doctrine, Henry Clay, and the American System proponents of a "community of principle" with the Latin American republics, instead of their normal blasts at "U.S. imperialism"?

Lyndon LaRouche's Operation Juárez program for a Latin American Common Market and a solution to the debt crisis, and LaRouche's well-known battle to force U.S. policy toward Latin America back to the policies of John Quincy Adams, the author of the Monroe Doctrine, have had a profound effect in shaping the recent history of Ibero-America. The warfare between the Soviet concept of what Latin America must become and LaRouche's ideas is out in the open.

In early January, in a roundtable discussion in Mexico City, a representative of the above-mentioned philosopher Leopoldo Zea presented Zea's vision of the need for total economic independence from the United States and the military unity of the continent to back this up. Sebastián Alegré, permanent secretary of the Latin American Economic System (SELA), responded to the proposal by emphasizing the need for Latin America to have a positive relationship with the United States.

During the Malvinas war, Ibero-American leaders had called upon the United States to invoke the Monroe Doctrine to keep the British out of the hemisphere. The only leading American figure who totally backed Argentina's right to sovereignty over the island, and blasted British colonialist warfare, was LaRouche, who called for the ouster of then-Secretary of State Alexander Haig for treason for refusing to impose the Monroe Doctrine.

In spite of the hideous economic policy the U.S. government has imposed on Latin America, and the increasing power of Henry Kissinger over Latin American policy, Ibero-American leaders are still looking to the United States as an essential ally. It is the possibility of a new Lincoln-Juárez type alliance, represented by the LaRouche campaign for the Democratic Party nomination, that is most threatening to the international drug-runners and their Nazi and Soviet allies.

The PAN party of Mexico: Nazi-communists on U.S. doorstep

by Timothy Rush

The alliance between the neo-Nazi National Action Party (PAN) of Mexico and the communist Unified Socialist Party of Mexico (PSUM) was made official in November 1983, when top representatives of both parties linked arms and marched down the streets of Culiacán, Sinaloa to demand the destruction of the ruling PRI party. The alliance has blossomed since then. It is a paradigm of the kind of Nazi-Communist convergence threatening much broader areas of Ibero-America, Europe, and the Middle East, and it has the support of the Soviet government.

EIR asked the Soviet naval attaché in Mexico for his view of this surprising alliance. Frigate Captain Zajar V. Vasilchenko replied: "You know the history of my party? We made alliances with everyone. They were just tactical alliances, of course. The PSUM is acting for the good of Mexico."

The PAN-PSUM alliance would pose a serious enough threat to the Mexican government and to U.S. security if it were merely tactical. It is worse: the hook-up of the two forces is a long-prepared, principled collaboration which has roots reaching back 50 years. Many U.S. businessmen and others interested in Mexico are being told by corrupt press, State Department, and FBI circles that the PAN is a trusty conservative operation, a kind of "Republican Party" of Mexico, and that it deserves support as the alternative to the "corrupt, socialistic" Institutional Revolutionary Party (PRI), which has ruled the country since the 1920s.

What a fraud! In the first months of this year alone, the PAN has been in the midst of countless violent incidents along 2,000 miles of the border with the United States, in collaboration not only with the PSUM but with every left-radical terrorist group that security officials on both sides of the border have been monitoring since the Mexican student uprising of 1968.

EIR has repeatedly exposed the PAN's real nature as a neo-Nazi formation, anti-American in ideology, intertwined with the drug and arms mafias, and increasingly turning to violence. Many of the PAN's defenders have refused to accept these documented charges, but admit that the PAN's "rightwing ideology" may bring it into contact with such unsavory forces.

We tell here the full story, never told before, of the "anti-communist" PAN's long-term collaboration with Mexico's terrorist left, including the extraordinary role that the PAN played in the 1968 student "revolution."

In the shadow of the Hitler-Stalin Pact

The National Action Party was founded in September 1939, a month after the Hitler-Stalin pact had cleared the way for Hitler's invasion of Poland and the division of that nation between Germany and Russia.

The PAN was one of the fruits of that corrupt alliance. Founded as a Mexican asset of the Nazi International then spreading throughout the Western Hemisphere, the founding convention narrowly voted down two alternative names: "National Corporatists Union" and "Mexican Falange Party." It urged *Mexican neutrality* in the world war against Nazism *up through 1944*. Some of its leading members helped the nest of Nazis and Nazi sympathizers running the circuit from Errol Flynn's Hollywood crowd down through Acapulco and over to Europe and the Far East.

José Angel Conchello, president of the PAN from 1972 to 1975, is one of the party's most blatant upholders of this tradition today. In 1976 he extolled "the economic recovery program . . . of a great banker, Hjalmar Schacht, director of the German central bank during the Hitlerian empire." He insisted that Mexico must use the muscle power of its "abundant labor force" rather than machines; the model was Hitler's forced-work program, harbinger of the concentration camps, called the *Arbeitsdienst*: this would be beneficial for Mexico "not just for its economic utility but for its educational content."

A vicious anti-Semite, Conchello snarled to a political associate of Lyndon LaRouche in August 1983: "We're going to get that filthy Jew from Philadelphia."

Spawned by the Nazis, the PAN was at the same time the continuation of the work of a wave of European Jesuits who had arrived in Mexico at the turn of the century, preaching a doctrine known as "Catholic Action" or "solidarism." As current PAN president **Pablo Emilio Madero** declared in 1982: the PAN is "neither capitalist nor socialist, but solidar-

ist.” The secret to the PAN’s Nazi-Communist double identity is this Jesuit-molded doctrine, the “third way” between “laissez-faire capitalism” and “materialistic socialism,” based on a return to virtually feudalistic hierarchical relations between church, state, capital, and labor.

The founders of the PAN had been steeped in solidarism through the Jesuit-run Cristero Wars of 1926-29 and through the “secular solidarist” 1929 presidential campaign of **José Vasconcelos**. Vasconcelos was a particularly notable example of the Nazi-Communist: a man who, as Education Minister (1920-1924), modeled cultural policy on the work of Soviet Culture Minister Anatoly Lunacharsky, and who in the late 1930s became a fervent admirer of Hitler. The financial angel for Vasconcelos’ campaign was **Manuel Gómez Morín**, the PAN’s principal founder a decade later.

If World War II gave an appropriate context for the Nazi side of the PAN to assert itself, by the late 1950s the party had put in place a Christian Democratic youth apparatus which was a virtual factory of left-terrorist leaders for almost two decades and was the envy of the Communist Party itself.

The man who opened up the seeming change was **José González Torres**, PAN president from 1959 to 1962. González Torres proclaimed that his party would “create a strong link” across all Ibero-America “capable of building the New Dark Ages, the American Dark Ages.”

The 1968 student uprising

The PAN’s solidarist training prepared it for its role in staging the “dress rehearsal” for today’s Nazi-Communist alliance, the student uprising of 1968. The Movement of ’68 was the biggest challenge to Mexico’s republican institutions since the Jesuits’ Cristero Rebellion in the 1920s, and was only crushed in a hail of gunfire at the Plaza de las Tres Culturas of Tlatelolco.

Although the “rightist” PAN officially did not support the “leftist” upsurge, PAN personnel were strategically placed throughout the leadership of the Movement, and even many “leftist” leaders turn out to have been trained by the PAN. **Ignacio Reynoso Obregón**, a PAN candidate for congress, a high official of the Knights of Columbus, and a leader of the Jesuit-run Christian Familiar Movement, coordinated a complete interface of PAN student formations with the National Strike Council, the supreme coordinating body of the Movement. In all, there were seven members of the National Youth Directorate of the PAN working directly on the strike committees: Marcia Gutiérrez Cárdenas; Ignacio Senties; Rubén Malpica; Manuel Farrel; Roberto Magallanes; Diego Mazaiegos; and Diego Cevallos.

Three well-known PAN leaders took open support roles: **Plácido Hernández**, another PAN congressional candidate; **Alejandro Aviles**, a top PAN youth leader in the early 1960s who got the PAN to take out paid newspaper ads declaring support for the student strike of August 1968, and **Father Ramón Ertze Garamendi**, who ran an influential pro-strike

program on the basic communication channel for the would-be revolution, Radio Universidad.

As for the “left radicals” who grabbed the headlines, almost to a man they were protégés of former PAN members or prominent leaders in the Christian Democracy, including **Julio Scherer García**, editor of the leading daily, *Excelsior*; **José Alvarez e Icaza**, oligarchic director of the Jesuit “human rights” terrorist protection center, Cencos; and **Miguel Angel Granados Chapa**, “angry young man” of the leftist upsurge and later close associate of the Mexican Communist Party, who trained in the 1950s with the neo-nazi MURO youth gang, passed through touch-up courses at the Jesuit Ibero-American University, and became head of the PAN youth in the early 1960s.

The figure behind all of these “Christians turned radicals” was **Sergio Méndez Arceo**, the “Red Bishop” of Cuernavaca. A field soldier in the Cristero Rebellion of 1926-29, Méndez Arceo helped found the FAT solidarist labor movement in the late 1950s and then in 1961 joined with Jesuit brainwashing specialist Ivan Illich to found the school which would train many leaders of 1968 and would safehouse a string of Ibero-American and European “most wanted” terrorists, the **Cuernavaca International Center for Documentation (CIDOC)**.

Throughout the 1960s, as the student uprising unfolded, Méndez Arceo was on intimate terms with **Adolfo Christlieb Ibarrola**, president of the PAN from 1962 to 1968.

In November 1968, one month after the massacre of students in Tlatelolco, a select group of leftist leaders, headed by Méndez Arceo himself, met in secret in the Mexico City suburb of San Angel Inn with the rising star of the PAN party, **Efraín González Morfín**. Ten years before González Morfín had been tutored by the key theorist of Solidarism of mid-century Europe, German Jesuit **Oswald von Nell-Breuning**; two years later, after a meteoric rise in the party, he would be named the PAN’s presidential candidate in the 1970 national elections.

At the meeting, the radicals at first confronted González Morfín, charging that the PAN was reactionary and not a reliable ally of the student movement. González Morfín was emphatic in response: “You are wrong. I can represent your aspirations.” His arguments were persuasive; the meeting agreed on a program of cooperative effort.

Turn to terrorism

González Morfín ran his 1970 campaign on a platform which would bring cheers from the KGB-run “greenie” and “freeze” movements today. Profiling himself as the radical alternative to PRI candidate Luis Echeverría, he assailed the Mexican government as “bourgeois, conservative, and repressive.” During this campaign, for the first time, the PAN advertised itself as the “peace” movement, running slogans which showed first “PAN” written in the center of a circle, and then “PAZ,” or “peace.”

But PAN involvement with the regroupment of the forces of 1968 went further: *The PAN played a key role in the creation and deployment of Mexico's hard-core communist terrorists of the 1970s.*

This part of the story starts in Ciudad Juárez, the Chihuahua border city across the Rio Grande from El Paso, Texas. The local PAN apparatus and the Christian Democratic labor auxiliary, the FAT, set up a special "community action" experiment in 1966. After perfecting techniques for recruiting and deploying terrorists for four years, the leader of the experiment, **Javier Obeso, S.J.**, traveled to Monterrey, where he joined up with fellow Jesuits **Salvador Rabago** and **Herman von Bertrand**. Their prize pupil, an ultraright mystic named **Ignacio Olivares**, turned into the machinegunning founder of modern Mexico's most deadly "left" terrorist grouping, the **23rd of September Communist League**.

The League's companion movement across the Sierra Madre, in the west coast state of Sinaloa, was called the "Sick Ones" ("**Enfermos**"), and held the entirety of the student population and much of the rest of the population in terror. The head of the Enfermos at the time, **Camilo Valenzuela**, today the leader of the **Corriente Socialista** radical grouplet, revealed one of the deepest secrets of the composition of the Enfermos, a secret kept under wraps for over 14 years, at the beginning of 1984. Valenzuela told the left magazine *Por Esto* that the Enfermos "included political forces from the PAN. . . to the communists and the Spartacus League." The Enfermos were known for a virulent hatred of modern, Western civilization, reminiscent of the Sendero Luminoso terrorists of Peru or Pol Pot of Kampuchea.

During the 1969-72 period in Sinaloa, when the Enfermos ruled the universities of the state, the drug-runners ruled the fields and backlands. These were the years of the explosion in poppy and marijuana cultivation which would earn Mexico's Northwest the nickname of the "Drug Corridor" into the Southwest of the United States. In the middle of it: **Manuel Clouthier**, the major power behind the PAN in Sinaloa, and former president of the Mexican Employers Association. Clouthier is a hacienda owner who, according to reliable sources, was stopped in 1969 with a station-wagon full of marijuana heading for the northern markets.

Clouthier's and Valenzuela's worlds met on the streets of Culiacán, capital of Sinaloa, on the night of Nov. 7, 1983. Clouthier joined arms with Valenzuela of the Corriente Socialista, the local leaders of the communist PSUM party, and Jorge Del Rincón, Clouthier's uncle and the PAN mayoral candidate, to march jointly for the overthrow of the Mexican republican system, immediately after elections which had seen the ruling PRI party maintain its power.

The PAN and the Club of Rome

When the Echeverría and successor López Portillo governments launched a highly successful crackdown ("Operation Condor") against the drug-trafficking and put the lid on

the related terrorist threat, the PAN and the communist left began the discussions to put their alliance on an open programmatic basis.

Those who think of the PAN as a "pro-capitalist" antidote to "atheistic communism" should note that over the past decade, cooperation between the PAN and the left has been forged principally on the issues of 1) assault on industrial development and technological progress, and 2) defense of colonial-period Church prerogatives to intervene in secular and political affairs.

The chief ideological spokesman for the PAN's "Small is Beautiful" anti-technology outlook is **José Angel Conchello**, the party's most open neo-Nazi. In 1974, in the middle of his three-year term as PAN president, this lawyer from Monterrey extolled the Club of Rome's "limits to growth" doctrine and World Federalist program, dedicated to the elimination of republican nation-states. He wrote: "The Club of Rome forces us to understand that we are nearing a cardinal moment of history, and that we must accept individual sacrifices and political changes."

Indistinguishable from Conchello's thinking was that of pro-terrorist bishop **Méndez Arceo**, who said he agreed with everything in Marx except Marx's belief in industrial progress. "Although it is probable that Marx let himself be fooled by the optimism of progress," he wrote, "we Christians can see more clearly how the expansion of capital and advanced industrial techniques have damaged the natural base of well-being." Another theoretician in Conchello's mold is **Raúl Olmedo**, the prize Mexican pupil of the Marxist high priest of the Sorbonne, Althusser, who returned to Mexico after the French student movement of 1968 to become economics page editor of *Excelsior* with the motto "productivity is the enemy of the working population."

The PAN's Club of Rome ideology provided ample basis for a link-up with the countercultural swamp which Mexico's left had become by the late 1970s. The first institutional alliance of this type was struck between the PAN and the proto-terrorist, environmentalist, Fourth International sect in Mexico, the **Revolutionary Workers Party (PRT)**. In April, 1981, PRT ecologist leader **Octavio Rodríguez Araujo** and the González Morfín group jointly sponsored the trip of German ecologist/terrorist guru **Rudolf Bahro**, to Mexico. Bahro, advocate of a return to pre-industrial society, is a leader of the Green Party in West Germany, dedicated to splitting the United States from Europe and destroying NATO.

A year later, **Raúl González Schmoll**, editor of the PAN-linked magazine *Solidarism* and brother of PAN party president from 1979-1982, **Jesús González Schmoll**, began discussions with the PRT and other left formations for joint actions around the 1982 national presidential elections. The result was a series of PAN-PRT protest actions, from hunger strikes in Monterrey to mass marches in Sonora.

If Conchello's radical "Futurist" environmentalism places him squarely with the communist left, his open anti-Semitism

and love of Hitlerian economics makes him the PAN's most important interface with Mexico's hardcore Nazis. In late 1982 and 1983, Conchello organized a series of conspiratorial meetings in Mexico City hotels to mold Mexico's most notorious Nazis into a secret strike force in coordination with the PAN. His co-conspirators in these meetings included: **Salvador Borrego**, Mexico's most rabid anti-Semite and open Hitler propagandist, former Cristero and former member of the Nazi secret services; **Celerino Salmerón**, head of the Mexican Traditionalist Falange, former Cristero commandant; **Luis Felipe Coello**, head of the fascist *Acción* magazine, former leader of the neo-Nazi paramilitary movement, the MURO; **Manuel de la Isla Paulín**, director of a national fascist coordinating group known only as "the Secret Organization"; and **Enrique Farlie Fuentes**, columnist for *El Herald* newspaper, who bragged in 1982 that he had hosted Nazi butcher **Klaus Barbie** in his home in Lima a decade before.

'March to the Basilica'

Similar convergence of the PAN with the left was occurring through the solidarist church networks established by the Jesuits so many years before. The PAN, since its founding in 1939, had taken up the Cristero demands that Articles 3 and 130 of the Mexican constitution, which established secular control of primary education and outlawed Church interference in politics, be overturned.

In 1980, the PAN suddenly found that its ally in the same demands was none other than the Mexican Communist Party. On April 2 of that year, the PCM led a rag-tag collection of counterculture specimens, including prominently the Mexican Homosexual League, on a march to the holiest shrine in Mexican Catholicism, the Basilica of the Virgin of Guadalupe. The party which for 50 years had excoriated the role of the "reactionary clergy" in Mexican political life knelt down and worshipped at the shrine.

What had happened? A re-heating of the crucible in which the PAN had been forged, Jesuit solidarism, produced the miracle: "Theology of Liberation."

Porfirio Miranda, a Mexican Jesuit priest who had studied in Europe with solidarist theorist Nell-Breuning, set up the Mexican chapter of the Theology of Liberation. Just two years after Méndez Arceo had traveled to Havana to negotiate the full-scale integration of Cuban DGI (intelligence) assets into Theology of Liberation networks, and just a year after the Sandinista revolution brought the Theology of Liberation to power in Nicaragua, a deal was struck with the Mexican Communist Party, and the march to the Basilica was on.

With the fusion of the solidarist Theology of Liberation and the PCM (reorganized as the Unified Socialist Party of Mexico, PSUM), the way was clear for wholesale channeling of "radical" church networks into the service to the National Action Party (PAN).

An explosion of PAN violence aimed at Mexican nationalists

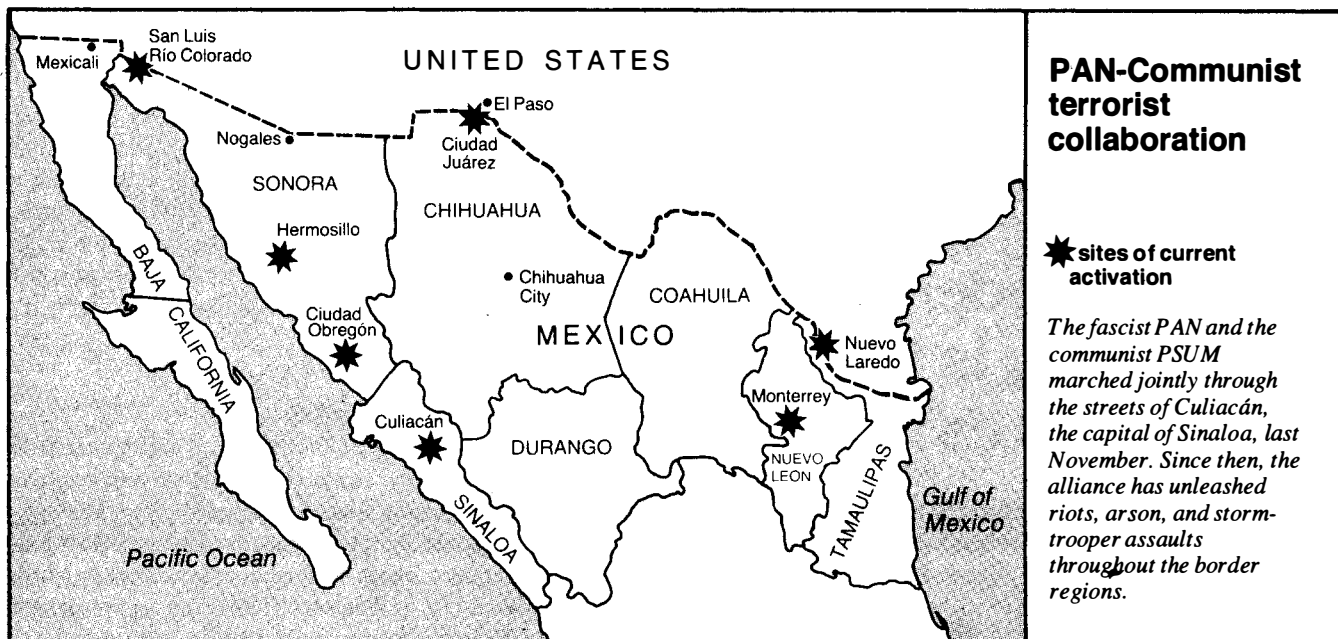
The Nazi-Communist movement headed by Mexico's National Action Party (PAN) has entrenched itself along the 2,000 mile border with the United States. We present here three case studies of the PAN's terrorist activities and alliances in this strategic region.

- **Sonora:** In the south of the state, the Sonora branch of leftist "Enfermo" leader **Camilo Valenzuela's** *Corriente Socialista* is headed by **Adolfo Orive Benguier**. Orive's maoist **Coalition of Ejidos of the Yaqui Valley** turned out the votes for the PAN in that area during the last elections. In February 1983, the PAN's "great hope" for the 1985 gubernatorial race, **Adalberto Rosas**, deployed 150 goons in the agricultural center of Ciudad Obergón to break up a rally of the Mexican Labor Party. Rosas's lieutenant in charge of the squadristi attack was **Leonardo Reichel Urroz**, a mentally erratic self-confessed homosexual and drug-runner who participated in terrorist activity in the 1970s as a member of the People's Armed Revolutionary Forces (FRAP).

In the middle of the state, around Hermosillo, the *ménage à trois* of the PAN, the communist PSUM, and the drug mafia reached scandalous new heights the third week of February when PSUM member and professor at the University of Sonora, **Miguel Cárdenas Valdéz**, proposed one of the state's leading drug-runners, **Agustín "Chato" Antunez**, to be the "sponsor" of the graduating class of the University law school. In an interview with local television, Antunez admitted he had served several jail sentences for drug-running, but insisted that there had been no harm done—all the dope he produced had been for foreign consumption in the United States, and the "earnings help the country economically."

Local PAN members, who worked successfully with the PSUM to award the honor to Antunez, are now proposing that PSUM professor Cárdenas Valdéz run for office on the PAN ticket as a result of the Antunez affair.

In Sonora's north, the PAN mayor of border town San Luis Río Colorado, **Fausto Ochoa Medina**, has not only opened the town wide to the drug mafias, but, according to



several sources, looked the other way as PSUM-linked leftist networks established training camps for up to 600 Central American guerrillas in the vicinity.

- **Chihuahua:** One of the spin-offs of the PAN-sponsored 1966 "community action" project was the **Committee for Popular Defense (CDP)**, created in 1971 as a support apparatus of the **23rd of September League** of terrorists. It is viewed today by law enforcement authorities as one of the most dangerous left-radical formations anywhere on the border.

The CDP is linked to one of the prime projects of the Nazi International, the European-based **Society for Endangered Peoples**, a front for terrorist and separatist activity around the world that involves a network of more than 3,500 radical anthropologists. The Society adopted the CDP as one of its special causes in early 1982. The Society is headed by two admirers and protégés of a Swiss Nazi collaborator and post-war Nazi theorist of "universal fascism," Armin Mohler.

Through the same apparatus, the CDP is in regular contact with the **American Indian Movement (AIM)** of Dennis Banks and Russell Means, the Puerto Rican **FALN**, and the **Revolutionary Communist Party**, active in Texas as well as the U.S. East Coast, and the **Committee in Solidarity with El Salvador (CISPES)**, a guerrilla support organization active in campuses around the United States.

The PAN-CDP alliance behind the scenes is unbroken since the late '60s, though both groups arrange public spats periodically to maintain the loyalty of their bases. In 1970, during the González Morfín race against Echeverría for president, the forces which would form the CDP a year later

joined with the PAN for riots against the PRI candidate. PAN honcho **Carlos Sotelo** was among those arrested, along with the CDP radicals. The incident which triggered the formal CDP founding was the arrest of prominent 23rd of September Communist League terrorists; the CDP and the PAN organized joint support rallies to defend the terrorists, and even rubbed shoulders in funeral observances for a "Liga 23" terrorist.

The PAN mayor of Ciudad Juárez, **Javier Barrios**, was elected in July 1983 through the tacit support of the CDP, which refused to mobilize its base for any of the left candidates, and put out the word quietly that a victory of the PAN would be just the ticket.

- **Nuevo León:** The capital of this key state is the northern industrial center of Monterrey, whose "Monterrey Group" of industrialists has been the backbone of under-the-table financial support for the PAN for decades. The new national president of the PAN, **Pablo Emilio Madero**, like PAN Nazi ideologue José Angel Conchello, has only just resigned from the direct payroll of one of the top Monterrey conglomerates.

The Monterrey equivalent of the CDP operation in Ciudad Juárez is **Tierra y Libertad**; 23rd of September League co-founder **Salvador Rabago** continues to work in the outlawed zone. When Tierra y Libertad leader Anaya was arrested the first week of February, it was the local PAN apparatus, together with the arch-conservative Nuevo León Bar Association, which took the lead in mobilizing for his defense. Political observers believe the move by the PAN is preliminary to a full-scale PAN-PSUM alliance at the local level in anticipation of crucial gubernatorial elections in 1985.

Ernst Zuendel: 'The enemy is the United States'

Mexican intelligence sources report that the current internal destabilization of Mexico has a significant Nazi International component involving, among others, Canadian Nazi Ernst Zuendel. Zuendel's profile gives a good insight into the operations of the PAN party in Mexico, with which he is now allied.

Zuendel is best known in Europe and the United States for his assertions that the Holocaust against Jews in Nazi Germany never happened. He is a mystic and occultist who believes in UFOs and the existence of the Third Reich under the North Pole. He has been heavily funded, according to one source, by wealthy right-wing Catholic families tied into the schismatic networks of Archbishop Marcel Lefebvre. Zuendel is a partisan of Iran's Ayatollah Khomeini, and advocates formation of a new Hitler-Stalin pact against the "Great Satan," America.

In a recent interview, Zuendel crowed that "1984 is the year" for the Soviet Union to drive American troops out of Europe:

"For the first time in the post-war era, nationalists and socialists are coming together, combining their efforts against the stationing of [U.S.] missiles [in Western Europe]. . . . The demonstrators are anti-American and deservedly so. . . . In the U.S. it's 'kill a Commie for Christ'; we Europeans are more sophisticated. We know that there are better elements in Eastern European governments than the West; in the East, they treasure European cultural values. America is Europe's biggest problem. The great enemy of Europe is the U.S.

"If the Russians incorporated West Germany and Austria, that would be fantastic! Within a generation the Soviet Union would be German. It was once before—every Russian aristocrat is basically German. . . . If the Soviets move massively into Western Europe, it would be the American troops blocking the ports [to flee]. . . . 1984 is the year."

Early last year, Zuendel reportedly relocated part of his Canadian operations to the Mexican border town of Tijuana, and hooked up with the PAN. According to numerous sources, Zuendel's Mexico operation involves creation of an anti-

government "Resistance" under PAN direction, including formation of death squads targeting leading political and military figures in Mexico and the United States.

A postwar leader of Sir Oswald Mosley's fascist Malmö International network in Canada, Zuendel works with the Western Guard Party, based in Toronto, one of the premier Nazi organizations in North America. He publishes a series of English- and German-language newsletters under the name "Samizdat Publications." The choice of the Russian word referring to illegal underground publishing enterprises is no coincidence.

Zuendel and Black September

In 1972-73, the Western Guard Party (of which Zuendel's bodyguard Don Andrews is a leader), together with the Revolutionary Union in the United States (now called the Revolutionary Communist Party), was involved in an effort to pull together the terrorist Black September organization in North America, based out of Toronto. Black September, which perpetrated the terrorist murder of Israeli athletes at the 1972 Munich Olympics, was created under the direction of then-Secretary of State Henry Kissinger, according to U.S. intelligence officials who investigated the atrocity. The terrorists were deployed to heat up war tensions in the Mideast, setting the stage for a global strategic realignment. The Canadian-based network was planning to kill a number of Jewish leaders in the United States as part of this gameplan.

In 1980, the Western Guard began to develop an alliance with members of "The Vanguard of Islam," run by Iran's Ayatollah Khomeini, as well as with Palestinian terrorist networks. This contact was maintained by Western Guard leader Don Andrews. The main contact point for Andrews was the Iranian chargé d'affaires in Ottawa. Since the closing of the Iranian embassy in Washington, D.C., the Ottawa embassy has become the key control point for Iranian terrorist networks in North America.

Zuendel, according to U.S. and Canadian sources, is deployed under the direction of the Center for the Defense of the European Community (CEDADE), the headquarters of the Spanish-speaking division of the Nazi International, based in Madrid and Barcelona. Banned in Spain in 1977, CEDADE is known to be linked to the terrorist Forza Nuova, the Italy-centered group responsible for the December 1980 Bologna train station bombing that claimed over 80 lives.

Zuendel's CEDADE ties reportedly run through the second-in-command of the Nazi underground group, Antoine Rafaelo. Rafaelo has been linked to the founding of the Cuban exile terrorist groups Alpha 66 and Omega 7, both leading elements within the World Anti-Communist League. Alpha 66, according to intelligence sources on both sides of the border, has established special terrorist training camps in southern California for deployment of terrorists into Mexico to back up PAN takeover operations.

Indian separatism in Ibero-America: the politics of 'fang and claw'

by Gretchen Small

In the world of today, there are two systems, two different, irreconcilable "ways of life." The Indian world—collective, communal, human, respectful of nature and wise—and the Western world—greedy, destructive, individualist and the enemy of Mother Nature. . . .

Distilled to its basic terms, European faith, including the new faith in science, equals a belief that man is god. . . . American Indians know this to be totally absurd. Humans are the weakest of all creatures. . . . Humans are only able to survive through the exercise of rationality since they lack the abilities of other creatures to gain food through the use of fang and claw. But rationality is a curse since it can cause humans to forget the natural order of things. . . .

Statement on Indian Philosophy,
1981 U.N. Conference on Indigenous Peoples
and the Land,
Geneva, Switzerland

The characteristic trait of Latin America today is the broad incorporation of the indigenous masses into the liberation movement. . . . The solution to the Indigenist problem should not be put off until the victory of socialism. The struggle has already begun, and only in its course will it be possible to create a broad front of democratic forces capable of opening the way to resolve the Indian problem, and other nationalist questions, within the framework of a single multinational state.

Anatoli Shulgovski, Director, Political and
Social Problems Division, Latin America Institute,
U.S.S.R. Academy of Sciences,
December 1982

On Jan. 12, 1984, a gang of Sendero Luminoso terrorists entered the home of the mother of the mayor of Colcabamba, Peru. The woman's son, Mayor Victor Espinoza Arevalo, had refused to resign his post following several demands

that he do so by Sendero Luminoso. Sendero responded: His mother was tied to her chair, set on fire, and burnt alive.

Such bestiality is the hallmark of the new phase of the Nazi-Soviet-sponsored "liberation movement" rapidly expanding across Ibero-America today: the politics of "fang and claw," in the name of "Indian separatism."

Eighty million immiserated Indians in Ibero-America have been targeted for recruitment as cannon-fodder for a war against Western civilization led by the Nazi International and allied Russian imperialists. The unifying principle behind this alliance is a common hatred of Western civilization; its logistical and operational base is the empire of "narcoterrorism" seizing the region. Its goal is the destruction of any sovereign nation-state on the continent.

"The Shining Path of Jose Carlos Mariategui" of Peru, Sendero Luminoso, is exemplary. Sendero Luminoso surfaced as an active terrorist movement in 1980, initiating operations in the feudal-structured rural area of Ayacucho, Peru—an area which produces coca leaves for some of the highest grade cocaine in the world. Peruvian government officials charge that Sendero Luminoso is funded and armed by drug-runners; many of its operations have been directed at defending drug operatives and capabilities. Peruvian intelligence officials point to the magnitude of Sendero's actions—at times some 2,000 Senderistas have carried out actions simultaneously around Peru—as demonstrating an in-depth capability which only the drug-trafficking apparatus maintains in Peru.

The origins of Sendero trace back to the anthropology and sociology departments of the University of Huamanga, in the capital of the Ayacucho province. The university maintained an activist "outreach" program infiltrating radical anthropologists into the social structures of every town and village where Sendero Luminoso later appeared. Abiel Guzman, the alleged founder of Sendero, taught for years in the university's anthropology department.

The ideology of the group is a curious mixture of communist thought and the belief structure of the pre-Inca Wari Indian empire, the latter replicated in magical death-cult rituals. Sendero terrorist raids are timed to correspond to

both the Wari lunar calendar and the cocaine growing season, Peruvian intelligence agencies report. Proclaiming themselves followers of Pol Pot, the radical Maoist under whose dictatorship nearly one-half the population of Cambodia was exterminated, Sendero Luminoso asserts that its goal is to defend the "poor and oppressed Indians" of Peru.

By 1983, Sendero's terrorist operations had expanded to include the majority of Peruvian territory, with isolated actions also reported in Colombia, Ecuador, and Bolivia under their name. In Lima, 262 terrorist actions were carried out in 1983, and in two separate instances, Sendero struck simultaneously at the key points of the country's electrical grid, blacking out up to one-third of Peru, including the capital, for nearly 24 hours.

Indian Council of South America

The same year that Sendero Luminoso surfaced as a terrorist movement, 1980, an umbrella organization for continental "Indian liberation" was founded, the Indian Council of South America (CISA); its battle-cry was war against the nation-state. Representatives from Indian separatist and activist groups from around the continent, including Mexico and Central America, met in Ollantaytambo, Peru to plan a strategy to "seize power."

CISA's Alternate Coordinator Salvador Palomino Flores, claiming to represent some 30 million Indians, told the International U.N. Conference on Indigenous Peoples and the Land, in Geneva, Switzerland in Sept. 1981: "We, the Indian peoples in South America, are beginning to organize ourselves . . . to be a political force, to make a program in order to take power. . . . We have not had independence yet. That independence [gained in the 1820s—ed.] did not mean freedom for us, the Indian peoples, but rather greater repression."

At the March, 1983 Second Congress of South American Indian Peoples, an organization sponsored by CISA and held outside La Paz, Bolivia, CISA representatives reported the successful completion of initial phases of organization. Expansion operations across the continent, recruitment of youth and training for both urban and rural "liberation" movements were announced as the next phase of "Indian" operations.

Warfare on the nation-state was declared at that Congress. "We do not recognize borders, in order to gain the unity of our nations and peoples divided by them," declared the Commission on Territorial Rights from the Second CISA Congress. "The alternative is: the taking of power by the Indian in the countries where we are the majority, and the conquest of national and cultural autonomy where we are the minority."

The most violent statement against the nation-states of the region was presented as a motion before the CISA Congress by a Peruvian organization calling itself "Amaro Runa." Raising the banner of Tupac Amaru, the 18th-century Jesuit-controlled Inca warlord who led a racial uprising, Amaro Runa, called for the "the banners of the Andean, Incan,

Fatherland, and Nation" to be raised, inviting "all political groupings to form a broad front of Andean Nationalists." The motion described the nations of Peru, Bolivia, and Ecuador as "*criollo* [mixed-blood] colonialist states, raised upon the sacking of the Incan Nation," and stated that "the U.S., as all the rest of the *criolla* republics of America, whether Anglo-Saxon or Latin, are mere colonial instruments of Western or Euro-Asiatic imperialism" which should be "liberated."

Amaro Runa called for two strategies to implement the needed "process of national Andean restructuring": the creation of "resistance zones" in the Andean highlands, and the "process of national Andean Liberation which takes place primarily in the cities created by the *criollo* colonialists . . . the Revolution of Workers-Communards and Peasants."

The CISA Congress defined the terms of Indian separatist coordination with other "liberation" movements: "Indian liberation is intimately linked to the liberation battle which all Indian and non-Indian peoples wage. There is only one path: unity of all the oppressed and humiliated forces," concluded the Organization and Policy Commission of CISA at the Congress.

Alliances with the "honest Marxist-Leninist left" were welcomed, provided the left rejects "the paternalism of the West," with its technological-industrial orientation. This the communists were only too happy to do, opening the door for full Soviet backing for the separatists.

The fascist concept of *Indianidad*

"Let us organize and prepare ourselves physically and ideologically so that when we install our peoples in power, we totally change the juridical and governmental system: In power, we will change the Western System and Thought." That battlecry, expressed by the Territorial Rights Commission, was repeated in virtually every commission of the Congress.

The *Indianidad* counterposed as the alternate "civilization" to the Western system is premised upon a rejection of human reason; man is nothing more than an animal, less powerful than his fellows. In large part, the Conclusions of CISA's Commission on the Philosophy and Ideology of *Indianidad* are lifted from the above-cited declaration of "fang and claw" presented at the 1981 Geneva International Conference. It is pagan worship of Mother Earth. "Man owes his existence and condition to Mother Nature . . . all the vital cosmic force is 'father and mother' of man, and all living beings are: brother plants, brother animals, and similar brother men," CISA states. "Religion as a mode of being or line of individual spirituality does not exist and will never exist for us Indians. For the Indian, religion lies in respect and comprehension of the environment which surrounds us."

Indianidad, as there defined, is an ideology appropriate for mass brainwashing of bestial terrorism as practiced by Sendero Luminoso: "Life and death are for us only a constant change between the simple elements (inorganic) and the complex elements (organic), and vice versa, in Mother Earth.

Death is no terror for us Indians, many of us wait for it with great joy as a return to Mother Nature to emerge once again forming new lives."

Indianidad's glorification of peasant backwardness provides the ideological cover for the genocidal austerity policies being imposed on Ibero-America, and on Indian communities there in particular, by the International Monetary Fund and the World Bank. Indians must reject "the uncontrollable development of destructive and anti-human technology," declares CISA, and must struggle instead "for the defense and recovery of Mother Earth and the development of communitarian and collectivist culture."

It is a fundamental Indian "right," says CISA's Cultural and Scientific Rights Commission, not to "use artificial fertilizers and insecticides because they degenerate and denaturalize food products. . . . Implementation of soft technologies with low ecological impact, intensive use of local natural resources and manpower whose utilization does not demand specialized knowledge" is presented as a maximum right for those who live on the Guajira peninsula by the Yanama organization. Modern medicine is considered a threat to *Indianidad*. Needless to say, the assault on nuclear energy is considered a central issue for this Indian movement.

Yet mixed in with its anti-technology diatribes, CISA proclaims it an urgent necessity "to accelerate projects to install radio transmitters with international reach" in CISA centers, calling the possession of "our own radio . . . an indispensable instrument or weapon in the fight for liberation."

Perhaps this has something to do with the logistics of the drug trade, and CISA's defense of the coca leaf as "one of the cultural values most immersed in the Andean ceremonial and ritual world." CISA justifies the mass addiction to coca leaves in the Andean highlands, introduced originally to dull the hunger of the Indian slaves working the mines during the Hapsburg reign and continuing to do so today, with the same arguments used then: Coca serves as "an energizer for work, as a medicine, to combat fatigue, to kill hunger." The "cultural" argument is then used to justify violent opposition to those proposing the elimination of the coca and cocaine crops in the highlands.

CISA's origins

CISA's parents were the "action anthropologists" of the Nazi International's Society for Endangered Peoples and its collaborators in the Soviet Union's Latin American and Ethnography Institutes. The Society for Endangered Peoples, based in West Germany, combines "left-wing" ideologues with self-professed fascists, and describes itself as dedicated to "advancing the struggle of indigenous peoples and ethnic minorities." It coordinates separatist movements in Europe ranging from the Basques to the Armenians.

CISA functions as the South American branch of these "action anthropology" networks. Its delegates regularly attend the international meetings of the Indian terrorist movement: the International Indian Treaty Council, a series of

United Nation's sponsored International Conferences on Indigenous Peoples and Land, the American Indian Movement, the Canadian-based World Council of Indigenous Peoples. The American connection to the Society for Endangered Peoples, Cultural Survival, states outright that it "provides the core support, plus funds and technical assistance" for the Ecuadorian Indian confederations represented on CISA's Coordinating Council.

Soviet imperial model

Soviet official state support for the Indian separatism movement in Ibero-America is based precisely on its violent rejection of Western civilization, the central subject of the December 1982 article by Anatoli Shulgovski cited at the opening of this article.

In his piece, appearing in the Latin America Institute's monthly magazine, *America Latina*, this top Soviet "Latin-Americanologist," argues that an "affinity" has existed between Latin American "advanced and progressive" thinkers and Soviet socialism since the 1920s, centered around their similar roots as *communal-based* feudal societies, equally rejecting Western capitalism. Mexican fascist philosopher, José Vasconcelos, who in his famous work *La Raza Cosmica* argued the superiority of the emerging "mestizo race" in Ibero-America, and the founder of the Peruvian Communist Party, Jose Carlos Mariategui, a follower of Italian fascist philosopher Benedetto Croce, best represent this communal, race-centered tradition, Shulgovski states.

Shulgovski targets for destruction the opposing historical current in Ibero-America, the idea of a community of principle of republics associated, on the U.S. side, with the Monroe Doctrine of John Quincy Adams. Two conceptions of Latin American integration have existed historically in the region: 'Bolivarianism' and 'Monroe-ism,' *America Latina* argues. Simon Bolívar, in Shulgovski's definition, is "Latin America's Robespierre," and "Bolivarian" integration, a model of loosely-united "nationalities." The resolution of the nationalities question of the Russian Empire through the creation of a "single multinational state" in the U.S.S.R. is presented as a model by Shulgovski for Ibero-America to resolve its own "nationalities question."

Cited is Alejandro Lipshutz, a Chilean-Latvian communist, in his 1974 book *Marx and Lenin in Latin America and the Indigenist Problem*: "Our *mapuches*, *quechuas*, and *aimaras* in Peru and Bolivia, the diverse Indian groups in Mexico and in many other republics, will follow the same path as the nations or tribes in the soil of the ancient czarist Empire. There will be in our America '*comarcas*,' or autonomous republics of *araucanos*, *quechuas*, *aimaras*, *mayas*. . . ."

It is no surprise, then, to find Shulgovski singling out Nilo Cequeyano, a founding member of the Executive Committee of CISA, for praise as a leading figure within the Indian movement arguing for a "frank and honest dialogue with the Marxists."

Oil chaos to launch new Kissinger rampage

by Criton Zoakos

One of the most despicable spectacles is that of our corpulent Secretary of State, George P. Shultz, slyly orchestrating his own "resignation," some say in order to have himself replaced by Henry A. Kissinger, preferably before the Republican Party's nominating convention this summer, while others say that Kissinger would find it counterproductive to take such a prominent post now. Whether Kissinger becomes Secretary of State, or only Special Envoy to Moscow, will depend on how much humiliation President Reagan undergoes. The matter is part of a drama whose final scenes are now unfolding in the Middle East—the cratered battlefields of the Gulf War, and the smoking neighborhoods of Beirut.

Observe the following brief sequence:

On Feb. 17, when the withdrawal of the U.S. Marines from Lebanon had been ordered by President Reagan, George P. Shultz takes a four-day vacation in the Bahamas. He leaves behind him a "senior State Department spokesman who preferred to remain unidentified," to announce to the press that the Middle East crisis is of such character now that "it will require the type of action Henry Kissinger had taken back in 1973 when he went to Moscow" to negotiate a comprehensive superpower arrangement on the terms of settlement of the Egyptian-Israeli "October War."

A few days later, Henry A. Kissinger gives an interview to the *New York Times* which the *Times* considers fit not to publish yet, but provided to the Milanese *Corriere della Sera* for publication. In the Feb. 22 issue of that newspaper, Kissinger is quoted as saying:

"I would be ready to go to Moscow at the proper time, to meet with the top Soviet leaders. There is no reason why I cannot go to Russia. But I would only go if I would be able to meet with all the people who count there."

On Feb. 21, a *New York Times* gossip column reports that Secretary Shultz is considering resigning before this year's election. The inspiration appears to have come from Bernard Gwertzman, who already knew of the Kissinger interview (unpublished in the United States).

The following day, the President gives his first televised press conference of the year, in which he is set up to publicly and passionately defend the record and policies of the secretary of state. With the President's flank thus exposed, Shultz leaks the following to Associated Press on Feb. 23: "Secretary of State George P. Shultz was described Thursday as worried that the failure of U.S. policy in Lebanon could cause considerable harm to American interests throughout the Middle East. One key Shultz aide said he was willing to accept the blame for that failure even though President Reagan declared that Shultz 'had not failed in Lebanon.' But this official said the Lebanon situation 'is infinitely more complicated than that' and that 'all along there have been only limited options we could take.' This aide and other senior State Department officials spoke of Shultz's views on Lebanon and the Middle East only on the condition that they not be identified. . . . Rumors that Shultz might resign surfaced over the weekend when the secretary of state decided to spend a long holiday weekend in the Bahamas at a time when the U.S.-backed government in Lebanon floundered further. Criticism of the Bahamas weekend was widespread, even within the State Department. It wasn't the first time there have been rumors of a resignation for Shultz. . . ."

Kissinger, Shultz, and the Foreign Office

This sordid palace intrigue is played out as the Iran-Iraq war has reached new devastating levels of violence and is

about to result in a chaotic disruption of Middle East oil shipments. Unbeknownst to the American public, the Defense Department is waging a losing battle against the British government in a vain effort to force the British to stop supplying Ayatollah Khomeini with the military supplies which went into organizing the current Iranian offensive into Iraq. The State Department has sided with the British government's right to supply the Ayatollah and against the Defense Department.

Moreover, and here is where Kissinger's role becomes most prominent, Shultz's State Department is organizing, together with Britain's Foreign Office, a deal to bring the Soviet Union into the Middle East in a fashion similar to 1973. On Feb. 21, the following exchanges transpired:

During a debate in the British Parliament, M.P. Denis Healey, speaking for the opposition Labour Party, demanded: "Her Majesty's government should not undertake any action with respect to the Gulf War without prior consultation with the Soviet Government." The Tory government's response came from Sir Geoffrey Howe, the foreign secretary: "Her Majesty's government has already pledged that any action we might take in this regard, by ourselves or in conjunction with the United States, will be with prior consultation with the Soviet government." During the same day, the State Department made the following statement to the American press, reported in the *Wall Street Journal* of the following day:

"Any U.S. naval movement to keep the Strait of Hormuz open will be coordinated with Britain. The British are the people we're talking to in terms of military actions. We are reasonably confident that on a short notice we could put something together with the British."

Kissinger is to come in for the final consummation of this atrocity before the presidential elections.

The New Yalta nightmare

Unless stopped now, Kissinger will be going to Moscow on a mission similar to that of 1973. Recall the fruits of that trip: Immediately, it plunged the world economy into one of its most catastrophic collapses, starting with a now legendary oil hoax which produced a 400% increase in the price of petroleum. It was followed by the collapse of every single major government in the world within 1974 (including the U.S. government), and the emergence of new, curiously maneuvered socialist movements in Europe starting with the so-called Portuguese revolution and ending with the Papan-dreou movement in Greece. Finally, Kissinger's 1973 trip to Moscow produced the conclusive decline of United States strategic strength, Soviet superiority in nuclear weapons systems, a collapse of U.S. power around the globe, and the emergence of the famous "window of vulnerability."

Should Shultz and Kissinger succeed now in repeating that piece of betrayal, the consequences will be on a much grander scale, of a scope so sweeping that they will dominate world history for centuries to come. For one, according to

news reports arriving from the Iran-Iraq front as this article is being written, we are on the verge of a Middle East oil shutdown.

Iran has massed up to a million Iranian youths, backed up by Iran's military, on three fronts north of the oil refining Iraqi town of Basra, near the head of the Persian Gulf, with the objective of cutting the Baghdad-Basra highway and thereby eliminating the only supply route to the Iraq's Third Army at Basra. The danger in the current escalation is that both sides will introduce weapons that have heretofore not been employed in the three-and-a-half year war. Iraq, freshly supplied with Soviet-made SS-12s as well as French-made Super-Étendards and Exocet missiles, is poised to hit Iran's oil installations at Kharg Island. Iran has warned that should Iraq take such action, it will disrupt oil flows. This is expected to occur either through sinking an oil tanker, or aerial attacks on the oil installations of Kuwait, Saudi Arabia, or the United Arab Emirates.

According to best estimates, by the middle of April 1984, according to a scenario played out earlier last year at the International Energy Agency, the price of oil in the United States will go up to \$95 per barrel; within one month, unemployment will increase by 2 million people; GNP will decrease by 9%; the energy input into the U.S. economy will decline by 22%.

What Kissinger would do

Kissinger's and Shultz's scenario calls for this calamity to be compounded by a simultaneous massive collapse of the Third World payments structures. Thus, under conditions of national disaster, President Reagan, besieged and isolated by the palace guard, is expected to relent and send Kissinger to Moscow. If Shultz decides to administer the *coup de grâce* to a demoralized Reagan, he will tender his resignation—on condition that Kissinger succeeds him, since Kissinger has already made known the conditions under which he will condescend to accept the assignment to Moscow: "*I would only go if I would be able to meet with all the people who count there.*" One surmises that "the people who count" in Moscow will demand that they can only see Kissinger if he is actually an official of the American administration. Will the great man settle for anything less than the Secretary's job for such an exalted assignment?

Kissinger in Moscow would first and foremost negotiate an unconditional abandonment of President Reagan's March 23, 1983 doctrine of strategic defense, his space-based laser-weapon defense program. Kissinger will then arrange for the so-called "decoupling" of the United States from Europe—the dissolution of the NATO alliance; he will seal the transfer of the Middle East to the Russian Empire; and he will secure the large-scale implementation in the Third World of the genocidal policies of the *Global 2000 Report*. He did such things on a smaller scale in Vietnam, in the Middle East, in Europe, and in the arms-control domain during 1973-75. If allowed, he shall do them again.

Japan will aid U.S. beam-weapon defense

by Linda de Hoyos

Japan has become the first ally of the United States to offer its advanced technological capabilities for the U.S. program to develop beam weapons systems. In answer to a question in hearings in the Lower House of the Diet Feb. 20, Japanese Foreign Minister Shintaro Abe declared that Japan could provide technology for the U.S. space defense program if its uses are confined to peaceful purposes within the range of the Japan-U.S. Security Treaty. Abe then said that, since the program for the development of directed energy defense systems announced by President Reagan on March 23, 1983 is of a purely defensive nature, it can be subject to the Japan-U.S. agreement on military technology transfer.

This momentous statement went unnoticed in Washington and the Western press, but certainly not at the Kremlin. TASS had noted on Jan. 31 the possibility of Japan joining in the U.S. beam effort and warned that Japan would be taking a "dangerous and serious step."

The driving force behind this policy is Prime Minister Yasuhiro Nakasone, who is determined to upgrade Japan's defenses in the face of the Soviet Union military build-up in the Pacific theatre. Nakasone's idea is that Japan must become an "unsinkable aircraft carrier"—a policy that can be realized only with beam weapons. Conversely, without beam weapons, Japan is basically defenseless against the Soviets' military and political pressure drive for the domination of Asia.

The channel for cooperation on the beam weapon effort is the U.S.-Japan Military Technology Transfer Commission, which was established Nov. 8, one day before President Reagan's visit to Japan where he met with Prime Minister Nakasone and called for a "partnership for good" between the two allies. On Feb. 2-3, the Commission met for the first time, in Tokyo, with Deputy Undersecretary of Defense Talbot Lindstrom representing the United States and Hiroo Kinoshita, head of the Defense Agency's equipment bureau, representing Japan.

Japan has major contributions to make to an allied beam-weapon defense effort. In the lead are Japan's advanced computer capabilities and its breakthrough in the fifth-generation computer. Japan has also made giant strides in the development of fiber optics, its own laser program, and in researching the interaction of lasers and matter. In December, the Japanese fired the world's largest laser fusion reactor

at the Institute of Laser Engineering at Osaka University.

The Japanese are also considering cooperation with the United States plan to build a manned space station, and NASA chief James Beggs is scheduled to visit Japan later this month.

Soviets take hard stand

The decision to join the U.S. beam-weapons effort and recent policy statements show that Japan is fighting to resist the pressure to decouple from its alliance with the United States. Although the Japanese population is notoriously pacifistic (at least on the surface), recent polls also indicate that 75% of the Japanese people view the Soviet Union as the country's number-one enemy.

In a speech Feb. 6 before the Diet, Abe charged that the Soviet Union was causing a chill in East-West relations through its "advance into Third World countries backed by its long years of military build-up, the downing of the Korean Air Lines jetliner last year, and the Soviet walk-out from the U.S.-Soviet Intermediate Range Nuclear Forces negotiations." It is therefore crucial, Abe said, that "the Western industrialized democracies sharing such fundamental values as freedom and democracy continue to maintain solidarity and cooperate."

For Japan, the Soviet Union's current global posture takes the form of daily violations of Japanese air space, the surfacing of nuclear subs right off Japanese coasts, and the build-up of Soviet air bases on the northern islands that the Soviets have occupied since the end of World War II, putting Soviet military capability nearly a stone's throw away from the Japanese coast.

In the last year, trade between the Soviet Union and Japan has declined 25%, not because of the worldwide recession, say Japanese government officials, but because of the chill in relations. While in Moscow Feb. 10 for Yuri Andropov's funeral, Abe was told by Soviet Foreign Minister Gromyko that he would not accept an invitation to visit Tokyo because the Japanese government had not met the required standards for such a visit. Moscow, Gromyko said, finds the stance of the Nakasone cabinet "unfriendly"—a non-negotiable demand for a change of government. At the same time, in an unprecedented move, the military attachés of the Soviet embassy in Tokyo held a press conference to announce that Moscow would take definite "countermeasures" against the deployment of cruise missiles on the U.S. Pacific fleet—even though the Soviets have quietly increased their deployment of SS-20s in Asia from 107 to 144 in the last six months.

However, these threats and bully tactics have, if anything, backfired. The beam weapons provide Japan—which currently depends upon the U.S. nuclear umbrella and South Korea for its front lines of defense—for the first time with the possibility of an actual defense against thermonuclear attack. Now that potential must be protected against the appeasers in the United States and Japan, who are lining up for Henry Kissinger's "global package deal" with the Soviet Union.

Konstantin Chernenko: a figurehead for the Soviet Union's military leadership

by Clifford Gaddy

The Feb. 13 appointment of Konstantin Chernenko to the post of General Secretary of the Communist Party of the Soviet Union marked a new phase in the strategic deception program directed by the High Command of the Soviet military since August 1983, when former CP boss Yuri Andropov definitively disappeared from the scene. After six months of lying about Andropov's being "temporarily incapacitated" by a "cold," the disinformation specialists of the U.S.S.R. are now touting the Chernenko succession as a new opportunity for improved East-West relations. Meanwhile, the military junta continues its countdown to a global showdown.

The role of Ogarkov

None of the events that have occurred in the Soviet Union since the disappearance of Andropov during August 1983 can be understood without taking into account the role of Marshal Nikolai Ogarkov, the Soviet Chief of General Staff. In the present context, the single most important fact about Ogarkov is his background as the head of the Soviet General Staff's strategic deception ("*maskirovka*") operations as a means of waging psychological warfare preparatory to and parallel to "real" war. As special consultant to the Soviet delegation at the SALT arms control talks in the 1970s, Ogarkov was responsible for concealing the Soviets' massive arms buildup at that time—while the United States, under the influence of Henry Kissinger, disarmed itself.

The timing of the announcement of Yuri Andropov's death was an essential deception element in Ogarkov's strategic showdown plan. It may never be determined when Andropov actually died, but medical evidence presently available indicates that it may have been as early as last August. In any event, the course of events since mid-January of this year allows us to reconstruct part of the timetable according to which the Soviet military has been working.

Planning the succession

Beginning at the latest in November-December of 1983, the real power center of the Soviet Union, the Supreme Defense Council (SDC), went into the intensive final phase of preparations for the "succession." The key task to solve was the exact timing of the announcement of Andropov's death. The date was apparently narrowed down to sometime between late January and early March.

The appearance of one of the senior SDC members, Foreign Minister Andrei Gromyko, at the Stockholm Security Conference on Jan. 16, following several months of intensive work inside the party apparatus in Moscow, signaled that most of the essential details concerning the succession had been settled.

Gromyko's five-hour meeting in Stockholm on Jan. 17 with U.S. Secretary of State George Shultz, as well as a reported secret meeting with Henry Kissinger (in Stockholm at the time, ostensibly on behalf of Kissinger Associates, Inc.), began the countdown to the Feb. 11 announcement of Andropov's death. Between the two dates, the definitive accession of Margaret Thatcher as the leading appeaser of the West had been marked by her unprecedented visit to the East bloc. By the first week of February, the final humiliation of the United States in Lebanon seemed certain.

The announcement of Andropov's death guaranteed that Moscow at the beginning of the past week would be the scene of the biggest summit meeting of world leaders in years and, most important of all, world leaders who without exception would be ready to make any compromise with the Soviet leadership.

A man of the 'Russian Party'

The man who was actually selected by the Supreme Defense Council as the nominal new head of the Soviet Union, Konstantin Chernenko, is a figurehead. Chernenko has been put in "power" precisely because he has no strength, politically or physically. The 72-year old Chernenko suffers from both a heart ailment and the irreversible lung disease of emphysema. Medical experts think he may not last more than a few months.

Politically, he is even weaker than he is physically. The 15 months since the death of Leonid Brezhnev saw the biggest purges in the Soviet Union since the Stalin era. These purges left Chernenko as a man without any base which could permit him to take independent action—precisely the type of person whom the military need at this crucial point. Indeed, Chernenko has already made it clear that to the extent he will be talking about Soviet policy, he will be closely adhering to the wishes of the military. In his very first speech, for instance, Chernenko issued stern orders for Communist Party officials to keep their hands off questions of economic man-

agement. The policy of non-interference by the Party in vital economic matters has been one of the main demands of the military.

Figurehead as he remains, Chernenko is in one respect an important choice. Perhaps no other candidate exemplifies more clearly the nature of the ruling current in the present Soviet leadership, the extreme national-chauvinist faction that goes under the name of the "Russian Party." According to an exposé published in the Spanish *El Diario* Feb. 14, Chernenko is one of the chief sponsors of the new wave of anti-Semitic propaganda in the Soviet Union. It was he, for instance, who boosted the publications of the leading anti-Semitic writer in the U.S.S.R. right now, Lev Korneyev. Chernenko also pushed for the recent rehabilitation of the top secret police official Ignatiev, the man responsible for coordinating the infamous "Doctors' Plot," the last anti-Semitic purge of the Stalin era.

This outlook is coherent with the recent emergence of a "grassroots" movement for a Holy Mother Russia based on a concordat between the Orthodox Church and the Soviet State. This movement, according to one British source, "has the potential to unite the Solzhenitsyns and the Ogarkovs of Russia." The publications of this movement insist that America and the West are victims of a fearful "Jewish-masonic-plutocratic" conspiracy—a construct very close to that of the Nazis and National Bolsheviks.

Moreover, Chernenko has been exposed in European newspapers as a product of the same bloody secret police institutions as his predecessor, Andropov. During the 1930s, Chernenko served as a member of the "NKVD border troops," the SS-like arrest-and-execution commandos active during the Great Purges of the 1930s. According to the West German daily *Die Welt*, there are survivors of those purges—in which 2.8 million people were butchered in 1936-39 alone—who have testified that Chernenko personally took part in executions of political prisoners.

Following proposals made by Ogarkov in a 1982 book, the Soviet leadership is launching a militarization of the entire Russian school system. Chernenko headed the commission which designed the new program, which, according to Col. S. Konobeyev, deputy head of the Defense Ministry's military training program, will include the following provisions:

- 1) Every school in the U.S.S.R. will establish a post of vice-principal in charge of military training of students. The time devoted to elementary military training in the schools should be increased by 50 per cent.
- 2) Every 9th- and 10th-grade pupil will undergo six full days of compulsory field exercises each year as part of his or her elementary military training.
- 3) "Defense sports camps" will be established for youngsters over the age of 15.
- 4) School military instructors will receive 30 per cent raises in salary.
- 5) Every Soviet school will have its own armory, firing range, drilling grounds and other facilities, preferably to be built by the students themselves.

Soviet build-up for

by George Gregory

The number two man at the West German Defense Ministry in Bonn, State Secretary Dr. Lothar Rühl, recently insisted that the design of Soviet force-structures and operational doctrine in Europe is aimed at a "surprise attack" against Western Europe (see *EIR*, Feb. 14). The evaluation in Bonn of the Soviet buildup of its combined conventional and nuclear-chemical missile forces over the course of the second half of the 1970s, and accelerating particularly in 1983, is that possible Soviet options range from a full scale surprise assault to the militarily more limited, but politically devastating, "smash and grab" option, or a "surgical strike." The area viewed as the most sensitive and likely target for a Soviet-Warsaw Pact "surgical strike" is the northernmost state of Schleswig-Holstein.

Since Dr. Rühl's public comments in late January, a virtual chorus of assertions that Soviet forces and political activities along especially the NATO Northern and Central fronts represent "no danger at all."

The chief of the Danish section of the Pugwash conference claims that any talk of a Soviet "surprise attack" is "complete nonsense, utterly absurd, and only certain German circles are talking about it." Similarly, attendees of the recent Aspen Institute meeting in Berlin insist that no acute danger of this sort exists.

On the official political side, even West German Defense Minister Manfred Wörner told the annual Commanders Meeting in the Schleswig-Holstein town of Travemuende bordering on East Germany that "Peace in Europe is secure. There is no threat of war, neither intentional war, nor war by accident . . . therefore the fear of war going around is unfounded." Likewise, Bonn Foreign Ministry State Secretary Alois Mertes told the military-elite Wehrkunde meeting in Munich that "the danger of war is nearly nil."

In the case of the Pugwash/Aspen chorus, the normal observer, unaware of why they were chiming in so loudly, might well suspect that "where there's smoke, there's fire." In the case of Defense Minister Wörner, who knows the development of the Soviet forces in "Strategic Direction West" from the inside, his comments are perhaps based on the evaluation that Soviet activities are "merely psychological warfare," requiring merely that "we do not lose our nerve," as some in Bonn suggest.

attack on Europe

Dramatically enhanced objective, material capabilities of Soviet and Warsaw Pact air-land-sea forces, as well as the nuclear-chemical-conventional short-range missile and artillery forces (SS-21, SS-22, SS-23 missiles as well as dual-capability canon and howitzers) are very real. Equally real is the evident design of Soviet and Warsaw Pact maneuvers demonstrating enhanced air-borne mobility and ground-force surprise-attack conduct of offensive operations.

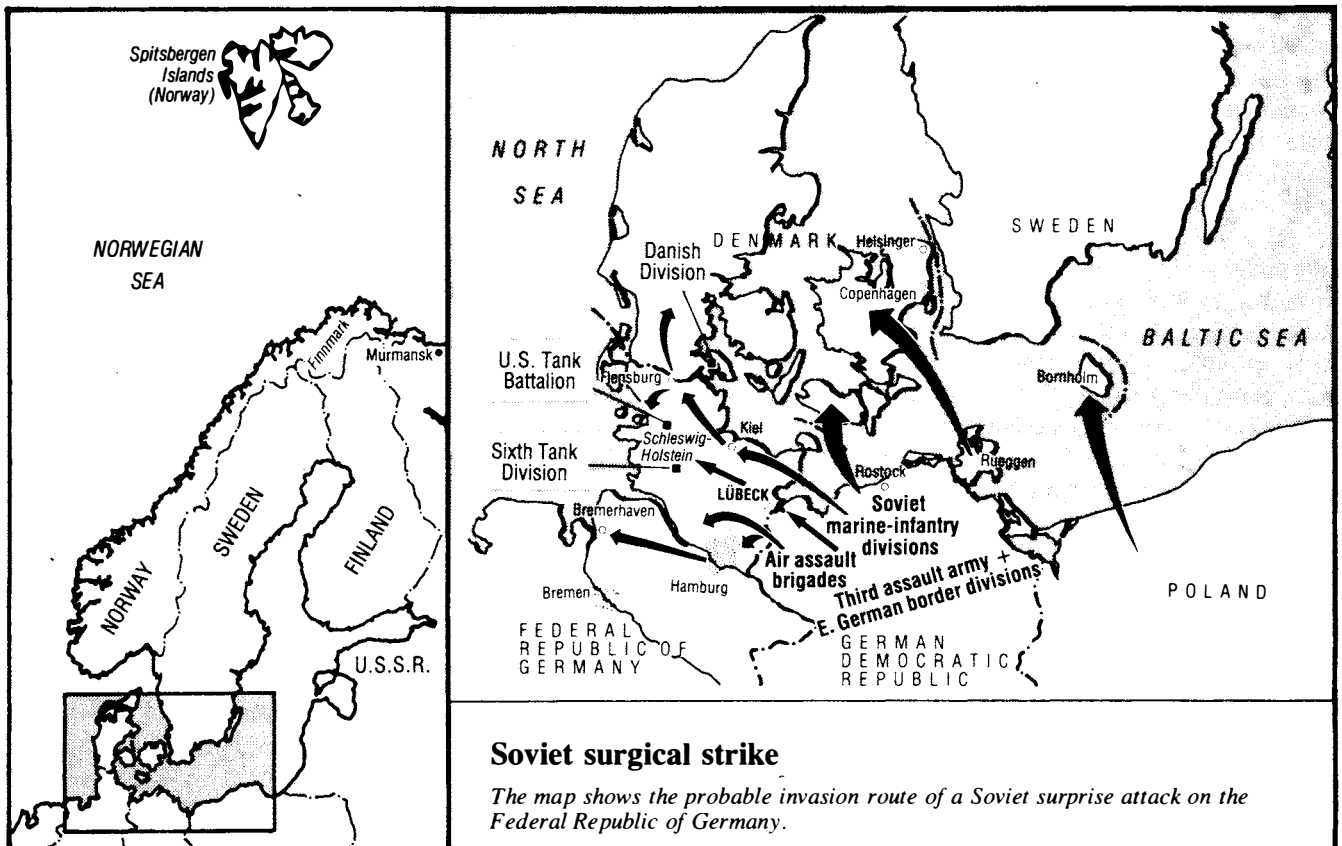
The Soviets have not merely continued to develop the material capabilities for a surprise attack/surgical assault, but have increasingly launched political "stage-managing operations" to create excuses for themselves to use those capabilities.

The political anatomy of a surprise attack/surgical assault

In 1976, a Soviet-East German military exercise called UDAR, a surgical strike into West Germany, surrounded with propaganda-gaming to "stage manage" a phony resurgence of Naziism in West Germany as the pretense for a Soviet intervention, became known in the West, and was largely discounted as "psychological warfare" at that time.

West German security authorities have monitored an increasing pattern of such phony "Nazi resurgence" shennanigans, and have determined that the lion's share of the financing originates with the KGB, often channeled through Swiss banks. Early in February, ten "neo-Nazi" hooligans were whisked off the streets of Munich, caught in the act in just such a "staged-propaganda" "Nazi rally." The incident was almost completely blacked out of the West German media. Evidence developed in the interrogation of the Munich-10 apparently points strongly in the direction of KGB sponsorship.

A training camp for East German "special forces" assigned for deployment into West Germany to stage "neo-Nazi resurgence" ploys has been identified near Dresden in East Germany. While the nature of the camp, the type of training, I.D. papers issued, etc., are apparently well known, these facts have not yet filtered out into the public. The reason



for that may be near the center of a public brawl that has broken out between the Bonn Interior and Foreign Ministries. The Undersecretary of the Interior Ministry, Dieter Spranger, has publicly criticized Foreign Minister Hans-Dietrich Genscher for preventing security services from rounding up Soviet, East German and other Warsaw Pact agents and throwing them out of the country. Genscher's argument, also stated publicly, has been that of saving costs and effort: He claims it is easier to keep track of known agents than to try to locate and identify their replacements.

In any case, there is no indigenous neo-Nazi revival in West Germany. Anything which looks like a neo-Nazi revival is a kook or spook on the KGB payroll. But this operational feature of the UDAR maneuver leading toward a Soviet surgical strike into West Germany is in full swing, and is no longer a "psychological warfare story."

Military-intelligence specialists point out that, if one maps Soviet operations to create excuses for themselves to use their military forces, like the neo-Nazi revival tactic against West Germany, from the far-north of NATO down southward, the picture is that of a boiling cauldron, an unprecedented pattern of hectic Soviet stabbing operations into the flanks of NATO.

In neutral Sweden, for example, the Soviets are engaged in what is politely termed a "tug-of-war to make sure Swedish neutrality is definitely inclined in their favor." The Chief of Staff of Socialist International Prime Minister Olof Palme's military forces, Stefanson, has stated that Sweden would respond to any NATO violation of its air-space by a cruise missile, by shooting it down. European military observers say that as long as Sweden is inclined in this direction, the Soviets will be fervent advocates of Swedish "neutrality." Thus, the Soviet government newspaper *Izvestia* on Feb. 9 piously blasted NATO's "aggressive attempts" to "pull Sweden away from its neutral position."

Very sensitive and militarily crucial are the Norwegian Spitzbergen Islands, located just opposite the giant Soviet naval base in Murmansk. Intelligence specialists are alerted to Soviet attempts to foment unrest and riots among the 2,500 or so Soviet coal miners (versus 1,000 Norwegians), and then blame the unrest on Norway as the excuse to move in militarily. The Spitzbergen Islands, located between the Barents Sea and the North Atlantic, are a crucial control and choke point for East-West and North-South naval traffic.

In a case politically similar to the West German neo-Nazi ruse, the Soviets left huge fingerprints in Vienna, Austria the weekend of Feb. 11-12. "Peace Movement" demonstrators fired volleys of blank cannon shots and carried signs with slogans "Down with the Nazi Army" during a swearing-in ceremony for new recruits to the Austrian Army. Assembled were international guests, including military attachés from East Bloc countries. The demonstration is being read as an anniversary celebration for the "Little Revolution" of 1934, when socialists rioted against the Austrian "Home Guard," and were bloodily suppressed; political destabilization fol-

'We're not sure'

Each of the Democratic presidential candidates in the New Hampshire League of Women Voters' debate on Feb. 23 refused to declare that they would retaliate if the Soviet Union launched a nuclear attack on the NATO allies in Western Europe.

Mondale: "That's one of the toughest problems in the whole world. . . . We need a strong deterrent force to prevent it, and above all we need arms control to reduce the risks. . . . If that event occurs, how you would answer that depends entirely on the moment and the circumstances and the consequences and the environment. . . ." Glenn: "I find myself in agreement with Mr. Mondale. . . on the importance of this and of not saying exactly where you would draw the line. . . ." Cranston: "[Y]ou have to keep the adversaries guessing. . . ." Askew: "I agree essentially with all three." Hart: "If that scenario should happen, in my judgment, in the 1980s and 1990s it will probably be by accident and not by design. That's why I was one of the first to advocate the creation of some kind of joint crisis monitoring capability between ourselves and the Soviets. . . ." Jackson: "We need this kind of war prevention center. . . ." Askew: "What was the assumption of your, the assumption of your question?"

lowed, and the fascists took over in 1938. The in-place capability to replicate in 1984 the 1934 "Little Revolution" is seen as a strong Soviet signal that Austrian neutrality only exists at the suffrance of the Soviet Union.

These political jabs and stabs are intended to carry the message to each of the West European countries involved, "Either behave as we indicate, or else. . . ." That is also how the message is understood. Backed up with the combined conventional-nuclear-chemical arsenal at their disposal, the message intended becomes practically: "We confront you with such a formidable threat, that you only have two choices—surrender without a fight, or we will use the forces at our disposal and crush you."

That message is being delivered to every Western European nation or Western-allied nation, but up to now the West has apparently decided to avoid answering by pretending that the message has not even been heard.

The military anatomy of a surprise attack/surgical strike

As the broad scale of political stabbing operations indicates, a surgical strike aimed at Schleswig-Holstein would involve movement of Soviet forces at least along the entirety of NATO's North and Central Front. Finnmark, in Norway

above the Arctic Circle, is a prize target for a feint or occupation move, and Soviet forces will act to "pin down" NATO forces and prevent them from being diverted to defend the expected area of penetration—Schleswig-Holstein.

No expert doubts the Soviet capability of striking into Schleswig-Holstein. An unprecedented build-up has been carried out for just this purpose. In 1983 alone, three Soviet and three East German Air Assault Brigades, at 2-3,000 men per brigade and equipped with transport and battle helicopters, have been added in East Germany. NATO's AFNORTH command says that each of the four Soviet Armies in East Germany have also been outfitted with one Air Assault Brigade each, and there is also an additional East German Air Assault Brigade on the Baltic Island of Rueggen. East German plans are known to foresee a build-up to division strength (15,000 men) for each of its own Air Assault Forces by 1986.

Also in 1983, the East Germans increased the number of tanks in their Armored Divisions from 189 to 325 (total of two divisions), and brought the manpower strength of their divisions up to 14,600 from 10,500.

Particularly relevant to the surgical strike into Schleswig-Holstein is the Soviet Third Assault Army, consisting of five divisions, with three Air Assault Brigades, joined by two East German divisions and elements of one East German border division. All in all, over 100,000 Soviet and East German troops face the West German Sixth Tank Division at a manpower strength of 23,000.

The fact never received much public attention, but military specialists point out that the Soviet-East German maneuvers in the Fall of 1983 demonstrated the capability of throwing a portion of this force, 30,000 men, into a full assault from their jumping-off positions without any staging or massing ahead of time. This maneuver demonstration is read here as a "proof of principle" for the rest of the 100,000 force.

These forces, headquartered in the Magdeburg area of East Germany, constitute the over-land strike force penetrating the East-West German border between Lauenburg on the Elbe River and the Baltic in the Luebeck-Travemuende area.

Helicopter-borne commando units would assault rear areas of northern Germany, the Danish Jutland Peninsula and the Danish Islands in the Baltic Sea. Soviet, East German, and Polish amphibious units would conduct the assaults on the Baltic islands.

As noted, major features of this buildup occurred over the course of 1983. Similarly, from approximately mid-1983, the Soviets began mass-production of a weapon solely designed for Blitzkrieg operations: the Model E MI-24 HIND helicopter gunboat. Nothing close to an exact count of the number of these helicopters is available; the only thing known for certain is that official NATO counts of 800 helicopters for the forces in East Germany are ridiculously low. According to one specialist, "The MI-24 E is our biggest headache." At a production rate of 1.5 machines per day, the Soviets have over 2,000 now in their inventory, and approximately 600 of

these are deployed in Afghanistan, with at least that many in East Germany. They are heavily armed, equipped with anti-tank and anti-air guided missiles, all-weather, and full night-fighting equipment.

The MI-24 E is, furthermore, ideally suited to the flat plains of Schleswig-Holstein, and also for the super-calm Baltic Sea. They are all but invisible, flying low, for NATO Tornado and Phantom counter operations. The MI-24 E, capable of transporting 20 men, is suited both for lightning-strike air-support of tank and armored units, as well as for landing significant assault commando units.

There are, additionally, reports that the Soviets have deployed significant numbers of anti-laser laser weapons designed to blind opposing laser range-finding and target-acquisition/targeting equipment. It is not known how effective these laser-blinding machines are, but West German sources point out that the numbers deployed indicate the Soviets believe them to be effective enough.

This conventional build-up parallels the modernization of the short-range Soviet nuclear-chemical missile forces (to be reported on in a subsequent *EIR* article).

It's no secret

Neither the development of Soviet forces described nor the specific vulnerability of the Schleswig-Holstein area are any secret.

Again without any public notice, last year a U.S. tank battalion with artillery support was detached to a position near the city of Lübeck in Schleswig-Holstein. This battalion functions as a "trip wire," a warning to the Soviets that NATO will not permit a strike so "surgical" as to selectively pick on West German forces without touching the other allies. The trip-wire significance of this battalion is underscored by the fact that it is directly under SHAPE command from Belgium, and the clear message intended is "Watch out! If you pick a fight, you're going to have to pick on all of us."

A mobilization of "Safeguard Denmark" reserve forces has also begun, which forces have the specific assignment to engage and destroy air-borne and helicopter-borne commando or sabotage units dropped in rear areas. AWACS surveillance aircraft have been sent forward to Denmark and Norway to keep a watch on things, too. British sources report that 2,000 British rapid deployment paratroopers are earmarked to be lifted to defend Schleswig-Holstein and Jutland.

Also extremely significant is the decision just announced by French Defense Minister Hernu that the headquarters of the French Third Army Corps is being moved forward to Lille as a demonstration of the French commitment to "counter an eventual danger in the north." This significant gesture is, however, far short of the possibility of bringing the Pluton missiles of the Third Army Corps forward, armed with Enhanced Radiation warheads (neutron bomb), into an effective defensive position for Schleswig-Holstein to counter a massed Soviet-East German assault.

Terror and riots fuel secession threats

by Susan Maitra in New Delhi

The kidnapping and murder of an Indian diplomat in Birmingham, England in early February by a group calling itself the "Kashmir Liberation Army" was part of a larger destabilization plot against the Indian nation. In recent weeks a series of violent riots between the Hindus and Sikhs has rocked the states of Punjab and Haryana. These developments, occurring at the border of Pakistan and China, are targeted to combine the secessionist forces all along India's borders.

The KLA terrorists kidnapped Ravindra Mhatre on Feb. 3 and demanded a million-dollar ransom and the releasing of their leader, Maqbool Butt, a Kashmir secessionist agitator having bases both in the Indian and Pakistan part of disputed Kashmir who was being held in an Indian prison, convicted of murdering an Indian government official and participating in an airline hijack attempt in Kashmir in the 1970s.

The Indian government rejected the blackmail demands. On Feb. 9, following Indian President Giani Zail Singh's rejection of a plan for amnesty, an Indian judge ordered Butt's execution.

'Khalistanis' and the KAL

Meanwhile, the Indian government's efforts to resume dialogue with the Sikh-dominated opposition party, Akali Dal, in Punjab received a major setback in early February when fundamentalist Hindu fanatics, in order to abort the negotiation and keep Punjab in turmoil, started sporadic riots attacking the Sikhs. Akali Dal, which is locked in a three-year-old dispute with New Delhi over its claims for more water from the riparian system and larger state territory, is still under control of moderates, although the Sikh secessionists, known as "Khalistanis," have been steadily gaining ground with the help of fanatics based in London and Canada and by the Nazi International financiers.

Sources in the West report that KLA supporters had toured the United States and Britain attempting to secure backing to pressure the Indian government to release Maqbool Butt. These sources confirm that the KLA has made common cause with the so-called Khalistan secessionists in the state of Punjab, who seek the "liberation" of the Sikh population from the Indian nation.

"Khalistan" is headquartered in London around its leader Jagjit Singh Chauhan, who maintains financial links with the

infamous Swiss Nazi financier François Genoud and Islamic fundamentalists such as Qaddafi and Ben Bella. Chauhan acts as the titular head of an operation to foster the break-up of India by destabilizing Punjab, the nation's grain-producing heartland. He also maintains ties with other exiled secessionist leaders in the country's other strategic border area, the Northeast. Recently, pro-Khalistan leaflets were distributed by the Naga secessionists in northeastern India. The Nagas, one of many secessionist groups in northeast India whose leader, Phizo, meets Chauhan frequently in London, are armed by the Maoists based in the Himalayan hideouts.

Last summer, reports of Pakistani flags hoisted in some parts of the Kashmir Valley to celebrate Pakistan's independence day signaled an unprecedented level of defiance. The Kashmir government, under the administration of Chief Minister Farooq Abdulla, has also brutally repressed members of Indira Gandhi's Congress Party, who are opposing the secessionists.

In a recent interview with the London *Financial Times*, Congress Party General Secretary Rajiv Gandhi mooted the ouster of Farooq and imposition of "president's rule" in the troubled state.

The Central Government has been imploring Farooq to crack down, to no avail. Reports of armed training camps for Sikh extremists inside Jammu and Kashmir, near the Punjab border, have confirmed New Delhi's concerns.

The Hindu extremists

While the Kashmir secessionists are collaborating with the Nazi-financed Khalistanis in London, it is becoming clear that the enemies of India's integrity are also playing up the so-called "Hindu cause" to agitate the Hindu fanatics. In the Feb. 11 issue of *The Tablet*, an international Roman Catholic weekly published from London, the resurgence of the Hindu religious fervor was played up to the hilt. Repeatedly saying that "no fair-minded Indian could have had any quarrel with the aims" of the Hindu fanatics, it gave full publicity to Swami Chinmayananda, leader of a Hindu fanatic front group. Swami, in an interview with the *Unstutro Weekly* of India, when told that in the name of religion people are killing each other in India, replied: "Nature maintains a certain balance, as the Malthusian theory says. When the population rises beyond a certain point, nature brings down the level."

The board of trustees of *The Tablet* is "advised" by such close friends of incoming NATO Secretary-General Lord Peter Carrington, Henry Kissinger's business partner, as the Duke of Norfolk and Lord Hunt. Also included on the board is Henry Keswick, head of the drug-linked Jardine Matheson Ltd. of Hong Kong.

These provocations are also exacerbating India's tense and difficult relations with Pakistan and China. Since the secessionists are primarily active in these border areas, they have provided an opportunity for any third party bent on provoking war on the India-Pakistan subcontinent.

Kremlin is guiding the labor upheavals

by Umberto Pascali

Italy has been hit by a wave of "spontaneous" strikes launched by the Italian Communist Party (PCI). The official pretext is the government's decision to partially cut the Cost of Living Escalator (COL), which the cabinet voted up Feb. 14. This cut is obviously a blow against Italian labor, the outcome of pressure by the International Monetary Fund which has sent its agents to Rome for years, especially Sir Alan Whittome, demanding that the COL be cut and making every kind of threat. But this is not why the PCI leadership and party secretary Enrico Berlinguer gave the order to strike.

The PCI's aspirations

The PCI has nothing against IMF austerity. It endorsed the program for destroying national industry and wages known as the Visentini Plan and even the "austerity culture" known as the post-industrial society. Now the same leadership that sold austerity as a revolutionary creed "against the ruling class" is demagogically declaring that it will do anything to block the decree.

Berlinguer announced Feb. 21 to his party's Central Committee that the PCI is ready to collapse the government of Socialist Prime Minister Bettino Craxi over this issue. But it was the Communist trade-union leader Luciano Lama who declared, "We are ready to give up even more," if the sacrifices were more fairly distributed. That means, if the PCI were allowed to be part of the decision making, i.e., to join the government in some way.

According to sources here in Rome, the Communist-controlled leaders of the CGIL confederation have concluded a secret deal with the faction of Italian industrialists linked to the Kissinger crowd in the United States. To do what? To create the conditions for a new form of "historical compromise" government based on a more or less explicit alliance between the PCI and the faction of pro-Soviet foreign minister Giulio Andreotti, whose Christian Democratic Party is Italy's largest.

The decision of the Communist majority of the CGIL to go for a near insurrection nationwide has provoked a split in the labor movement. The other unions and the non-Communist part of the CGIL accuse the Communists of cynically using workers' discontent, knowing that violent actions will only lead to defeat—but a defeat that could pave the PCI's

way into the government.

Extremist and pro-terrorist networks in the unions have been reactivated and heavily financed to create maximum chaos. The "Proletarian Democracy" of Mario Capanna, the former Maoist leader of the early-1970s Milan student revolt, has deployed its forces, calling for a frontal attack against the government and industrialists. The use of force is escalating, including the blockade of the transportation sector, services, and factories. Violent revolts are erupting in Naples and spreading in the South, a situation parallel to France.

But Berlinguer, between one rabble-rousing speech and the next, looks confidently to Carlo De Benedetti, the head of Olivetti and intimate friend of Kissinger. De Benedetti came out against the government's decision and stated several times in the PCI paper *Unità* that the PCI is "ripe" to govern. It is only apparently ironic that just at the moment when "industrialist" De Benedetti makes his support of the PCI public, Berlinguer's links with Moscow have been officially re-established after years of so-called Eurocommunism. Not since the days of Stalin has the PCI so energetically supported a Soviet "peace initiative."

A deal with the Christian Democrats?

Berlinguer has an eye on the next national congress of the Christian Democracy (DC) in Rome Feb. 24-29. He has offered the DC what he calls an "institutional" alliance, and is doing everything possible to confront the DC congress with a *fait accompli* along the line: "See, nobody can govern without or against the PCI." Foreign Minister Giulio Andreotti's various stooges ("he will be the real victor of the Congress" according to his top aide) are playing this Italian farce with high professionalism. "The DC formally supports the government," wrote the daily *La Repubblica* Feb. 23, "but the speech of Berlinguer was considered with great attention, and Rognoni [head of the DC parliamentary group] is very open to Berlinguer's position."

A very reliable source told *EIR* that on Feb. 23 a semi-secret meeting took place in Rome between PCI leader Gerardo Chiaromonte and 10 Christian Democratic parliamentarians, including a minister, to discuss possible convergences.

The real issue is foreign policy, and there is nothing the PCI would not be ready for, including cutting the COL, if it would help push Italy toward a Finland-like "neutrality" under Moscow's wing. That is the content of the impending "deal" with Andreotti, who is riding high since the withdrawal of the multinational troops from Lebanon.

The cagey foreign minister, who went to Andropov's funeral and met with Moscow's leadership, declared afterward that Italy must once again become the front-line country for détente. Andreotti went so far as to call in the U.S. ambassador in Rome the third week of February to protest the shelling by U.S. ships off Beirut of the positions of Moscow's Druze allies.

Klaus Barbie's defense lawyer moves to destroy the Resistance tradition

by Philip Golub

Although it is far from unusual that the KGB and East Berlin's Staatsicherheitsdienst enlist Nazi or neo-Nazi elements to promote their causes, the case of SS officer Klaus Barbie and his lawyer, the communist Jacques Vergès, spectacularly underlines the scope of Russian psychological warfare and disinformation activities in France. The outcome, not of the trial itself, but of the political battle surrounding the trial, will be crucial for the future political stability of France. For technical and other reasons the trial will drag on for years; Barbie in all likelihood will never leave his prison.

The strategy of Vergès and Genoud

More than Barbie himself, Jacques Mansour Vergès has become the issue in the Lyon trial. Vergès proposed his services to Barbie and his family soon after the SS officer's deportation. It has emerged that the contact between Vergès and Barbie was arranged by the present head of the Nazi International, François Genoud, a longstanding friend and business associate of the radical-communist lawyer.

In the Klaus Barbie case, he has attempted to transform the trial of a leading Nazi war criminal into an attack against French society in general, and the non-Communist branches of the Resistance in particular. In a series of much-publicized declarations, not only has Vergès accused the French government of kidnapping Barbie and violating due process, and proclaimed Barbie's innocence with regard to the specific indictment for the murder of Jean Moulin, a leader of the French Resistance in 1942-43: He is now making every effort to prove that the non-Communist wing of the Resistance betrayed the left-leaning Jean Moulin to the Gestapo and hence to Barbie in June 1943.

The mixture of half-truths, slanders, and lies used in this effort is obviously aimed at discrediting the tradition and the bearers of the Gaullist and the military Resistance. The defense of Barbie banalizes Nazism and attempts to rehabilitate Hitler in the same fashion as the scandalous publication of bogus Hitler diaries by *Stern* magazine last year.

Vergès is, of course, trying to capitalize on the ambiguities of the French Resistance, its factional conflicts, and their continuation in post-war France. As he himself has said through Barbie, he wishes "to put France on trial."

Unquestionably, from the beginning, the French government sought to exploit Barbie's deportation from Bolivia as a public relations coup rather than as a serious effort to "educate post-war generations" to the horrors of Nazism as had first been claimed. When the French government succeeded in catching Barbie, in return for a substantial financial emolument to the Bolivian government, it could hardly have overlooked the fact that a law passed in 1977 by the National Assembly proscribed the prosecution of individuals having committed crimes of war or crimes against humanity during the Second World War. Hence, from the very start, war criminal Klaus Barbie could not be prosecuted for the mass murders and deportation of Jews that he organized as the head of the Gestapo in Lyon, but only for the crimes he committed against the French Resistance and Resistance leader Jean Moulin specifically.

The Moulin issue

The latter crimes do not fall under the general heading "crimes against humanity" as defined by the Nuremberg tribunals. Jacques Vergès has profited from this legal conundrum and has used the uncertainties surrounding the figure of Jean Moulin to proclaim Barbie's "innocence" and to vilify the Resistance. Moulin maintained ecumenical relations with all Resistance tendencies, including the Communists. His nomination by General de Gaulle in 1943 as head of the Conseil National de la Résistance (CNR) made an otherwise secondary leader into a national figure. De Gaulle's choice was motivated by a clear desire to unify resistance forces in preparation for the liberation of France. Jean Moulin died a hero, yet the real Moulin story begins after his arrest in June 1943 in Caluire, his imprisonment, and his assassination by the Gestapo of Klaus Barbie.

No one really knows who alerted the Gestapo to the CNR meeting occurring that June, although evidence points to René Hardy, who attended the meeting after having been arrested by the Gestapo and released without any traces of bodily harm. Hardy was tried twice after the war, and twice acquitted on technical grounds; presently, he is hospitalized. Last week Jacques Mansour Vergès visited the dying Hardy to entice him to accuse the non-Communist Resistance of hav-

ing betrayed Moulin. The coward Hardy, *EIR* has learned, assented. In sum, Vergès claims, as the French Communist Party has long proclaimed, that Moulin was betrayed because of his Communist sympathies.

Communists, Islamic fundamentalists, and Islamo-Marxists, as well as ultra-leftists have made Vergès into a celebrity. His friend and long-time associate Hervé is currently the president of National TV 1, the Socialist government's TV station.

In a more discreet way than Vergès, the French Communist Party has been rewriting the history of the French Resistance since the end of the war. Their position inside the French government today has given them access to propaganda means—press, cultural events, historical exhibitions, and so forth—which they previously did not possess. A systematic and subtle campaign of disinformation has been ongoing for the past year or so tending to credit the Communists as national heroes during the war years while the rest of the Resistance, the majority forces of the country, is spat upon by Barbie and Vergès.

The gradual disappearance of the leaders of the Resistance has aided the Communists' efforts. Communist Party rewriting of the history of the Resistance began right after the war under the direction of the ultra-Stalinist Jacques Duclos. In 1949 Duclos published an edition of the collected issues of the CP's clandestine wartime newspaper *Humanité* which deletes two full years of issues devoted to Soviet-Nazi collaboration during the Hitler-Stalin pact.

The two years of ignominious Nazi-Communist collaboration are obscured year by year, archives disappear, memories fade away. There is no doubt that once they joined the Resistance after Operation Barbarossa, the Communists represented a large armed force in the maquis. But the history of their resistance is stained after 1941 by the suicidal decisions taken by their leadership which led to the death of tens of thousands of their own combatants. There were always individual Communists, patriots more than anything else, who fought from 1940 on against party orders. The party itself worked with the Nazis on orders, then fought them on orders, and ultimately attempted to seize power in 1944 against de Gaulle and the Free French.

The French CP and Jacques Mansour Vergès are presently engaged in an effort not merely to discredit those who enabled France to survive during and after the war but are attempting thereby to destroy the still-existing networks, associations, and individuals who represent the moral backbone of France.

Ultimately, the Socialist Party will emerge as discredited and stained by this affair as everyone else but the Communists. Their propaganda coup has backfired.

A veteran KGB operative

As for Vergès himself, a 58-year-old born in the French overseas department of La Réunion where his brother Paul

Vergès is the general secretary of the local Communist Party, he has been an important operative of the international Comintern and KGB apparatus since the late 1940s.

As an activist of the French Communist Party at that time, Vergès entered the leadership of the Liaison Committee of anti-colonialist students in 1949, a front organization for Soviet operations in the developing sector. Soon after, in 1950, Vergès arrived in Prague as a founder, and entered into the executive committee, of the International Students Union, run at the time by Aleksandr Shelepin, then head of the Komsomols. (Shelepin became head of the KGB under Brezhnev until his downfall in the early seventies.) In 1951, Vergès traveled back and forth between Paris, Prague, and East Berlin for the International Students Union. His East Berlin stay is considered by specialists to have been of great importance to his future deployments. After 1954 he returned to Paris to study Hindu and other oriental languages at the Institute of Oriental Languages; at approximately the same time he was integrated into the solidarist network, and attempted to mask his real loyalties by denouncing Moscow's line on the Algerian war while still acting as a defense lawyer for the French Communist Party.

It was in the late 1960s that he entered into contact, at least to public knowledge, with the leader of the post-war Nazi International, François Genoud, who sought, like Vergès, to use the National Liberation Front of Ben Bella against France in the way they had sought to use Nasser against the West in the early 1950s.

In 1962 Vergès emigrated to Algiers, where he led the liaison group between the National Liberation Front and revolutionary African and Middle Eastern movements. Jacques Mansour Vergès is a convert to Islam, hence his middle name.

Later he established contact with the terrorist Carlos, whom he eulogizes as "a man of honor for whom I have great admiration"; Vergès works with and defends the terrorist Popular Front for the Liberation of Palestine (PFLP) of George Habash and maintains close ties to Al Assifa, a segment of the PLO which produced Abu Nidal. Abu Nidal's operations in Baghdad and Damascus in the early 1970s conform to the profile of Vergès's migrations during that period of time. Vergès's "disappearance" in the early 1970s is the result of a recycling which places him successively in Moscow, in Damascus, and in Cambodia under his friend Pol Pot, whom he first met in Paris in the late 1940s.

Before his disappearance, Vergès was one of the major defenders of international terrorism in the West. Following his reappearance in 1978, his role in the court defense of members of the PFLP, the Red Brigades, and other international terrorists became even more crucial. He was an attorney for terrorists Bruno Breguet and Magdalena Kopp, who are also protected by Genoud, in 1979. Today he is the publisher of the Red Brigades-linked magazine, *Correspondances Internationales*.

Why Ayatollah Khomeini loves Unesco

by Umberto Pascali

"If the U.S. imperialists leave Unesco, Iran will fill the gap with Islamic funds."

So declared Ayatollah Khomeini, stressing that he is ready to defend his friend Amadou Mahtar M'Bow, the director-general of the United Nations Educational, Scientific and Cultural Organization (Unesco), from the attacks of "American imperialism." Khomeini's statement was reported in the *International Herald Tribune* Feb. 1, alongside a letter to M'Bow "signed" by Soviet President Yuri Andropov, underlining that the "White House views the world as its sovereign possession." M'Bow had sent Andropov a copy of his book, *Where the Future Begins*.

As one of his last official acts, the late Soviet chief of state was reported by the news agency TASS to have said to M'Bow that he "cannot help sharing the worry you are voicing in connection with the arms race and the threat of nuclear war. Indeed the threat is growing, but not through our fault, as everyone knows. Millions of people are realizing ever more clearly that the source of tension is the imperial course of the U.S. administration, viewing the entire globe as its sovereign possession and abrogating to itself the right to impose on others certain ways of life."

Such statements should be more than enough to put an end to the participation of Western countries in Unesco, which has become the most powerful non-official vehicle for Soviet ideological propaganda in the world. What caused the outbursts of "Andropov" and Khomeini was the decision by President Reagan to announce that the United States will withdraw from Unesco if Unesco doesn't change its line. "Unesco," wrote the Italian daily *Il Giornale*, "is today the 'cultural' Trojan horse of Soviet policy, aimed at shattering the West through Third Worldism and unilateral pacifism."

Even this is a euphemistic characterization of Unesco. Few people know that the 1984-85 budget of the organization, which the United States has rejected, allocated \$926,000 for programs of "mobilization of youth for disarmament"; another \$738,000 were allocated for "revolutionary movements." Last December a major part of the activities of Unesco was dedicated to the centennial celebrations honoring Karl Marx.

A large part of Unesco's giant budget is financed by the United States (25% of the total). But the United States has only a single vote, as do each of the other 161 member

countries. The next general conference of the organization will be fully dedicated to "pacifism," and will take place in Sofia, Bulgaria, the capital of KGB-sponsored terrorism.

A British-Russian project

Unesco grew out of the wartime British Council of Ministers meetings, a commission was created to plan in detail the shape of things to come, i.e., a detailed British occupation plan for Western Europe as a result of British victory thanks to American might. These plans, of which records remain, include school curricula for each European country, text books, control of the classical and popular music industries, of the cinema and radio, and so on, covering every aspect of human thought.

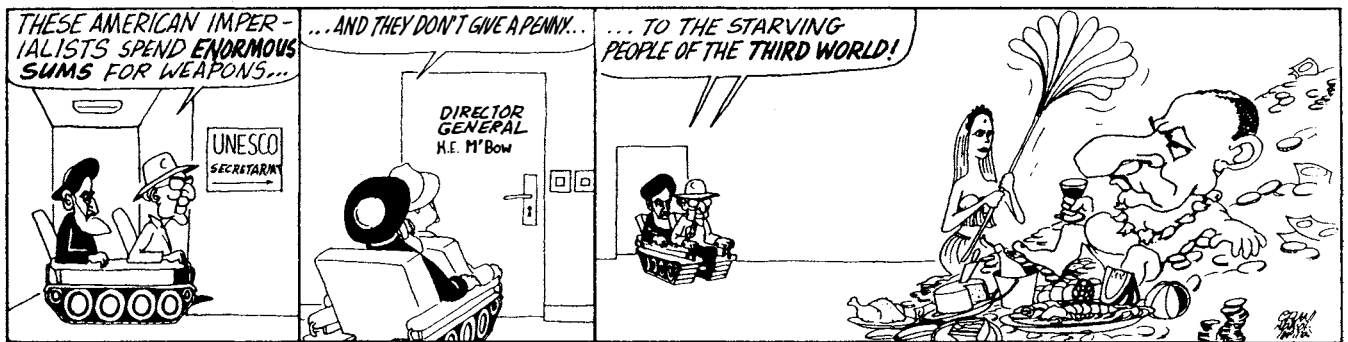
The blueprint for Unesco was drawn up in 1948 by Julian Huxley, the British zoologist who described the organization as a channel for implementing the very same Nazi "racial hygiene" policies which had just been condemned at Nuremberg as crimes against humanity. Julian Huxley in 1962 made a speech arguing that sperm banks must be created to guarantee the reproduction of "genetically superior" types (like the Huxleys), while simultaneously preventing their "inferiors," racial minorities, the handicapped, etc., from having children.

It was Huxley's brother Aldous who wrote the famous novel *Brave New World*, the scenario for imposing a world dictatorship including centralized population control, and who oversaw the joint British-Soviet intelligence project to impose a mass drug culture upon the youth of the West in the 1960s, code-named MK-Ultra.

The Soviets were implicated in Unesco's activities from the start, as they were in the Pugwash disarmament conferences, a similar Anglo-Soviet project. The British drafters of Unesco and the Moscow advocates of Russian imperial rule agreed that man is nothing more than a beast to be bred and manipulated for benefit of the "master race." The only dispute between the British and Russian partners concerned which "master race" should ultimately control the world empire.

M'Bow's pro-Soviet sultanate

Unesco became further radicalized with the election of Amadou Mahtar M'Bow as director-general. M'Bow, born



in 1921 into a family of shepherds, is a former education minister of Senegal, where he served under the racist Club of Rome leader Leopold Senghor. Director-general of Unesco since 1974, he was reelected for another six-year term in 1980. A Muslim "fundamentalist," he hates the United States and Israel.

"M'Bow," declared Dick Ross, an expert in the American delegation, "transformed Unesco into a forum of the pro-Soviet Third World. . . . He earns more money than any U.S. public official apart from Reagan. He certainly gets more than the U.S. Vice-President." An ultra-luxurious penthouse on the top floor of the Unesco building in Paris serves as his residence. M'Bow accepted, against the rules of Unesco, honorary citizenship in 11 countries, plus 35 decorations; above all, he prefers recognition and medals from the East, from whence, over the last ten years, he received 42 honoraria, three honorary degrees, and three gold medals. The Bulgarian government hosts him for the vacation period.

M'Bow, after his election, assumed a Sultan-like way of life. He keeps the organization under his personal despotic control. In every key position he has placed a relative, like his wife's cousin, Serge Vieux, the head of the 950 Paris-based Unesco functionaries. Thanks to the blacklisting technique, there is no hope for those who fall from favor. As one Unesco delegate declared recently: "The collaborators of M'Bow live in an atmosphere of suspicion, prejudice, intolerance, incoherence, and arbitrariness that forces them to servility." The management of funds is decided directly by M'Bow, with no other checks.

M'Bow's plush existence is typical of the 3,800 Unesco bureaucrats who absorb a large part of its \$300-\$400 million dollar budget. Of these bureaucrats, 2,500 get an average salary of \$2,500 per month, tax-free, including personal diplomatic cars.

As for the job demands, they are almost nonexistent. "Every year," members of the U.S. delegation told the Italian weekly *Espresso*, "we go crazy reading hundreds of very expensive and very useless reports written in a special, indigestible jargon called 'Unescese.' Hundreds of journalists who never write a line are invited to participate in costly seminars in which Ukrainian delegates celebrate trade union freedoms in the Soviet Union, or Iranians agit-prop the secrets of freedom of thought. . . . Many of the Unesco pub-

lications are just Soviet propaganda. . . . For example, \$750,000 has been spent for initiatives on behalf of peace and disarmament in the context of the Soviet campaign for the military neutralization of the West."

'Communications' and espionage

One of the most dangerous operations being concocted by Unesco is the so-called "new world order in the field of communications," whose aim is "to free the media from the economic power centers." Sixteen million dollars has already been invested in this "reform of the media" which would create an Inquisition-like censorship worldwide, with a special card to be given to "friendly" journalists and denied to others, who will thus be unable to visit the affiliated countries. With the Western "free" press already dominated by anti-growth, pacifist media, run by the same British intelligence networks that launched Unesco, the control of world information by a Brave New World Inquisition would be virtually total.

Exercising control over M'Bow's sultanate are two communist operatives, the Soviet Sergei Tanguian (responsible for the education sector) and Congolese Henry Lopez (planning). Lopez, during the Unesco Marx celebrations, hailed "the Soviet role in defending human rights."

There are also many overt KGB agents working in Unesco. Last year France expelled 47 Soviet spies, 12 of them Unesco officials working directly for Tanguian. The French have also intercepted a secret document, sent by Moscow to Soviet Unesco staffers. The document reads: "Information note: how to increase the efficiency of the propaganda aimed to strengthen the ideological influence of the Soviet Union in Unesco. Over the last years there has been in Unesco a strong increase of the ideological fight that reflects the tendency of the present international situation. After a long commitment, the Soviet Union and the other socialist countries gained very solid positions through which they can influence the direction of activities and conduct an ideological fight in every branch of the organization. Thanks to the efforts of the Soviet Union and the other socialist countries, we have finally succeeded in orienting Unesco on important questions such as disarmament. The celebration by Unesco of the Lenin centennial and of the victory in the Second World War have been exemplary events for our propaganda."

Moscow trumped Carter and Deng

by Richard Cohen

Part III of this series, "The Kissinger China Card Worked to Moscow's Advantage," described Henry Kissinger's policy of attempting to use improved Sino-American relations in order to mildly pressure Moscow in SALT I negotiations. As the Soviets' strategic military advantage emerged during the 1970s, Cohen wrote, the U.S.S.R. "repeatedly trumped Washington's and Peking's attempts to use their respective cards."

Under the Carter administration, China relations were put on the back burner until the normalization agreement of Dec. 15, 1978, at a time when the Soviets warned against such an agreement. "The Brzezinski NSC, intoxicated by Kissinger's formulas, was convinced that the normalization had enhanced the possibility of a SALT agreement, since Brzezinski's ultimate purpose in pursuing the China card was to use it to pressure the Soviet Union back into the original deal they had supposedly cut in the early 1970s, a deal by which they would restrain their behavior in areas of Western concern in exchange for the destruction of U.S. military advantage."

President Carter stated on Dec. 19, 1978 that the China normalization would not interfere with SALT, while White House script writers were hyping an imminent summit between Carter and Brezhnev. But the Vance-Gromyko Geneva meeting in January was an utter failure, and bitter State Department officials were leaking that the reason was the Dec. 15 China announcement.

Two days after the Geneva failure, Vietnam invaded Kampuchea, and it controlled most of the country by Jan. 10, 1979. During this period, a desperate Carter sent five secret dispatches to Moscow and six to Peking, begging for restraint. At the Jan. 5-6 Guadalupe Western summit meeting, a reassurance was delivered to Moscow that détente came first while China relations were secondary. The push for such a statement was led by West German Chancellor Helmut Schmidt. Immediately after the conference, Carter sent a message to Brezhnev stating in no uncertain terms that the United States would not sell arms to China. This gave rise to the peculiar Jan. 27 public declaration by Carter that the United States would not sell arms to the Soviet Union or China.

Evidence was building that the original 1977 Vance policy of "evenhandedness" was now dominant.

Operating on this momentum, on the eve of Deng's Jan. 29-Feb. 5 visit to the United States, Carter was pressured by the State Department to avoid any appearance of a China tilt. Vance announced as the visit began that there would be no joint communiqué, eliminating the potential vehicle for an "anti-hegemony" clause.

Ironically, Deng had arrived after having lost a faction fight within the Chinese Politburo. In November, at the meeting of the Third Plenum of the 11th CCCP Central Committee—the most important Chinese leadership gathering since the 1976 ouster of the Gang of Four—Deng reportedly opposed a program calling for forceful retaliation against Vietnam and strong commitments to the Khmer Rouge forces of Pol Pot when Vietnam invaded Kampuchea.

For some time, Chinese leaders had concluded that such a move was inevitable. The Vietnam-Soviet military treaty of early November simply verified their conclusion. Forces allied with Hua Kuo-Feng and Li Xian-Nien successfully argued that the Soviet-Vietnamese alliance and the imminent Vietnamese invasion represented a direct security threat to China.

Deng's opposition appears to have been made public even after the decisive November-December Central Committee meetings. At a meeting of the Chinese People's Political Consultative Conference on Jan. 1, Deng, speaking in the midst of the Vietnamese invasion, stated: "At present the threat to peace comes from the north. The source of instability and war in the world lies in the north, and should there be foreign aggression against our country, it would also come from the north." This argument challenged the essence of the CCCP communiqué, which stated, "The grave danger of war still exists. We must strengthen our national defense and be prepared to repulse at any moment aggressors from any direction."

But the decisions had been made, and the China card policy was now to reach its climax. In his public appearances, Deng toned down his criticisms of SALT and refrained from calling for a "common front" against Moscow, while lashing out against Soviet "hegemonism." By Feb. 1, Vance had lost ground as a joint communiqué was issued including an anti-hegemony clause. At the same time, Georgii Arbatov of

Moscow's U.S.A.-Canada Institute was on CBS-TV attacking Deng's "warmongering." On Feb. 7, TASS called for "clarification" and *Izvestia* noted "vacillation" in U.S.-China policy.

Vietnam and the Soviets

In mid-February, the P.R.C. invaded Vietnam. The U.S. government publicly warned the U.S.S.R. not to attack the P.R.C. and called for Chinese withdrawal from Vietnam and Vietnamese withdrawal from Kampuchea. On Feb. 20, the Soviets responded through a TASS charge of U.S.-P.R.C. collusion in the invasion, and on Feb. 21, *Literaturnaya Gazeta* reiterated the charge.

The charge was repeated by Gromyko on Feb. 25, and on Feb. 28 *Pravda* charged that the U.S. "gave the P.R.C. the green light"; but by that time Moscow had already known that China's "American card" was a fraud. Mass Soviet naval maneuvers in the South China Sea during the height of Sino-Vietnamese conflict did not meet a whisper of U.S. naval or air challenge, and the urgent private messages from Carter and the Guadelupe reassurances were sure to have convinced the Soviet leadership that Brzezinski's rhetoric was bluff.

Indeed, there was evidence that the Soviets had never believed the United States would risk its own security for that of China, and that Moscow's primary aim throughout this period was to secure a permanent cut-off of Western high technology to the P.R.C.—technology which 10 to 20 years ahead might mean a formidable military challenge to Moscow.

Frustration in Peking

The Soviets capped the most intense period of China card failure in mid-March, following the Chinese withdrawal from Vietnam. Showing total dominance, the U.S.S.R. held unprecedented maneuvers on the Sino-Soviet border. On April 3, China voided the Sino-Soviet Friendship Treaty, only to open up a half-year-long process of border pacification talks with Moscow. The America card had fallen into total disrepute as U.S. visitors to Peking reported P.R.C. disillusionment with U.S. backtracking; in early August, Sen. Henry Jackson, returning from a trip to Peking, called the Chinese attitude frustrated and unhappy.

At the June 15-18 Carter-Brezhnev summit in Geneva, the absurd SALT II treaty was signed. The strain in U.S.-China relations was not allayed by a late-August trip to China by Vice-President Walter Mondale. As a sop, Mondale granted China Most-Favored Nation status, a status the Soviet Union did not enjoy. In addition, while Mondale denied a U.S. military umbrella to the P.R.C., he told the Chinese "any nation that tries to weaken you is acting counter to U.S. interests."

But by at least the end of 1979, the Chinese leadership had absorbed the lesson of the failure of the "American card," as well as the more immediate lessons of the forces associated with Deng Xiao-Ping, who had warned of both the economic and military pitfalls of the Vietnamese engagement. Apart

from a hubbub following the Soviet invasion of Afghanistan at the end of 1979, the Deng-dominated policy of prioritizing border pacification and staying out of costly military engagements would become a permanent factor in rapidly undermining the China card policy.

In the United States, efforts to ratify the SALT II agreement were undermined by a sudden discovery of a Soviet combat brigade in Cuba in September. While Vance moved to protect SALT at all costs, Brzezinski went berserk, calling for every conceivable impotent gesture, short of reversing the Kissinger-codified strategic equation. On Oct. 1, Carter publicly sided with the Vance position, but privately the administration tried to crack down on high-technology sales to Moscow while classified reports were leaked to undermine the possibility of a SALT passage. State Department officials frantically warned that the leaks were damaging U.S.-Soviet relations.

Then in late December, while the prospect of SALT ratification on Capitol Hill dimmed, Moscow invaded Afghanistan. In a trip prescheduled for January 1980 and later publicly attacked by Vance in June after his resignation, Defense Secretary Harold Brown visited Peking, one of a number of Carter initiatives aimed at responding to the Soviet invasion. At best, Brown obtained a P.R.C. agreement to replace ground-monitoring stations recently lost by the United States in Iran. This minimal move was joined by a U.S. agreement to sell to China non-lethal weapons; the P.R.C. would hardly ever exercise this limited option. The disgraced Carter administration then welcomed Chinese military help for Thailand, if Vietnam invaded that country, and also agreed to loosely coordinate their efforts to support Pakistan and aid Afghanistan rebels.

These actions plus military absurdities typified by the push for a pint-sized Rapid Deployment Force were added to a grain embargo and a withdrawal from the Olympics, and a silly new "Carter Doctrine" aimed at protecting the American position in the Persian Gulf.

'No longer adequate'

While leading Chinese figures, including Hua, would visit Japan in May, and Defense Minister Geng Biao visited Washington to discuss possible arms purchases, the P.R.C. was now undergoing thorough factional consolidation around the policies of Deng Xiao-ping. In the United States, policy was paralyzed by the ugly Iranian hostage situation.

In early June, Assistant Secretary of State for Asian Affairs Richard Holbrooke, a Vance understudy, issued the last major Carter administration pronouncement on China policy. Holbrooke declared that the "famous triangular diplomacy of the early 1970s is no longer an adequate conceptual framework in which to view relations with China. In short, relations with China are not a simple factor of our relations with the Soviet Union." Holbrooke's obituary for the China card would soon be read more strongly by the incoming Reagan administration.

The Gulf war and Lebanon

Iran's drive against Iraq is meant to strengthen Khomeini's bid to take over Lebanon.

Behind the escalating military drive of the Iranian dictatorship against Iraq is a design which goes far beyond Khomeini's determination to overthrow Iraqi President Saddam Hussein.

Along with the Iranian human-wave offensive against southern and central Iraq—in which up to 1 million brainwashed and drugged Iranian youths are being thrown against the Iraqi army—there are reports that Iranian fighters have renewed an offensive in the extreme north and are approaching two dams that hold Baghdad's water supply. U.S.-based Iraqi sources say that Khomeini is determined to wreak serious infrastructural damage in Iraq to provoke the downfall of Saddam Hussein.

The offensive will strengthen Khomeini's growing support among Shi'ite Muslims beyond the Gulf region, most emphatically in Lebanon. Over the past year the majority Shi'ite population in Lebanon has increasingly been won over to Khomeini.

Khomeini has stated that he will transform Lebanon into the second Islamic Republic in the Mideast; Iran's offensive was timed with the withdrawal of American Marines from Lebanese territory.

The spread of pro-Khomeini militancy in Lebanon has finally sparked concern in Israel, whose defense minister at the time, Ariel Sharon, ordered the invasion of Lebanon in 1982, ostensibly in order to clean out Palestinian cells which were shelling Israel's Galilee; but chiefly to foil moves by

the Reagan administration to secure a comprehensive Mideast settlement.

Though the Palestinians are gone, the shelling has resumed, this time by pro-Khomeini Shi'ites who pledge to destroy both Israel and the U.S. presence in the region. Former Israeli Prime Minister Yitzhak Rabin stated accurately on Feb. 23 that the rising Khomeini-allied Shi'ite extremism in southern Lebanon now represents a serious threat to Israel.

Ironically, after the United States announced the pullback of the Marines, all the major Arab parties to the Lebanon crisis reportedly came closer than ever before to an agreement that could prop up the presidency of Amin Gemayel, as a figurehead in a Syrian- and Saudi-approved government. But with the intensification of the Gulf war, and a related activation of Shi'ite fundamentalist extremism in Lebanon, it is feared that the latest Saudi Arabian efforts to reconcile Gemayel and the coalition of Syrian-backed militias which have been challenging him may have come too late.

As the Marines are being removed from the Beirut airport, Khomeini and Khomeini-allied Palestinian terrorist forces associated with the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) are rapidly moving into the Greater Beirut area. The PFLP-GC is commanded by Ahmed Gebril, whose forces guard Khomeini's residence north of Teheran.

Last year the commander of the

Pasdaran, the Islamic Revolutionary Guard, declared that by the end of 1984 Iran would have 100,000 fighters in Lebanon for the purpose of establishing an Islamic Republic. Over the past six months, during the heat of the fighting in and around Beirut, Iran has quietly deployed what some experts say is up to 10,000 fighters into Lebanon, many concentrated in the Shi'ite-dominated slums of south Beirut.

Signs have mounted that Syrian President Hafez al-Assad, along with his allies, Druze Muslim chieftain Walid Jumblatt and Nabih Berri, the head of the Shi'ite mainstream Al Amal grouping, are worried that their own power will be threatened by the growing sympathy for the Ayatollah Khomeini.

Over the past three months, the Iranian press and members of Khomeini's regime, including Speaker of the Iranian Parliament Hashemi-Rafsanjani, have attacked Assad's regime in Syria as "un-Islamic" and the Druzes in Lebanon for not "upholding the true tenets of Islam."

Late last year an emissary of Iran's foreign ministry made an unusual visit to the northern Lebanese town of Tripoli to make contact with certain Muslim Brotherhood leaders of the opposition to Assad, a visit which did not go unnoticed in Damascus.

Timed with Iran's latest offensive, there has been a series of demonstrations by pro-Khomeini zealots in south Lebanon protesting what is claimed to be the murder by Israelis of the Shi'ite mullah Al-Harb. In January, a powerful Shi'ite mullah, Mohammed Fadlallah, visited Teheran and conferred with Khomeini. Fadlallah, who lives in south Beirut, reportedly helped train the suicide bombers who blew up the U.S. Marines headquarters. Fadlallah, like Al-Harb, is Khomeini's agent in the bid to take over Lebanon.

Must Papandreou fall?

As a matter of principle, yes!

Greek Prime Minister Andreas Papandreou's tenure in power since October 1981 has been for Greece catastrophic, for NATO and the West in general calamitous. It had to be this way because Andreas Papandreou's ascent to power was, in the final analysis, the handiwork of Henry Kissinger. Defense Secretary Caspar Weinberger, not hitherto familiar with Andreas's Kissingerian antecedents, must very quickly remedy this deficit in his knowledge by opening up the old files of the State Department's Policy Planning Council from the 1969-77 period.

Thus, when Secretary Weinberger arrives as scheduled in Athens next March 30 with Joint Chiefs of Staff chairman Gen. John Vessey, he should be sufficiently aware of the secrets of the Papandreou government to be able to demand that U.S. intervention in the internal affairs of Greece be ended by causing the Papandreou government to collapse.

Some facts about the Papandreou connection with Kissinger:

- Papandreou's release from jail and his subsequent emigration from Greece in 1969 coincided with Kissinger's appointment as National Security Adviser and were effected by a demand from the United States to the military government of Greece.

- When Kissinger appointed his "pretty boy" Winston Lord (now presiding over the New York Council On Foreign Relations) to head the State Department's Policy Planning Council, that group developed a long-term plan which would eventually bring Andreas Papandreou to power in

Greece at the head of a new synthetic socialist movement. This "contingency plan" was elaborated during 1973, the year which Kissinger called "The Year of Europe," as part of a broader scheme to radically transform the political culture of Western Europe.

In 1974, with the assistance of Joseph Sisco, James Schlesinger, and a group of Greek shipowners represented by Andreas Potamianos, a friend of Papandreou's wife and controller of right-wing gangs in Cyprus, Kissinger brought down the military government of Greece, a first step toward bringing Papandreou to power.

- In the autumn of that year, Kissinger and his European associates in the notorious "Propaganda-2" masonic lodge caused massive financial infusions into Papandreou's newly created party, the PASOK, from Qaddafi's Libya. Hundreds of millions of dollars passed hands from Libyan foreign affairs official Ali Shahati of Bilygate fame to one Manos Kafetzopoulos (now Papandreou's ambassador to Libya) and through a Swiss bank into the hands of Andreas inside Greece, thus enabling him to create a considerable party machine.

In 1980-81, working through his offices at Georgetown CSIS and Kissinger Associates, Inc., Kissinger orchestrated three major European operations: He helped cause Socialist François Mitterrand's ascent to power, and caused Socialist Bettino Craxi to become prime minister of Italy and Socialist Andreas Papandreou to become prime minister of Greece.

The 1980-81 power transfers were

merely aspects of the timely implementation of the 1973 "Year of Europe" long-term contingency plans of Winston Lord's Policy Planning Council. Papandreou was put in power in Athens for the purpose of implementing what Kissinger's and Winston Lord's Council On Foreign Relations alternatively called "Project 1980s" and "Global 2000." The Kissinger crowd gave Papandreou two economic "super-czars" to "restructure" the Greek economy. One was Gerassimos Arsenis, the current minister of National Economy, the other Dimitris Coulourianos. They are both intimates of Robert S. McNamara; for many years Arsenis worked at Unctad in Geneva and New York, Coulourianos at the World Bank in Washington. Under their management, between 1981 and 1984, Greece's foreign debt grew from about \$5 billion to about \$24 billion, accompanied by total collapse of any investment.

The second task assigned to the Papandreou team by the Kissinger-CFR crowd was to systematically cultivate a virulent form of anti-Americanism in the European scene which Henry et al. find so propitious in promoting their policy of retrenchment and "decoupling" between the United States and Europe. Papandreou was assigned the role of anti-American spokesperson in Europe, as he himself tried to explain to American visitors. He was also assigned to promote Cyrus Vance's idea of a "nuclear-free zone" in Europe.

When Weinberger finds anti-American tones in Athens on March 30, he ought to recognize Kissinger's handiwork. And then he should take a closer look at his deputy Richard Burt. He ought to know where to strike if the southern flank of the alliance is to be strengthened. In the process, a modicum of sanity might be restored in the internal affairs of Greece.

International Intelligence

PAN storm-troops riot in Mexico

One man was killed, two were injured, and the newspaper office and homes of leaders of the Confederacion de Trabajadores de Mexico (CTM) union were burned down in a riot provoked and led by members of the fascist PAN party Feb. 21 in the border town of Nuevo Laredo, Tamaulipas. The homes of the son and brother of the leader of the CTM were burned to the ground.

The mayor of Nuevo Laredo, an appointee of governor of Tamaulipas, Emilio Martínez Manatou, is close to the PAN, and gives border drugrunners a free rein. Nuevo Laredo is one of the most important border crossings, and is controlled by the CTM-run custom workers' union. CTM head Pedro Perez Ibarra opposes the formation of Hong Kong-style free enterprise zones along the border, incurring the wrath of Martínez Manatou on this score, and the CTM newspaper, *Laredo Ahora*, exposed efforts to build up four small U.S. border cities into "industrial centers" on the Hong Kong model.

The PAN has waged a bitter fight to break the CTM. Recently 50 CTM municipal workers were fired; when the CTM responded with a municipal strike, the PAN and the local Chamber of Commerce (Canaco), which supports the drug apparatus, called for a demonstration in the town to break the CTM strike. Thugs were bused in from Monterrey, about 100 miles to the south. As the crowd gathered, the director general of the local pro-PAN paper *El Diario*, Eduardo Villarreal Marroquin, took to the airwaves of the local radio, XEK, to broadcast the addresses of targets of the mob.

The director of the CTM newspaper told *EIR* that union members went to the mayor for protection, but he refused all help. Police head Blas Pena Garcia not only refused to do anything, but put vehicles under his control at the disposal of the demonstrators.

Ignacio Quinones, a former PAN candidate, Ernesto Salazar Martínez, former head of the local Canaco, and Francisco Garcia Lozano, current head of the local

Canaco and current PAN deputy in the Tamaulipas congress, led the demonstration, which rapidly turned into a riot. Pablo Emilio Madero, just elected as new national president of the PAN, is also the local PAN leader in this border area.

Ernesto Martínez Orozco, political adviser to the Canaco in Monterrey confirmed to a reporter that "we set the spark; let the people take over from there."

In a statement immediately issued by Marivilia Carrasco, secretary-general of the Partido Laboral Mexicano, identified Pablo Emilio Madero as the intellectual author of PAN violence along the whole length of the border, including attacks against the CTM in San Luis Rio Colorado. Carrasco stated that the PAN's goal is to force the deployment of U.S. troops out of Europe to control the U.S.-Mexico border. The statement was covered by the Mexico City daily *Excelsior*.

Europe awakening to strategic reality?

Recent articles in the Swiss oligarchy's "newspaper of record," the *Neue Zürcher Zeitung*, are warning against any wishful thinking by the West that the succession of the new Soviet leader, Konstantin Chernenko, represents a lessening of the strategic war danger. In a lead article Feb. 20, the chief editor Fred Luchsinger cautions that Yuri Andropov had been welcomed as a "pragmatist,"—and look where Andropov's policy led the world in 1983.

The main concern of the Soviet leaders, now as before, Luchsinger asserts, is "the danger of a possible future superiority of American strategic armament" in space (i.e., beam weapons) "which would make null and void 20 years of strategic buildup under Brezhnev."

Luchsinger hopes that U.S.-Soviet relations will touch neither of two extremes: "Yalta 1944 as the symbol of their mutual understanding at the expense of third parties, and the Berlin 1961 tank confrontation at Checkpoint Charlie," but stay on middle ground.

A Swedish *NZZ* correspondent reported

Feb. 22 that recent Soviet submarine intrusions into the coastal waters of Sweden and Norway are part of a pre-war deployment to secure the Soviet northern flank in case of escalating hostilities.

He disclosed the contents of an unpublished study revealing Soviet military plans for northern Europe which would explain why the Soviets have taken such risks to deploy their mini-subs. According to the study, the current incursions are "operative exercises" for "surprise strikes via Sweden, by which the NATO advanced bases and the Norwegian troops in central and northern Norway could be destroyed.

The Soviets, according to the same study, would perform a surgical "surprise attack" to destroy NATO defenses before a NATO nuclear option can be exercised, and prevent dispatch of U.S. reinforcements.

A northern "nuclear-free zone," concludes the study, would be the political preparation for military operations.

Qaddafi orders a rampage

A government-controlled mob took over the Jordanian embassy in Tripoli and burned it to the ground Feb. 18. The ambassador and his staff barely escaped with their lives. Both Jordan's King Hussein and Egyptian President Mubarak were burnt in effigy as the mob demanded the death of PLO chairman Yasser Arafat. The Jordanian government recalled its ambassador from Libya Feb. 21; it is expected to expel the Libyan representatives in Amman.

Qaddafi's government has just concluded weeks of sessions of the Libyan Popular Committees, which demanded more radicalization and the assassination of exiles.

One day before the Tripoli riot, the secretary of the Libyan People's Bureau for Foreign Relations Al Obeidi was removed for being "too diplomatic." Obeidi has been replaced by Abdessalam al Triki, the Libyan U.N. ambassador and former foreign minister.

Qaddafi issued a communiqué Feb. 18 warning that Libya is considering military

Briefly

● **ITALIAN TROOPS** in Lebanon were never hit by terrorist bombings because of a "silent agreement with Syria," according to high-level French government sources, quoted in *La Repubblica* Feb. 19. The Craxi government has not denied the charge. The same sources said France is very worried about the diplomacy of Italian Foreign Minister Giulio Andreotti, whose friendship with Syrian President Assad is well known, "because of the links the minister cultivates with the Arab countries and Soviet Union."

● **STEVEN BOSWORTH**, head of the George Shultz-created State Department Policy Planning Council and a Henry Kissinger protégé, was nominated by Britain Feb. 22 for the post of executive director of the International Energy Agency. Bosworth's Planning Council has been overseeing the Israeli economic crisis and the Latin American debt crisis at the State Department.

● **'HILEX'** maneuvers—"High Level Exercises" of NATO—were run in mid-February under a scenario in which Soviet threats to Iran precipitate U.S. preparations to deploy the Rapid Deployment Force (RDF) into the Persian Gulf. NATO is testing European reactions both to the immediate danger of a full-blown war in the Persian Gulf and to a potential pullout of U.S. forces from Europe for missions in the Gulf or other "out-of-area" trouble spots.

● **FYODOR BURLATSKII**, the leading Soviet "peace" propagandist and roving anti-war ambassador under the regime of Yuri Andropov, has dropped his peacenik rhetoric. In his first column for the Soviet weekly *Liternaturnaya Gazeta* since Andropov's death, Burlatskii raves: "Yu. A. Andropov did a great deal to strengthen the international positions of our country and to raise its defense capacity and the military might of the Soviet Armed Forces."

"intervention and directly hitting the Comiso base" in Sicily where cruise missiles will be deployed in the spring. This is the first time Libya has made a threat of actual military intervention.

Colonel Boubakheir Younes, the years-long head of Libya's intelligence services, has been given the post of minister for external security in the new government. Younes led the Libyan delegation to Moscow for the funeral of Yuri Andropov.

Terror alert in Western Europe

Italian and British authorities are on a high-level alert following the assassination of Leiman Hunt in Rome Feb. 14. The Red Brigades terrorists, who claimed responsibility for the Hunt assassination, have re-emerged in Italy. This terror network was partially dismantled when Italian police released Gen. James Lee Dozier from Red Brigades kidnappers in January 1982.

British Prime Minister Margaret Thatcher will visit Jordan later this month with an unprecedented security screen. Her private jet will be outfitted with anti-aircraft missiles and escorted by a fighter squadron. British authorities fear that terrorist actions as in France and Italy may soon reach England through the IRA.

Castro visits Spain's González

Cuban leader Fidel Castro paid his first visit to a Western European nation when his Soviet airlines flight from Yuri Andropov's funeral stopped over in Madrid. The 50-minute stopover was extended at the airport when Spanish Prime Minister Felipe González greeted the plane, in which Daniel Ortega of Nicaragua was also flying. Soviet Ambassador Dubinin was also at the airport to greet Castro and Ortega.

González met with Castro, who was in full military uniform, and Ortega for several hours over lunch.

The discussion reportedly focused on Castro's interest in Spain's industrial reconversion plans and the scientific-technical challenges of the future, and little was said about the conditions in Central America, although Colombian President Belisario Betancur called during the meeting.

Castro later telephoned Spanish King Juan Carlos and told him: "I come from that always loyal island which was the last jewel of the crown and which in a certain way still is that jewel." The Cuban dictator told the press that he had called the King "Your Majesty."

Spanish Communist Party (CPE) leaders Gerardo Iglesias and Sanchez Montero met Castro at the airport at the request of the Cuban embassy, to discuss the internal situation of the CPE.

France's Mauroy reaffirms support for beams

Pierre Mauroy, the prime minister of France, reiterated President François Mitterrand's call at The Hague for a defensive European manned space station that would use the "technologies of tomorrow." Mauroy gave an interview to the Austrian daily *Arbeiter Zeitung*.

"For several months, we have been considering the consequences for France of the eventual launching of the American program to develop defenses against strategic nuclear missiles [beam weapons]. . . .

"Everyone knows that both America and the Soviets are pursuing their research in the domain of laser beam weapons and their utilization in space. I do not think that Europeans can ignore the development of these defense systems, although they pose important strategic problems. This is true concerning East-West relations; it is true concerning the defense of Europe; it is also true concerning our own defense policy. To face these new challenges we think that Europeans must mobilize themselves. We would be wrong in fact in trying to defend the Europe of tomorrow with the means and the organizational structure of yesterday."

The palace guard has trapped the President

by Richard Cohen in Washington, D.C.

President Reagan's Feb. 22 press conference had gone well, as far as the dangerous self-styled "palace guard" that now dominates the White House was concerned. The President did not fumble once in regurgitating rehearsed answers crafted to fit the capitulationist reelection strategy the guard had bludgeoned the President into adopting.

The *EIR* intervention

But as the President was leaving the press conference, *EIR* reporter Laura Chasen Cohen asked the President whether he knew that *EIR* founder Lyndon H. LaRouche, Jr., now a Democratic presidential candidate, had been denied Secret Service protection in a decision taken by Treasury Secretary Donald Regan. Well-informed Washington sources had only days before confided that the decision to deny LaRouche Secret Service protection was a high-level "serious" decision made by Regan personally. By the looks of the President's startled response, it was clear that he had not been informed of the decision or the case.

If this be true, it would be at least the second time in recent weeks that the President had been embargoed by his own staff from getting crucial intelligence. According to Washington intelligence sources, during a February meeting with Egyptian President Hosni Mubarak, Reagan was shocked to learn that important messages from Mubarak on Middle East policy had been blocked from his attention by Secretary of State George Shultz and the top levels of the State Department, as well as the palace guard hard core of White House

Chief of Staff James Baker III, his chief assistant Richard Darman, Deputy Chief of Staff Michael Deaver, and Deputy Press Secretary Larry Speakes. Reportedly joining Shultz and the palace guard has been National Security Adviser Robert McFarlane, who has been downgraded, according to White House sources, to a "second-rate player" by the palace guard.

The last time the President was subjected to virtual imprisonment through a well-designed effort to hide critical intelligence from him occurred dramatically in the late spring of 1982. At that time, then-Secretary of State Alexander Haig—operating through well established Kissinger "back channels" to the Sharon wing of the Israeli military—conspired to initiate the Israeli invasion of Lebanon. In addition, Haig reportedly withheld from the President at least six different peace initiatives by the government of Argentina at the height of the Malvinas crisis. Within weeks of the President being tipped off to Haig's shenanigans, he was forced to resign.

But now, under circumstances where the stakes are much higher, the reinforced palace guard reacted sharply when Laura Chasen Cohen pierced the shield they had surrounded Reagan with. Speakes created what reporters later described as a "scene" when he ordered the Secret Service to block the President from Chasen as she questioned him. A short time later, Speakes sent his staff scurrying about the White House in search of Chasen. After failing to find her, the deputy press secretary called the *EIR* offices in Washington three times in



The Feb. 23 Washington Post published a page-one picture with a page-eight picture and article on EIR correspondent Laura Chasen Cohen's question to the President about the denial of Secret Service protection to Lyndon LaRouche. On the following days the story was carried by UPI, radio networks, and other major newspapers.

a desperate attempt to find the *EIR* reporter. Upon finally reaching her, Speakes demanded that she “be in his office at 10 a.m.” the next morning. Chasen refused.

The Kissinger gameplan

Speakes’s actions are part of a broad effort to both close down the Democratic primary process early around a quick series of victories for Walter Mondale and simultaneously imprison President Reagan under a cordon sanitaire constructed by a dirty White House palace guard, so that former Secretary of State Henry A. Kissinger—already ensconced throughout the State Department and White House—can take full control of administration policy. If Kissinger and the palace guard are successful in fully consolidating their position, there will be no Reagan second term—a dream with which many in Washington are still desperately consoling themselves.

The key issue upon which this consolidation can be reversed is the LaRouche Secret Service question. To reverse it, Reagan would run directly against the Shultz-Kissinger clique and the palace guard, and in so doing face a series of manipulations of intelligence that would make Haig’s actions look like child’s play.

But convincing the weakened and confused Reagan to reverse this decision will take massive effort. Even with George Shultz, the mastermind, along with Kissinger, of the recent debacle in Lebanon, threatening to resign, the President in his Feb. 22 press conference virtually begged the man

who had just brought us another “Saigon disaster” to say, “No, I wouldn’t” accept his resignation. He added, “I think he has done a splendid job. And I hope he doesn’t have any thoughts about leaving us at this point.”

Reagan’s humiliating nationally televised plea was almost simultaneous with a rash of rumors coming from sources connected to George Shultz. According to the rumors which flooded the State Department on Feb. 23, Shultz had already decided that he “was out” and that the only question surrounding his leaving the administration was whether it would be before or after the elections. At the same time, Capitol Hill sources were reporting that Shultz would probably be replaced by Secretary of Defense Caspar Weinberger and that Weinberger would be replaced by outgoing Sen. John Tower (R-Tex.), while Mideast sources were saying that Middle East Special Negotiator Donald Rumsfeld would replace Shultz.

A series of defeats

While Shultz’s future may be unsure, the secretary used, along with Kissinger, the threat of resignation in the past to force the ouster of Reagan’s most intimate adviser, Judge William Clark. Following the clear collapse of U.S. Central American and Middle East policy during the summer of 1983, then-National Security Adviser Clark, backed by Weinberger and CIA Director William Casey, forced a major shake-up in Shultz’s State Department while moving to secure control of policy in these two areas. This led to the ouster of Thomas

Enders as assistant secretary of state for Inter-American Affairs and his replacement with Reagan ally Langhorne Motley. Then Nicolas Veliotis, a Kissinger man, was forced to resign as assistant secretary of state for Near East Affairs, to be replaced by William Murphy.

Shultz reacted violently to these moves, and, according to highly informed sources, threatened to resign, stating that it was a choice between himself and Clark on who would run foreign policy. At this point the palace guard, led by James Baker, strongly advised the President to retain (their ally) Shultz at all costs. Baker warned that if he were allowed to resign, then Reagan's foreign-policy credibility in the 1984 elections would come under grave question, after having had two secretaries of state resign. Reagan capitulated, and when the palace guard forced out James Watt from the Interior Department, Clark was pulled into the opening.

On Feb. 23, Shultz Press Secretary John Hughes publicly hinted that for the secretary to stay, he wanted a presidential commitment to appoint him for a second term.

A similar process occurred later, when Attorney General William French Smith resigned and White House Counselor Edwin Meese was taken out to replace him. The removal from the White House of Meese, a weaker yet conservative intimate of the President, gave the Baker-Deaver group free rein.

The evolution of a successful gameplan to imprison the President and its evident negative effects in the President's public appeal were also clear immediately after Mubarak broke the total control around Reagan. Having just witnessed a strategic disaster in Lebanon at the hands of Shultz based on a program that countered the President's Sept. 1, 1982, "Reagan Plan" for the Mideast, the President refused to rally to Mubarak's public appeal for a return to the Reagan Plan. After a series of timed press leaks identifying a series of secret meetings between the Reagan administration and the PLO (leaks neatly restricted to a period before Shultz's reign at State), Reagan, heeding Baker's electoral advice, pledged to Shultz's allies in Israel that the White House would not talk to the PLO. In addition to this reassurance, the White House, over Pentagon objections, released \$250 million for the important Lavie jet fighter program in Israel and appointed Lawrence Silberman, a trusted asset of certain Zionist factions, to travel with Rumsfeld.

Two prongs

Henry Kissinger's current mission to Moscow, aimed at securing his much sought-after "major negotiation" with the Soviets, may not get the response he seeks, but considering the drift of events in the White House, Kissinger could get his proposed idea of a "special negotiator with Moscow." Such a concession would mean the end of the Reagan administration.

Meanwhile, Kissinger and his friends in the Democratic Party are moving quickly to sew up the presidential nomina-

tion for Walter Mondale by mid-March. Immediately following the landslide Iowa caucus victory, due to a fear among union members of voting against their union leadership-endorsed candidate in the public caucuses, an arrogant Mondale forecast that he would nail down the nomination very soon. Failure to secure this goal early in the primary season could destroy Mondale's candidacy, as a longer Democratic primary fight would, according to well-placed Democratic sources, ensure a serious assault on Mondale. Such attacks on the highly vulnerable Carter Vice-President from within the Democratic Party could then be credibly echoed by the Republicans. A long primary season thus could easily kill Mondale's presidential chances; a short one could give him badly needed momentum.

LaRouche files lawsuit against Donald Regan

Attorneys for Democratic presidential candidate Lyndon H. LaRouche Jr., founder of *EIR*, and The LaRouche Campaign filed a lawsuit in the U.S. District Court for the Eastern District of Virginia in Alexandria on Feb. 24 against Treasury Secretary Donald Regan, demanding that action be taken to reverse the Secretary's decision to deny candidate LaRouche Secret Service protection.

The lawsuit asks for 1) a declaratory judgment that Donald Regan has acted in violation of the First and Fifth Amendments of the Constitution by denying protection to LaRouche; and 2) a mandatory injunction ordering the defendant to provide Lyndon LaRouche with the protection of the U.S. Secret Service for as long as he remains a candidate for the office of President of the United States.

The complaint notes that "on or about Nov. 8, 1983, Jesse Jackson, a newly declared candidate for the Democratic presidential nomination, was provided Secret Service protection by the defendant," and that "on or about Jan. 12, 1984, the defendant provided Secret Service protection to the remaining major candidates for the Democratic presidential nomination with the exception of the candidate/plaintiff."

The lawsuit further notes that "the life and safety of plaintiff LaRouche and his wife [Helga Zepp-LaRouche] have been threatened with increasing frequency since his announcement of candidacy, a fact which the defendant is fully aware of." As a result of this awareness, "the defendant's action was a knowing and intentional attempt to strip the candidate/plaintiff of security protection and thereby prohibit him from actively campaigning in support of his candidacy."

The LaRouche Campaign has submitted extensive documentation in recent weeks to all individuals and agencies involved in the decision on granting Secret Service protection, proving a high level of threat against LaRouche from terrorist operations controlled in Libya and Moscow.

Melcher challenges Fed's constitutionality

by Edward Spannaus

Senator John Melcher (D-Mont.), a longtime foe of the Federal Reserve System, has recently filed a motion seeking to intervene in an ongoing federal court case challenging the constitutionality of the Federal Reserve System.

The lawsuit into which Melcher is seeking to intervene challenges the Federal Reserve's constitutionality on two grounds:

1) that the statutes which created the Fed represent an unconstitutional delegation of powers under Article I, Section 8 of the U.S. Constitution; and

2) that the Federal Open Market Committee (FOMC) is composed of members who have not been appointed by the President and confirmed by the Senate as required by the "Appointments Clause" (Article II, Section 2) of the Constitution.

Taking on the FOMC

The FOMC consists of 12 members, the 7 members of the Board of Governors of the Federal Reserve System, and 5 members selected by the regional Federal Reserve banks. Melcher's suit charges that the five regional representatives were not nominated by the President and their nominations submitted to the Senate, and yet their functions go far beyond those which may be performed by officers of the United States.

The suit charges that the membership of the FOMC also violates the Fifth Amendment's due process clause, in that the five Reserve Bank representatives have a self-interest in the matters being regulated.

Melcher stated that he is intervening because the FOMC, "one of the most powerful regulatory agencies in the U.S. government," contains members who have not been appointed in the constitutionally prescribed manner. "Therefore, I am asking the court to protect my constitutional right as a member of the U.S. Senate by permanently prohibiting the five current members of the Committee, who were selected by Federal Reserve banks, from serving as members, or alternately, from voting or serving as officers of the Committee."

He added that the FOMC, through its control of the money supply, affects the value of U.S. currency, foreign ex-

change rates, interest rates, investment, and employment throughout the United States.

Melcher's motion to intervene in the suit against the Fed is an attempt to resolve an extremely complicated procedural dilemma created by courts which have lacked the courage to rule on the issue of the Fed's constitutionality. This revolves around the technical concept of "standing," that is, whether the plaintiff has the legal right to bring an action in court. This has been used, in the words of one participating attorney, to enable the courts to "waltz away" from difficult issues they don't want to confront.

Previous challenges to the constitutionality of the Federal Reserve have all faltered on the issue of standing. In the first suit in the present series, Henry Reuss (D-Wisc.), former chairman of the House Banking Committee, was denied standing after suing in his capacity as a U.S. Representative whose impeachment power was impaired because the FOMC members were not properly appointed, and also in his capacity as a bondholder whose economic interests were directly effected by the FOMC's actions. The courts dismissed his claim on the grounds that he could not show sufficient direct injury to himself in either capacity.

The next suit was brought by Sen. Don Riegle (D-Mich.), who claimed that his constitutional right as a senator to "advise and consent" on presidential appointments was impaired by the unconstitutional composition of the FOMC. The Court of Appeals agreed he might have standing, but dismissed it because they said that a private citizen might have better standing—which of course contradicted the Reuss ruling.

Catch-22s finally challenged

Following this, a group of 800 plaintiffs organized by the Committee for Monetary Reform, including homebuilders, contractors, a union, and building trades employees all brought the current suit against the Fed in the U.S. District Court for the District of Columbia. Another judge dismissed this suit on the grounds that the plaintiffs had not shown direct injury as a result of the FOMC's actions. This came despite the fact that many of the plaintiffs had presented sworn evidence of enormous losses of business due to high interest rates, and other plaintiffs are building-trades workers who showed that they were unemployed due to the effects of high interest rates on the construction industry.

Shortly after the Committee for Monetary Reform suit was dismissed by the District Court, Senator Melcher moved to intervene—which now puts the courts in their own "Catch-22" of having to grant standing to either the Senator or to the private citizen plaintiffs if they are to be consistent with previous rulings.

Melcher's motion to intervene came just as the underlying suit was being appealed to the U.S. Court of Appeals. The plaintiffs have now asked the Court of Appeals to remand the case to the District Court so that Melcher's motion to intervene can be heard with it.

U.S. anti-submarine defense: the relevance of Johannes Kepler

by Robert Gallagher

An article in the January 1984 issue of the *Proceedings* of the U.S. Naval Institute at Annapolis, Maryland has sparked a controversy in naval warfare doctrine. Lieutenant Commander Ralph E. Chatham, a military assistant to the Defense Science Board with a degree in experimental laser physics, argues in "A Quiet Revolution" that detection of Soviet submarines, especially ballistic missile submarines, will soon become impossible and that therefore U.S. "hunter killer" attack submarines should be redeployed away from the anti-submarine warfare (ASW) mission.

Chatham is wrong for several reasons. Anti-submarine warfare capability is a necessity for the defense of the nation, not a project whose value is arguable. His argument that U.S. attack submarines are "too expensive" is based on incompetent economics.

But more important is Chatham's methodological blunder: He bases his argument that Soviet submarines will soon become undetectable on the bankrupt tradition of statistical mechanics from Isaac Newton through Ludwig Boltzmann.

Chatham maintains that technology is reducing the intensity of sound and other detectable radiation emitted by a submerged submarine to a level *below* that of the noise of the ocean itself—with the result that we will soon not be able to detect submarines at ranges necessary for defense. Chatham argues that there are limits to acoustic detection of submarines and that the development of any other long-range detection method is "improbable."

First, the detection range to a submarine is a function of the ratio of the sound signal put out by the sub to the background noise against which that signal must be heard. Second, submarines are getting quieter, but the oceans are not. . . . Although the search for better sensors and processors is vital for the short term, there is a need to recognize that . . . we are approaching physical limits to sonar detection of submarines. . . . when a target's sound signal becomes significantly less than the ambient ocean noise, that target will not

be detectable by any sonar [because of] the physical reality that for a given ocean noise level and a given detection system, there is some signal level below which a detection is improbable. . . . The physical laws of signal to noise lead inevitably to decreasing detection ranges.

Chatham is pointing to a real problem for the U.S. anti-submarine force. But his argument is based on the widely shared common-sense illusion that effective action occurs in the universe only as the result of an object banging into something else, or affecting something else through some gravitational or electromagnetic action at a distance.

Today the hegemonic physical doctrine—derived from the statistical thermodynamics of the immoral Viennese eccentric Ludwig Boltzmann—is that it is only such one-on-one interactions of individual masses or particles that "connect" one part of the universe with any other part. According to this view, there is a background level of "noise" in the universe from "the random quantum fluctuations" of the energies of the particles which make it up. "Work," action upon the universe, only occurs when the ambient noise level of particle-particle interactions rises above the statistically determined average noise level, or "threshold," with the result that a "disturbance" propagates. Therefore, a submarine need only reduce its noise level below the ocean noise level to be undetectable. This is precisely what the Soviet Navy is doing.

The bankruptcy of statistical mechanics

Under these circumstances, U.S. Navy ASW researchers must choose between failure or the adoption of the scientific tradition opposed to that of Newton and Boltzmann to guide them in solving the problem—the tradition of European republicans Nicolaus of Cusa, Johannes Kepler, Gottfried Leibniz, and others.

This scientific tradition demonstrated that the discontinuous particle-particle interactions that we see in visible space

are the mere appearances or projection of an underlying continuous physical manifold. As Lyndon H. LaRouche, Jr., wrote in "Why I Must Attack Albert Einstein" (*EIR*, August 2, 1983):

Action in the universe does not conform to the notions of one-on-one interactions among isolated particles in empty space. There are determinations which belong to the manifold as a whole, which override what might appear to be inferred from a mechanistic misinterpretation of space.

Cusa referred to this manifold as the "Not Other," that without which "all existing and non-existing things would necessarily cease." Such conceptions offend the philistinism of contemporary physicists.

Johannes Kepler's proof of the existence of an underlying continuity is particularly relevant. Were it true that the organization of the solar system was the result of the interaction of point masses—as statistical mechanics believes—no one would expect to find that the motions of the planets display a systemic musical harmony. In such a world, the "probability" of such an organization of the solar system would be close to zero. But Kepler demonstrated that the planetary motions are harmonic. Ergo, statistical mechanics is invalid.

Kepler's Third, or Harmonic, Law—that the cubes of the periods of the planetary orbits are proportional to the squares of their average distance from the sun—confirms that the solar system is force free and that there is a finite number of determinate planetary orbits that are stable. "Force" is experienced only in moving something against Kepler's laws. As Leibniz emphasized, "work" only occurs in the form of action against the entirety of the universe.

This has some interesting implications for ASW. A submarine cannot hide behind some "ambient ocean noise level." Yet, from the standpoint of Kepler's Laws, anything in the universe is potentially in resonance with anything else. Our problem is to discover the ASW "tuning fork"—a detection system that will by design place itself in resonance with a target.

The principal problem with U.S. submarine detection technology is not that it is primarily acoustic and based on sonar technology, but that research and development are guided by the mystical assumptions of statistical mechanics. Secondly, research in anti-submarine warfare against ballistic missile submarines conflicts with the doctrine of Mutually Assured Destruction. MAD assumes that defense against nuclear war is impossible, that any attempt to gain a defensive capability is "destabilizing," and indeed that it is the very vulnerability of the potential combatants which ensures that general nuclear war will not break out. On the basis of that perverse reasoning, former Defense Secretary Robert McNamara downplayed ASW, and adherents of MAD have continued to do so down to the present day.

EIR Special Report

How Moscow Plays the Muslim Card in the Middle East

In the past year, have you. . .

Suspected that the news media are not presenting an accurate picture of Soviet gains and capabilities in the Middle East?

Wondered how far the Khomeini brand of fundamentalism will spread?

Asked yourself why the United States seems to be making one blunder after another in the Middle East?

If so, you need *EIR's* new Special Report, "How Moscow Plays the Muslim Card in the Middle East." The report documents how Zbigniew Brzezinski's vision of Islamic fundamentalism spreading to break up the Soviet empire is upside down. Instead, using those Islamic radicals, the Soviets are poised for advances on all fronts in the Middle East, from diplomatic ties to conservative Gulf States, to new outbreaks of terrorism, to creating client states such as "Baluchistan" (now part of Pakistan) on the Arabian Sea. The "arc of crisis" has turned into a Soviet "arc of opportunity."

This ground-breaking report covers:

- **History and Mideast policy of the Pugwash Conferences**, whose organization by Bertrand Russell in 1957 involved high-level Soviet participation from the beginning. Pugwash conferences predicted petroleum crises and foresaw tactical nuclear warfare in the Middle East.
- **The Soviet Islam establishment**, including Shiite-born Politburo member Geidar Aliyev, the Soviet Orientology and Ethnography think tanks, and the four Muslim Boards of the U.S.S.R.
- **Moscow's cooptation of British intelligence networks** (including those of the "Muslim Brotherhood"—most prominent member, Ayatollah Khomeini) and parts of Hitler's Middle East networks, expanded after the war.
- **The U.S.S.R.'s diplomatic and political gains in the region since 1979**. Soviet penetration of Iran as a case study of Moscow's Muslim card. The August 1983 founding of the Teheran-based terrorist "Islamintern," which showed its hand in the Oct. 23 Beirut bombings.

\$250.00. For further information, call William Engdahl, Special Services, at (212) 247-8820

Elephants and Donkeys

by Stephen Parsons

A lot of sound signifying nothing

It was a happy group of Republicans that gathered in Washington at the beginning of February for the Republican National Committee's winter meeting. After all, their President was riding a crest of popularity amid what everyone agreed was a surging economy. And the eight pitiful Democratic presidential candidates approved by party chairman Chuck Manatt and paced by the wet noodle Walter Mondale, had been reduced to carping at the strong incumbent.

What with the trip to the White House on the night of the President's re-election announcement, followed by a gala celebration keyed by Vice President Bush, then the RNC meeting itself with round upon round of receptions, all topped off Feb. 4 night by the tuxedoed Annual Inaugural Ball Celebration—it was understandable if the Republicans were experiencing that glorious and unchallengeable sensation of euphoria, superior intelligence, and heightened dexterity that comes to a drunk driver—just before he heads off the cliff.

The GOP has turned the Democratic tide, said Reagan campaign manager Ed Rollins on Feb. 3 in his luncheon address to the RNC. In 1980, for the first time in more than two decades, it had captured the Senate. It has reversed the economic slide caused by the wretched Jimmy Carter, has restored the nation's military might, and has rekindled hope in the future of America.

With all this, said Rollins, the GOP

is now positioned to do to the Democrats what Franklin Roosevelt did to Alf Landon and the Republicans in 1936: Crush their presidential candidate, and erase many of the gains the Democrats have had since 1936.

RNC Chairman Frank Fahrenkopf summed it all up in his charge to the delegates: "Today, on the eve of what historians may see as our greatest moment of challenge ... as Republicans, our party has never been stronger, more unified, or more capable of victory. As Americans, our future shines brighter than ever before."

The politics of euphoria— or the politics of delusion

What Rollins didn't mention in his comparison of the present to 1936 was that a fascist dictator, bent on world domination in the midst of a crippling depression, would soon plunge the globe into war—just as another fascist clique in Moscow is plotting today.

And no one, of course, wanted to remember the fate of a certain Republican president elected by a landslide in 1972 over a weak-kneed Democrat, and how, less than two years later, he was driven out of office in disgrace by a conspiracy of the same liberals and other corrupt men.

To be sure, most of the assembled Republicans privately acknowledged that perhaps the "recovery" wasn't quite what it was being cracked up to be, and that the Russians might be on the move militarily. Yet they dozed on in the tradition of the sheep-like millions who basked in the summer warmth of 1939.

Given this atmosphere, it was hardly surprising that at no point in the week-long festivities was there even a hint of discussion of any policy matter—let alone the deadly economic and military-strategic crises facing the nation—either publicly or informally.

Virtually every agenda item, and every private discussion that went beyond gossip, was devoted to the "cam-

paign business," in the words of the RNC's so-called director of political operations.

Perhaps the most "political" discussion came in a mind-deadening presentation by President Reagan's pollster, Richard Wirthlin, on "Decision-Making Information." This was a brainwashing session on the perception game played by the astute practical politicians who have been, all too successfully, advising the President to take a "moderate" profile.

For example, Wirthlin reported that, with the efforts of his "image" people, the population's perception of Ronald Reagan as a hawk irrevocably committed to building up our defenses and nuclear armaments has shifted to that of a man who would build up our arsenal as a condition for a reduction in nuclear weapons by both superpowers.

Most RNC members and Reagan campaign leaders are long-time party hacks for whom politics is by and large wheeling and dealing. This is not to say that the majority of them are unprincipled—in fact, most of them are decent folk committed to American principles of growth and development—but their principles are subjugated to "the lowest common denominator" in the interest of narrow "practical" objectives.

Thus, more than one Reagan state campaign chairman told this reporter that Lyndon LaRouche was doing a disservice to the President by trying to destroy Mondale's candidacy, because the GOP would prefer to run against such an inept and discredited Democrat. At least two RNC members confessed that *EIR* briefings on the operations against the President and on the series of crises facing the nation scared them too much.

"I know all this is important," said one RNC member from Alabama, "but I'm just so damn busy with my law practice, and I get so much mail, I just don't have time to think about these things."

Kissinger Watch

by M.T. Upharsin

Kissinger's recipe for dealing with Moscow

On Feb. 22 the Italian daily *Corriere della Sera* ran an interview given by Henry Kissinger to Henry Brandon of the *New York Times*, where Fat Henry advises sending a special envoy to Moscow to conduct across-the-board negotiations "before the elections" and set up a summit between Reagan and Dr. K's Moscow friends. It's exactly the role *EIR* has told you Henry—said to have already made a secret trip to Moscow—was plotting for himself. At our deadline the *Times* had not yet printed it, so here are excerpts, translated back into English.

"What the Russians fear is that if they made an accommodating move with Reagan, this would validate his policy and he could then turn against them, exploiting their own offers. On the other hand, if they take into consideration the possibility that he may be reelected and keep in mind the reshuffle which that will bring to the ruling group, I maintain that, adding it all up, these considerations will take the upper hand over their fear of legitimizing Reagan. . . .

"We had agreed on a visit by me in 1979, but suddenly the Russians canceled it or rather postponed it. At the time, it seemed inexplicable, but two weeks later, the Soviets invaded Afghanistan and that was obviously not a propitious moment. . . . Since then we have not had the chance to reschedule my visit.

"But overall, I would be glad to go, at the right time, to meet the top

Soviet leaders. There is no reason why I should not go to Russia. But I would only go if I could meet all the people who count."

Summit talks, says Kissinger, can only put the finishing touches on previously worked out deals. What is most productive is a meeting between "representatives designated for this purpose and who enjoy the full confidence of their heads of government and foreign ministers," to conduct private exploratory talks, preferably without publicity.

"Such a meeting should be set up before the presidential election. . . . Such a meeting would avoid subjecting proposals to middle level bureaucrats which, when they get to the top level, are so encrusted with bureaucratic caviling that it is very difficult for the heads of state to make decisions. So the representatives of the two sides have to have direct access to the leaders. . . .

"Since I maintain that arms control, separate from the political context, is bound in all probability to wind up in a blind ally, the special representative must be able to discuss an entire package of proposals, which should include trade. . . .

"It is necessary to reach some agreement with the Soviet Union, otherwise we run the risk of a conflict in the Third World."

Inauguration Day 1985

President Ronald Reagan awoke, shouting, in the middle of the worst nightmare he had ever experienced. From as much as can be pieced together, the horrible vision went something like this.

The newly elected President of the United States was waiting to be inaugurated, and standing near him was the newly elected Vice-President, Rep. Barbara Mikulski from Baltimore. They were to be sworn in together and deliver a joint inauguration address to the assembled dionysiac rabble slurp-

ing and gleeping in ecstatic anticipation below. It was a clear, bright day, but, except for the saddened figure of President Ronald Reagan waiting silently for the awful moment to begin, there was not a heterosexual in sight.

There was a half-hour delay. On his way to the inauguration ceremony, the Chief Justice of the Supreme Court had been seized by a fit of uncontrollable vomiting. The ceremony paused until an Associate Justice could be forced from his hiding-place at gunpoint and brought to the reviewing stand.

By the time Mondale had stumbled his way through the oath of office, the Associate Justice mumbled into the microphone. "By the powers vested in me, I now pronounce you man and wife." Shrieks of delight erupted from the ecstatic maniacs assembled below; they now knew that the Mondale-Mikulski administration had begun in fitting style.

While the Soviet KGB moved in to take up permanent occupancy of the Old Executive Office Building, Mondale and Mikulski delivered the inauguration speech, each taking turns reading the alternate words of the script displayed on the teleprompter.

The address began with a personal note. Mondale-Mikulski said: "Before I begin our Inaugural Address, I take this occasion to give public recognition to the great man who advised my campaign every step of the way, and without whose active work in U.S. foreign policy, I could never have been standing here before you today. I give you our new Secretary of State, National Security Adviser, and White House Chief of Protocol, the new Soviet Ambassador to the United States, Henry A. Kissinger!

"Now that I have fulfilled all of my campaign-promises, I shall now explain to you the new 800-billion-ruble budget the FBI will push through the Congress next week. . . ."

It was at that point that the President awoke.

Senate hears call to shut down waterways

The Senate Environment and Public Works Committee held hearings Feb. 22 on the Grace Commission's recommendations to implement 100% cost recovery on the nation's ports and inland waterways. User fees of that scale would effectively shut down water transportation in the United States.

J. Peter Grace, chairman of the President's Private Sector Survey on Cost Control, put forward the "free enterprise" argument at the hearings, stating that "when government services or products benefit a specific identifiable group of beneficiaries and those services and products are not shared by the general public, those beneficiaries should pay for those services and products provided."

Grace thus ignored the evidence that transportation efficiency is a fundamental factor in determining the productivity of the entire goods-producing sector.

Capitol Hill observers noted that Grace's appearance before the full committee was orchestrated to give a major boost to S.1739, a committee-passed bill which establishes the principle of cost recovery on a widespread basis for the first time. Although S.1739 calls only for partial cost recovery from the users, Grace identified the importance of the precedent:

"If it is impractical, because of political reasons, to impose user fees at a level which makes good business sense, we would strongly agree with the concept advocated by Senator Simpson that at least some effort should be made to reduce the costs that government absorbs each year."

Water subcommittee chairman Sen. Jim Abdnor (R-S.D.), a traditionalist who supports the government's role in water and power development, would normally be expected

to conduct hearings on such a topic, but appeared not to want to give Grace a platform. The hearing was held at the full committee level with the most rabid cost-recovery advocates such as Alan Simpson (R-Wyo.) and John Chaffee (R-R.I.) present.

S.1739 is expected to pass the Senate this year, because there is pressure to implement cost recovery, but also because it is the first bill to authorize new water projects—on any basis—in many years.

Melcher blasts blockage of Philippines aid

Senator John Melcher challenged Deputy Secretary of Agriculture Richard E. Lyng on Feb. 23 to respond immediately to an urgent request from himself and diverse individuals and organizations in the Philippines for U.S. food assistance.

Speaking before a Senate Agriculture Subcommittee on Foreign Agricultural Policy, Melcher said that a Dec. 27, 1983 letter from Jaime Cardinal Sin to the administration asking for a \$9.9 million food assistance commitment from the United States has gone unanswered.

Melcher noted that the request could be met in two days' time, "but we can't jack a commitment out of the bureaucracy." Melcher traveled to the Philippines at the end of 1983 and has been advocating increased aid to the country, in exchange for certain political concessions by President Marcos, as a way of stabilizing a vital U.S. ally.

Melcher pointed to the growing military capabilities of the Soviet Union in the area as grounds for the United States to take dramatic steps to upgrade its relationship to the Pacific Basin and to stabilize key allies in the region.

According to Washington sources,

Melcher's efforts to present a workable policy to the Reagan administration for U.S.-Philippines relations has not moved to the appropriate levels necessary for action. Melcher said, "Despite . . . the fact that we in Washington are in general agreement on the necessity of increasing, through sales, trade, or barter, the distribution of surplus agricultural commodities, the administration seems unwilling to act swiftly or realistically."

On the day Melcher made his appeal, Sen. Ted Kennedy (D-Mass.) and Rep. Steven Solarz (D-N.Y.), were hosting a leader of the State Department-created "moderate" opposition to Marcos, Salvador Laurel, at a Capitol Hill luncheon. Laurel's tour of the United States has been sponsored by organizations tied to Ramsey Clark and Richard Falk, who were instrumental in bringing the Aytollah Khomeini into power in Iran and who are intent on the Iranization of the Philippines.

Kennedy is the sponsor of Concurrent Resolution 71, which calls for an independent investigation into the assassination of Filipino opposition leader Benigno Aquino and would fuel the destabilization moves against the Philippines. The resolution has not been acted upon because Senator Melcher has used his Senate prerogative to put a "hold" on it.

Blackmail builds on the federal deficit

Congressional pressure continues to build against the White House to slash the U.S. defense budget, cut entitlement programs, and increase the burden on the American taxpayer. The point man threatening an economic downturn unless the White House capitulates is Federal Reserve Board Chairman Paul Volcker. But the polit-

ical heat on deficits being generated by Congress is giving Volcker the leverage he needs.

Among recent moves is Senate Concurrent Resolution 96, introduced on Feb. 22 by Lawton Chiles (D-Fla.) and 26 other Senate Democrats. The resolution calls on President Reagan to resubmit an entirely new budget to Congress within 30 days which will reduce deficits by at least \$200 billion over three years by a "balance of fair spending, restraint, and revenue increases."

The most dangerous pressure on the White House comes from Republicans like Robert Dole (R-Kans.) who, as chairman of the Senate Finance Committee, is working on its own plan for a \$100 billion deficit reduction. Dole and House Ways and Means Committee chairman Dan Rostenkowski (D-Ill.) are preparing to submit plans for tax increases, a move that will be strenuously resisted by Rep. Jack Kemp (R-N.Y.) and a group of over 100 House Republicans.

In a statement announcing his committee's hearings, Dole approvingly cited the House resolution from 1983 demanding deficit reductions passed through the efforts of freshman Democrats.

Congressional Democrats have meanwhile agreed to return to the bipartisan deficit reduction negotiations initiated by President Reagan, despite lack of action on their earlier demands that the administration suggest specific ways to cut the Defense Budget. The Democrats' latest proposal, borrowed from former President Gerald Ford, is to save \$173 billion by stretching defense programs from five years to six.

Secretary of Defense Caspar Weinberger denounced such proposals because they would slow down reconstruction of U.S. defense capability, and increase the cost of the programs in the long run.

Committee airs Cuban drug-running role

The Task Force on International Narcotics of the House Foreign Affairs Committee conducted hearings on the Cuban role in narcotics trafficking through the Caribbean and Latin America. At the Feb. 21 hearings, Rep. Larry Smith (D-Fla.) charged that "we have growing evidence that Cuba not only helps in the transshipment of drugs but also that it is the keystone in the shipment by drug traffickers of arms to terrorists."

Leading witness Sen. Lawton Chiles (D-Fla.) urged the administration to wage a public campaign against the Cuban role in drug trafficking, using such forums as the United Nations and the Organization of American States. Chiles has introduced a resolution to that effect in the Senate, with 22 cosponsors. Rep. Ed Feighan (D-Ohio) announced that he would pursue a similar resolution in the House, although Rep. Henry Hyde (R-Ill.) questioned the value of pursuing anything in the United Nations. Chiles remarked on the apparent reluctance of the State Department to embark on any public campaign against the Cuban role, speculating that it was a result of "State Department career-type activities."

It is well known in Washington that so-called foreign policy considerations have often been used as the pretext by Kissinger protégés in the State Department to protect the drug-running networks of their international allies.

State Department spokesman James Michel, representing U.S. Ambassador to the OAS William Miden-dorf, testified after Chiles, and went so far as to state that Cuba, which is involved in the training of Latin American insurgent groups in guerilla and terrorist techniques and in the supplying them with arms, "still finds at-

tractive the protection of drug traffickers . . . in order to facility arms deliveries" to the rest of Latin America.

Anti-beam senators call for U.S.-Soviet space cooperation

Senators Spark Matsunaga (D-Hawaii), Claiborn Pell (D-R.I.), and Charles Matthias (R-Md.) have introduced a resolution calling for "East-West cooperation in space as an alternative to a space arms race." The resolution calls upon the President of the United States to renew the five-year space cooperation agreement with the Soviet Union that was initiated by President Nixon in 1972 and allowed to lapse in 1982. The resolution also urges the President to renew East-West planning for joint activities in fields such as space medicine and biology, space rescue, planetary science, and space exploration.

While the resolution makes no mention of "a space arms race" other than in its title, its three sponsors are among the Senate's leading opponents of the beam weapon ballistic missile defense system President Reagan proposed last March 23, portions of which would be based in space. Indeed, Pell, one of the top Harriminate Democrats in the Senate, was the last Westerner to see Yuri Andropov alive during an August 1983 meeting in which Andropov urged the senator and his allies to push for a ban on a space arms race.

In a related development, sources on Capitol Hill report that the President's request for funding for beam weapons could run into difficulties on Capitol Hill. The sources cite the fact that the administration has not yet appointed a head for the newly created office, which will function under the secretary of defense, and state that the lack of a spokesman to defend the program leaves the funding request open to attack.

National News

What did the Iowa caucus results mean?

Walter Mondale won the Feb. 20 Iowa caucus while the AFL-CIO executive board was holding its regular February confab in Bal Harbour, Florida. While Lane Kirkland and cronies claim Mondale's 45% vote is a sure sign that Democrats support Mondale, what it really proves is that with lots of AFL-CIO money and a stream of "volunteers" supplied by the AFL and the National Education Association, even someone like Fritz can win an election from time to time. It didn't hurt that the state's major newspaper, the *Des Moines Register*, is owned by the Cowles family, long-time backers, i.e., controllers, of Mondale.

John Glenn, the purported candidate of the Democratic middle who pollsters said was running second to Mondale, ended up sixth—behind "uncommitted"—with a paltry 5% of the total vote. Gary Hart, the "Atari Democrat," took second place with 15%. He is now being touted as a strong contender for the vice-presidential candidacy.

'President Reagan is not told'

Democratic presidential contender Lyndon H. LaRouche, Jr. released the statement excerpted below on Feb. 18. It was made available to *EIR* by The LaRouche Campaign.

"My staff and I studied in detail the policies imposed upon the U.S. government by Federal Reserve official Henry Wallich and by the firm of Kissinger Associates, Inc. What Wallich and Kissinger have pushed through, and what the misinformed President Ronald Reagan is blindly tolerating, is integral to a diabolically clever operation by the Soviet KGB to blow up most of Latin America against the United States as early as the spring of 1984. . . .

"The result of these policies is an effect directly, and profoundly contrary to the personal morality of President Ronald Reagan.

This means that our President has been grossly deceived. . . . Unless the President is soon alerted to the poisonous serpent, Kissinger, in his administration, Kissinger will soon destroy the administration, as well as setting up a grand strategy opening which the Soviet KGB is now planning to seize in South America. . . .

"Since about 1970, the Soviet KGB has moved massively into both international terrorism and into the international weapons-and-drug-smuggling traffic. In the Western Hemisphere's international marijuana and cocaine traffic into the United States and Europe and across the Mexico border, the lion's share of the drug-trafficking is controlled by the Nazi International. . . . The Soviet KGB is operating in direct partnership with the Nazi International. The vast wealth collected from the streets of our cities for drugs is substantially at the disposal of the Soviet KGB.

"The gut of the policies of Henry Wallich and Henry Kissinger for Ibero-America is what is called in South America the "dollarization" of their economies [under which indebted nations agree to convert payments made to U.S. banks in internal "blocked accounts"] into U.S. dollars. . . . However, the only source of dollars within those indebted nations is the U.S. dollars collected from the streets of the United States by the international drug-traffickers! *Thus, Henry Kissinger is placing control of the economies of Ibero-America into the hands of the Soviet KGB.* . . ."

"Meanwhile, my investigators have discovered that the Soviet KGB has a plan in operation to blow up Ibero-America against the United States during the spring of 1984—*unless we act to dump Kissinger and prevent that operation now.*"

Supreme Court legalizes union-busting

The U. S. Supreme Court unanimously ruled Feb. 22 that a company filing for bankruptcy can abrogate its union contracts, even if the company has not presented any evidence it

otherwise would face imminent financial failure.

The ruling makes a mockery of the principle of equity embodied in bankruptcy law, intended under Chapter 11 to enable a business to set aside its debts in order to maintain itself as a financial enterprise and continue to meet its payroll. Rather than protecting a business from impossible demands of creditors, the new Supreme Court decision backs the power of creditors to dictate the destruction of wage contracts, as in the recent Continental Air Lines case, where filing for bankruptcy was used as a means of imposing unilateral wage reductions and layoffs of unionized employees.

In a separate 5-to-4 ruling, Justice William Rehnquist issued the Supreme Court's decision that a company filing for bankruptcy may abrogate its labor contracts even before appearing in bankruptcy court and receiving the court's permission.

Pro-Life groups attack Kissinger report

Anti-abortion leaders gave an ultimatum in writing to President Ronald Reagan during the month of January, the syndicated column by Rowland Evans and Robert Novak reports. The ultimatum stated: "Remove population control funds from the Kissinger Central American aid package, or the pro-life movement will try to kill the entire plan." The groups were motivated by the scandal of massive U.S.-financed sterilization of women in El Salvador.

"While Reagan at home preaches supply-side economic growth, bureaucrats at the State Department and the Agency for International Development practice Malthusian population control," stated the column, which emphasizes the annoyance provoked by this among "Reagan's core constituency." The Kissinger Commission recommended "continuation of the population and family programs currently supported by AID."

Evans and Novak quote pro-life leaders saying to Reagan: "For three years, we have tried, through constructive criticism, to cor-

rect administration policy. But the Kissinger plan's inclusion of additional demographic assault upon the innocent people of Central America compels us to take a different approach."

The column also cites the request to name anti-abortion Surgeon General C. Everett Koop to head the U.S. delegation to this summer's world population conference in Mexico and to remove Richard E. Benedick as the State Departments' coordinator of population affairs. Benedick is a vigorous advocate of population control. Koop apparently was being considered for the position until a leak on his possible appointment enabled Planned Parenthood and other population-control organizations to build sufficient pressure on the State Department against his appointment.

***Izvestia* endorses Walter Mondale**

On Feb. 12, the Soviet government newspaper *Izvestia* had all but endorsed Front-runner Fritz's presidential gambit. *Izvestia* praised Mondale's campaign platform, singling out his opposition to President Reagan's "militarist course" and his willingness to engage in "constructive dialogue" with Moscow.

Intoned *Izvestia*: "Observers attribute the former Vice-President's growth in popularity to his recent political pronouncements condemning the militarist course of the present American administration. For instance, he has underlined the importance of conducting a constructive dialogue with the Soviet Union with the aim of halting the arms race. He has called for talks aimed at achieving a mutual and verifiable freeze on the nuclear arsenals of the two countries, and has declared the necessity of ratifying the Soviet-American SALT II Treaty and the resumption of talks on a complete and comprehensive nuclear test ban which had been broken off by the Reagan administration."

The *Izvestia* endorsement was only to be expected. Mondale is on record supporting the nuclear freeze; opposing the B-1 bomber

and MX missile; urging the withdrawal of U.S. Pershings and cruise missiles from Western Europe; and—in an unmistakable echo of Moscow's line—charging that the Reagan administration's beam-weapon defense program is "destabilizing."

On the same day as *Izvestia's* testimonial, Mondale delivered a campaign speech in Illinois proclaiming that if he became President, he would unilaterally suspend "underground testing of nuclear weapons" and "declare a temporary moratorium on testing dangerously destabilizing anti-satellite weapons and . . . move forward vigorously on negotiations to reach an anti-satellite treaty, as the first step in a broader effort to ban the use of the heavens for war."

***National Defense* reports FEF beam-weapons campaign**

The February issue of *National Defense*, the magazine of the American Defense Preparedness Association (ADPA) reported on the Fusion Energy Foundation's leadership of public efforts to ensure that President Reagan's March 23 proposal for the development of laser weapons is carried out fully and rapidly.

The article reports that "according to the foundation staff, the first year of a crash program would cost about \$10 billion [and] most experts now agree that by using the most advanced beam and laser technologies combined with 'conventional' anti-ballistic missile designs based on anti-missile missiles, an effective ABM system could have its first military applications in two or three years and be fully deployed against ballistic missiles in five years." The magazine also reports the Fusion Energy Foundation (FEF) findings that a crash program for beam weapons will create 4 million skilled jobs, eliminate the U.S. trade deficit in two years, and approach an annual GNP growth rate of 25%.

The ADPA is informally linked to the Defense Department, and is the chief "membership organization" of the military-industrial sector in the United States.

Briefly

● **DAVID**, the 12-year-old victim of severe immune deficiency syndrome who died in Houston Feb. 22, just 15 days after being removed from the protective environment he had lived in since birth, "represented the very best of what our Founding Fathers meant our society to be, as a 'beacon of hope' for all mankind," stated Nick Benton, Democratic candidate in Texas's 22nd congressional district. "An extraordinary effort was made to utilize the most advanced resources developed to date by the dedicated efforts of our scientists, researchers, and physicians in the fight for David's life."

● **THE U.S.** administration committed a major strategic error in allowing its own military forces to become sitting ducks in Lebanon, a British strategist told *EIR* at the end of February. "A lot of nations in the world, including many who have been sitting on the fence, have become frightened and are becoming more easily intimidated by the Soviet Union. They say, 'If that's what we can expect from America, we should be accommodating to the U.S.S.R.' One can appreciate, but not applaud, the question of American electoral restraints."

● **ARBEIDERBLADET**, the newspaper of the Norwegian Social Democracy, has joined the official Soviet paper *Izvestia* in supporting Fritz Mondale's presidential campaign. *Arbeiderbladet*, published in Oslo, recently reported that Mondale, "the Minnesota politician of Norwegian descent, should now be considered as good as nominated." *Arbeiderbladet* has consistently associated itself with the Willy Brandt-Olof Palme wing of the Socialist International, and is on record endorsing the Brandt and Palme Commissions, as well as the proposed Baltic nuclear-free zone—a proposal closely identified with Arne Treholt, the Norwegian foreign ministry official and intimate of Palme who was exposed in January as a KGB colonel.

Unleashing Kissinger and terrorism

Three developments are highlighted in this issue, as the U.S.A. heads deeper into its worst crisis:

One, our cover story documents a deadly insurgency in America's hemispheric "back yard," run by the Nazi-Soviet alliance which many leading U.S. figures still refuse to admit exists. *Two*, a cold coup d'état being carried out by the Nazi-linked Henry A. Kissinger is rapidly turning over both the Middle East and Western Europe to Soviet hegemony. *Three*, the paralysis in the White House only began to be broken when on Feb. 22 our correspondent asked President Reagan if he was aware that Democratic presidential candidate Lyndon H. LaRouche, Jr. had been arbitrarily denied Secret Service protection by Treasury Secretary Donald Regan.

It is well known in world capitals that LaRouche, a leading counter-terrorism specialist, has fearlessly and consistently named the names of the high-level networks behind terrorist assassins, including the would-be killers of the Pope and Mr. Reagan.

Indeed, unblocking the protection due to LaRouche, as the most-threatened major presidential candidate, is the key to reversing the disastrous backdown that has marked recent Reagan administration actions. This is brought into focus by a fourth matter: The worldwide terror alert issued by U.S. security officials after the Feb. 15 assassination of U.S. diplomat Leamon Hunt in Rome. U.S. intelligence sources say the alert focuses on the heightened danger of assassination to three persons: Pope John Paul II, Lyndon LaRouche, and President Reagan.

The threat level dramatically increased as a result of the near-complete rout of the United States in the Mideast, a rout made possible by the sabotage of the President's peace efforts by State Department allies of Henry Kissinger. Insufficient U.S. response to terrorist attacks, including the blowing up of the U.S. Embassy in Beirut, the killing of over 250 U.S. Marines by a truck bomb, and the assassination of American University of Beirut President Malcolm Kerr, has emboldened the terrorist networks. In the Red Brigades communiqué claiming credit for the murder of Hunt, the ter-

rorists brag that they are stalking to kill another unnamed U.S. diplomat.

Evidence is also emerging that the international terrorist apparatus is being rapidly upgraded and deployed for new spectacular actions, including actions within the borders of the United States:

- We are told that the Iranian terror squad that gunned down Iranian exile leader Gen. Gholam Oveissi and the ambassador to the United Arab Emirates in Paris has recently entered the United States, and is working closely with a Libyan team—both coordinated from the Libyan U.N. Mission.

- Mexican security officials have discovered a terrorist training center, reportedly directed by a KGB operative, in the northern Mexican state of Chihuahua. The center serves both Mexican-based terrorist groups, such as a revived 23rd of September League, and U.S. groups including the Puerto Rican FALN and the John Brown Anti-Klan Committee.

- The Anti-Klan Committee, nominally a support group for activities against the Ku Klux Klan and U.S.-based Nazi organizations, is reported to have set up a far-flung underground machine in the U.S., numbering 150-200 persons, and to be actively working with Iranian, Libyan, and Palestinian networks. The Anti-Klan Committee has been linked to a rash of thefts of high-quality explosives and is reportedly providing the FALN and the United Freedom Front with the explosives for their terrorist attacks.

Alongside assassination plans, two of the targets of this apparatus are the Los Angeles 1984 Olympics and the GOP national convention in Dallas.

While Mexican and U.S. security officials would like to begin taking action against these centers, which dot northern Mexico, and are under the protection of the "right wing" National Action Party (PAN), the FBI has prevented them. Above the FBI squats the PAN's friend and patron, Henry Kissinger.

In short, the oligarchical circles that back Kissinger's power grab are the ones that back Nazi-Soviet terrorism. For this reason, LaRouche's security is a matter of national security.

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