

EIR

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EIR

From the Editor

Before commenting on the absolutely explosive *Feature*, I would like to draw your attention to a major article not on the cover, the report on the meeting on "Low-Intensity Warfare" convened at the instance of Defense Secretary Caspar Weinberger in Washington on Jan. 14-15 (pp. 60-65). We are quoting at length the Secretary's speech, which got short shrift in the Establishment media.

Weinberger's approach was compared to that of Lyndon LaRouche and *EIR* by nationally syndicated columnist Ralph DeToledano, in a column appearing in regional papers the third week in January. In a belated report on a summer 1985 Jonathan Institute conference on terrorism in Tel Aviv, DeToledano reported that Secretary of State Shultz called there for a new private United Nations to be created to centralize all intelligence on terrorism. Weinberger opposed this proposal as "unnecessary," given that intelligence exchanges occur all the time between sovereign governments. The article then commented that Weinberger's opposition to Shultz on this was joined by *EIR*. DeToledano also noted that *EIR* criticized the Jonathan Institute conference as "tainted" by its praise for Dostoevskii, the Russian existentialist who was the father of terrorism.

With that in mind, I suggest you turn now to the *Feature*. It contains the first report based on a full dossier rapidly being prepared as an *EIR Special Report*, which proves that Israel's Mossad, upon which Shultz's policies and so much of "American" intelligence estimates depend, is aligned with the Russian KGB in a terrorism and assassination operation targeting prominent pro-SDI Americans, including LaRouche and Weinberger.

We are particularly proud of the first-class interviews we have been running lately. This week's interview with Mrs. Elisabeth Furtwängler draws attention to an area which we cover rarely, but which is of the utmost importance: music. See also the interview with Jacob Nyaose, the real leader of South Africa's liberation movement.

Nora Hamerman

EIR Contents

Interviews

32 Elisabeth Furtwängler

The wife of the late German conductor Wilhelm Furtwängler recounts her husband's battle to uphold the best of German classical culture, the heritage of Beethoven—despite the horrors of the Nazi period and a slander campaign run by the U.S. East Coast music mafia after the war.

52 Jacob D. Nyaose

The exiled founder of the liberation movement in the Republic of South Africa discusses the prospects for a nonviolent solution to his nation's crisis.

Departments

54 Dateline Mexico

Who is really sinking Pemex?

55 New Delhi

Zia lifts martial law in Pakistan.

56 Report from Paris

Will a new France emerge?

57 Report from Bonn

Politician gives Moscow a hard time.

72 Editorial

A simple little test.

Economics

4 U.S. bankruptcy sparks the 'great insurance war'

7 Russians tease Bonn with trade promises

8 Currency Rates

9 Banking

First Fidelity Bank's links to crime.

10 Labor in Focus

Gramm-Rudman will hit the Dakotas.

11 Report from Italy

IMF demands cuts in health care.

12 Business Briefs

Science & Technology

14 Opening the age of electromagnetic flight

Marsha Freeman reports on the 'maglev' trains which will be able to travel from New York to San Francisco in 21 minutes.

20 German industry tests 'super-train'

William Engdahl describes the electromagnetic trains in West Germany which are nearing readiness for commercial use.

Feature



Ariel Sharon, kingpin of the Israeli intelligence grouping which has made a deal with the Russian Empire.

22 The Israeli card in Russian grand strategy

A powerful faction inside the Mossad, Israel's intelligence organization, has deployed, in coordination with the Russian KGB, a formidable terror and assassination capability against the United States. Editor-in-chief Criton Zoakos and Mark Burdman analyze the development of this faction and its origins in the Russian port city of Odessa.

26 Irgun, Mossad, and global terrorism

The historical roots of the Sharon faction in the Mossad.

29 Qaddafi's Israeli connection: a case study of 'the Trust'

When President Reagan called for a boycott against the Libyan economy, did he realize who runs that economy? It certainly is not Qaddafi.

International

42 State Department guns for civil war in Philippines

As of the middle of January, the State Department has displayed its full-fledged support for the opposition ticket. If its strategy succeeds, the United States will be forced to withdraw its military bases.

44 World Cup soccer tainted by mafia, Kissinger, as '78 scandal widens

Did Henry Kissinger buy the 1978 World Soccer Cup for Argentina? A tale of bribes, drugs, and false-bottomed suitcases.

46 Spain: a referendum for 'decoupling'

48 Who's afraid of Mrs. Thatcher?

50 Qaddafi devil cultists captured as South Americans begin crackdown

58 International Intelligence

National

60 Weinberger: American system can be exported

A Pentagon-sponsored conference on Low Intensity Warfare highlighted two distinct trends of thought battling to shape U.S. policy in the area: the traditional American approach versus the Spartan model.

62 'From Augustine to Grotius': Weinberger on the just war

Speech by Defense Secretary Caspar Weinberger at Fort McNair.

66 The constitutional challenge to the Gramm-Rudman bill

The Congress has abdicated its own responsibility to govern and has violated the separation of powers—but the real crime goes deeper than the current critics are willing to recognize.

68 Gramm and Rudman in their former lives

Anton Chaitkin, the author of *Treason in America*, traces the historical roots of today's American budget maniacs.

70 National News

U.S. bankruptcy sparks the 'great insurance war'

by David Goldman

Ralph Nader turned up on the doorstep of Lloyd's, the British insurance syndicate, in London on Jan. 15, denouncing it for using its muscle to win huge premium increases in the United States. That was all Lloyd's needed, after a series of widely publicized fraudulent bankruptcies among syndicate members, and the announcement of an investigation of Lloyd's practices by the Thatcher government.

Mr. Nader is a bit player in a global battle for control of the American insurance market, incited by a crisis among American property-casualty insurers. That crisis, in turn, is a by-product of the threatened bankruptcy of the federal government, which has put on the chopping block the tax breaks the insurers lived on for the past 10 years.

Nader and associate Robert Hunter have launched a consumer advocacy organization for premium-payers, the National Insurance Consumer Organization, and made Lloyd's a principal target. They argue (accurately) that Lloyd's controls the American property and casualty insurance market through the \$5 billion in reinsurance it buys in the United States each year. American insurers will not cover risks that they cannot re-sell in the secondary, or reinsurance market, and "Lloyd's of London is often the source of decisions to abandon lines of insurance," as Hunter charged at a press conference with Nader.

Nader's London press conference intersects an authentic consumer revolt against premium increases for many categories of insurance that have ranged, during the past year, from 300% to 1,000%. Doctors and other professionals, transportation companies, and various manufacturers, especially in the pharmaceutical and other litigation-prone industries, have suffered most.

Most of the vitriol has been exchanged between various insurance consumers, with the medical profession in the forefront, and the greatest of all "consumer advocates," the Trial

Lawyers Association. The doctors and other victims of impossibly large premium increases want a legal limit to awards by juries, which have risen to heights of absurdity in the past 10 years; the lawyers insist that manipulation by insurance companies is responsible for the increases, and that the big jury awards cannot possibly justify the present level of increases.

Nader has staked out an extraordinary position: He is defending *both* the individual's right to sue the manufacturer of a defective toothpick for a billion dollars, and the victims of enormous premium increases, by dumping the blame upon Lloyd's doorstep. Mr. Nader is to be congratulated for a piece of demagogery far more sophisticated than his usual inventory: Lloyd's, in the narrow sense, is the agent of the crisis, if not its source.

The Canadian weekly *Financial Post* explained on Jan. 11, "When insurance companies take on huge commercial risks—say \$100 million or more—they reinsure it in layers with other companies. That spreads the risk, which is what insurance is all about.

"But in Europe, where the bulk of the world's reinsurance is transacted, reinsurance companies are taking much smaller portions of North American business. In some cases, they're taking none at all, especially in liability insurance. They are refusing it because they don't know what the awards will be or how the courts will interpret contracts . . . as much as three-quarters of the reinsurance available in 1985 is not available in 1986, and is unlikely to be for the next year or two."

Since Lloyd's dominates the American reinsurance market, Lloyd's triggered the crisis. Nader would be perfectly right to go after the London syndicate, one of the world's dirtiest financial operations in any event, except for one error of omission: The effect of knocking Lloyd's out of the Amer-

ican picture would be, all things equal, to bring in Lloyd's major competitor: the Swiss-Venetian insurance cartel centered upon the merger of the Munich-based Allianz Versicherung, and the Venice-headquartered Riunione Adriatica di Sicurtà. Certain American insurance-industry sources suspect that Mr. Nader, who can't be bought, but will talk short-term leasing, is acting as an agent of the Swiss-Venetian reinsurance group.

At stake is control of the world's largest financial flow: insurance premiums.

Half a trillion in premiums

In 1982, the world's 78 largest insurance companies were paid \$466 billion in premiums, according to the Swiss Reinsurance Company, the only source of worldwide data for the sector. Although more recent data are not yet available, that total has increased substantially, putting insurance premiums in the same league as the United States federal government's tax revenues.

For reasons noted above, \$50 billion of reinsurance controlled nearly 10 times that amount of primary insurance, particularly in the property and casualty market; even the largest insurers are not big enough to handle the liability arising from pilot error on a jumbo jet, or suits arising from side-effects discovered years after a pharmaceutical product was in widespread use.

To an insurance company, a policy is no different than a stock, bond, or mortgage; it is an income-bearing security. Just as the insurance companies will not buy stocks and bonds which have no re-sale market, they will write no insurance that cannot be brought to the reinsurance market. The market-makers for reinsurance dictate conditions, therefore, in the entire market, just as Nader charges.

In 1982, \$30 billion of the \$50 billion in reinsurance volume was controlled by the handful of large companies known as the "professional reinsurers," in the definition of one of the largest, Swiss Re, which also is the only source of global data for reinsurance. That broke down as follows:

United Kingdom (Lloyd's)	\$7 billion
Germany	\$7 billion
U.S.	\$5.5
Switzerland	\$3.5
France	\$1.6
Others	\$5.4

Lloyd's, powerful as it is, is only one-sixth of the total. The giant Munich-based companies, Allianz and Munich Reinsurance, own 30% of each other; Allianz owns half of the Venetian Riunione Adriatica di Sicurtà; the RAS is linked by family and historical ties to the other Venetian giant, the Assicurazioni Generali; and all work closely with the Swiss Re, Winterthur, and the other Swiss insurance giants. The so-called continental European group has almost two-thirds of the action in reinsurance; by extension, it is, without ques-

tion, the world's greatest financial power.

The more-than-half-trillion-dollar income of the insurance industry overshadows the pathetic position of the commercial banks, broken as they are by borrowers' inability to pay. The insurance companies have no such worries; they know, by actuarial calculation, what level of claims to expect against any level of policies outstanding.

While the British and continental wings of the reinsurance cartel are indistinguishable in action, they have had some disagreements in the course of the last century. One such disagreement was World War II, as a top official of a British insurance company put it. Not, of course, that the fortunes of the insurance cartel were solely responsible for the war, but that the respective financial powers supported Churchill on the British side, and Hitler and Mussolini on the continental side.

The continental faction's public face, the "International Association for the Study of Insurance Economics," also known as "The Geneva Association," is currently a major promoter of European decoupling from the United States in favor of a "New Yalta" agreement with the Soviets. Its chairman, Orio Giarini, and its president, Fabio Padoa of the Assicurazioni Generali, sponsored a 1984 conference on "Central Europe" at Duino Castle in Italy, which produced the most explicit statement of the "New Yalta" perspective in recent history.

All that is in keeping with the Swiss-Venetian cartel's Nazi past. Although the lines of division are not so simple as the national origin of participants, the old political distinction is still in place. The world saw, indirectly, how bitter the underlying division is, during 1983, when Allianz of Munich attempted to buy out Britain's Eagle Star Insurance. Allianz failed because the Thatcher government pushed British-American Tobacco into making a better offer for Eagle Star, to keep the company in British hands. Allianz responded to the rebuff by strengthening its continental ties, through the purchase of the RAS in 1984.

An unregulated industry

Now the American insurance industry, particularly the troubled property-casualty sector, is up for grabs, and both sides have seized the opportunity: the British reinsurers, who have turned the screws on their American clients, and the Swiss-Venetian gang, who hope that Lloyd's greed will backfire, and permit them to replace the British in control of the American market.

The American property-casualty insurance business can be characterized, most charitably, as a gigantic tax ripoff. If there were any governmental scrutiny of the industry (apart from the soft-boiled state regulators), we would probably learn that the insurance companies make the worst of the confessed money-launderers among commercial banks look like a Girl Scout troop.

Since no federal government agency regulates the insurance industry, no investigations have been conducted com-

The American insurance industry is up for grabs, and both sides have seized the opportunity: the British reinsurers, who have turned the screws on their American clients, and the Swiss-Venetian gang, who hope that Lloyd's greed will backfire, and permit them to control the American market.

parable even to the stunted efforts of the Justice Department against bank money-laundering. For the moment, therefore, we will concentrate on tax fraud.

Supposedly because of operating losses during the past five years, and supposedly because of insane jury awards, insurers have been forced to raise premiums by intolerable margins, or abandon risk coverage altogether.

The jury awards have, indeed, been insane, as formerly sensible ordinary people who serve on juries are whipped into fits of vengeance against supposed symbols of corporate authorities. As FMC Chairman Robert Malott warned in a speech on Oct. 10 at Northwestern University, excessive liability costs have all but shut down production of the DPT vaccine, which is used to prevent diphtheria, tetanus, and whooping cough among children. Horror stories Malott cites include the following:

"In the past decade, 10 of the 13 U.S. firms making football helmets have had to stop production, due to runaway jury awards.

"In 1983, Merrell Dow was forced to discontinue production of the drug Bendectin, although the Food and Drug Administration approved the drug for treating women who suffered nausea during pregnancy. The reason? The cost of liability insurance for making Bendectin had reached \$10 million a year, or over 80% of the company's annual sales from the drug.

"And today, the continued production of small aircraft in this country is being seriously threatened by burgeoning liability costs. This year, those costs to general aviation airframe manufacturers will amount to \$100 million, requiring an average increase of \$50,000—or 50%—to the cost of the average plane. Such cost increases have already led one manufacturer, Beech Aircraft Corporation, to shut down its plant in Wichita, Kansas, and eliminate up to 12,000 jobs."

All this is true. But excessive jury awards still accounted for only a fraction of the \$19.4 billion operating loss of the property and casualty insurance industry during 1984.

Since 1980, when Federal Reserve chairman Paul Volcker drove interest rates to the highest level in U.S. history, the

property and casualty insurers have used federal tax breaks to run a loss on operating income (the difference between premiums received and claims paid), in order to boost their investment income.

Federal tax law permitted the companies to earn, net, a total of \$75 billion between 1975 and 1984, without paying a penny of income tax. Not only did they fail to pay a nickel of taxes; the 29 largest property and casualty insurers chalked up an additional \$6 billion of "tax loss carry forwards," i.e., tax losses to apply against income earned in the future.

This incredible fact is documented exhaustively in a March 25, 1985 study by the General Accounting Office of Congress, which was never reported in the major news media.

Six of the top insurers are owned by corporations not in the insurance industry, which use the tax losses racked up by their insurance subsidiaries to write off other income.

Between 1975 and 1984, the GAO study reports, the insurers lost about \$46 billion in insurance operations, but made \$121 billion on their investments—for a net gain of \$75 billion. Federal tax breaks written for their benefit allowed them to exempt an incredible 60% of their investment income from Federal taxes!

It was a great deal, while it lasted. Starting in 1980, the insurers cut their premium rates, in order to sign up as many new accounts as possible. It didn't matter that they lost money on underwriting; they could write that off, and earn tax-free income at Volcker's stupendous interest rates by putting their premium income into the money market. For example, the insurance companies gleefully paid out 60% more in malpractice insurance claims than they received in premiums, during the early 1980s.

By 1984, operating losses exceeded investment income, at least on paper. But even then, the GAO study points out, the insurers had a positive cash flow of over \$11 billion. How is that possible? The insurers are permitted, under law, to write off (for tax purposes) their total claims liability, even if it is to be paid out over years, while premium income continues to roll in.

Small wonder that property and casualty insurance company stocks are selling at 50% above their 1980 level, and at 150% of book value (nominal worth). Despite the paper losses, they were a gold mine of cash flow and tax breaks.

With the near-bankruptcy of the federal government, the handwriting is on the wall for the insurers' special tax deal. Rep. Dan Rostenkowski (D-Ill.), head of the Ways and Means Committee, wants to slap limits on their tax write-offs. So the insurers have turned around and put the screws on doctors, farmers, truckers, homeowners, and whatever other victims they can find.

The whole, Venice-based insurance cartel must be broken up. The United States should have as much sense as the Brazilians, and replace these vultures with national liability insurance. It won't be necessary to nationalize them. Opening their books would be sufficient to put the management of most of the big insurance companies in jail.

Russians tease Bonn with trade promises

by William Engdahl

A press propaganda campaign emerged in West German mass media over the first two weeks of 1986, building the expectation of tens of billions of deutschemarks of future trade orders for German industry with the Soviet and East European economies. This is not the first time certain media and industry spokesmen in the Federal Republic have beat the drums for *Osthandel*. What is special and dangerous about the present campaign is that it is a Soviet ploy orchestrated with the intent of forcing weakening of the Kohl coalition's support for participation in development of an advanced laser defense system, known as the Strategic Defense Initiative (SDI).

On the eve of the departure of Bonn Economics Minister Martin Bangemann to Washington to discuss details of possible German participation in the SDI program, the spokesman for the German Congress of Trade and Industry (DIHT), Herr Schoser, emphasized that trade with the East does not mean a military strengthening of the Soviet military state. This is a direct refutation of Washington claims, especially from Defense Secretary Weinberger and the COCOM regulations for restriction of sensitive technologies signed by 15 Western industrial nations. Schoser is widely known to be an echo of Otto Wolff von Amerongen, longstanding president of DIHT, who is in Moscow talking up East trade deals so often that some suspect he is subsidizing East-West air traffic.

The latest round of media propaganda revolves around the prospects for West German industry to land two major export orders under the yet-to-be-finalized Soviet Five Year Plan, 1986-90. The first involves the construction of what could become the first fully-turnkey factory built by German industry in the Soviet Union, by UHDE, a Dortmund-based subsidiary of the giant West German chemical firm, Hoechst. The project, reported in a recent *Der Spiegel* "leak," could total a value of as much as 10 billion marks. It would be for construction of a polyester fiber factory west of the Urals. Within days of the *Der Spiegel* leak regarding the UHDE project possibility, the mass circulation Sunday tabloid *Bild am Sonntag* leaked a similar story in its Jan. 5 edition, that the giant German auto maker, VW, which is 20% owned by the Bonn government and 20% by the Lower Saxony govern-

ment, was also negotiating in Moscow to share in a possible 5 billion DM project to make auto engines near Moscow. Salzgitter and Liebherr construction equipment firms were also mentioned as possible contractors. On Monday, Jan. 6, the *Financial Times* of London, the most influential financial paper in that city, picked up the VW rumor. Within hours, share trading in VW began soaring to record one-day highs on the Frankfurt Bourse, fueled by the international rumors of the pending Moscow deal.

The reality behind the propaganda

The economics minister, Herr Bangemann, is evidently in a potential conflict of interest. Part of the bad compromise made in December by the Kohl government to resolve the coalition battle on German participation in the SDI was to allow the Free Democratic Economics Minister Bangemann, rather than the Defense Ministry, to head Bonn's negotiations with Washington on SDI participation. Bangemann's ties to East bloc business are a matter of public record and are considerable. But the question which nobody has yet seriously taken up is to what extent the new Soviet Five-Year Plan will provide the billions in needed export orders for German industry. Promise is one thing, reality, quite another.

Secretary Gorbachov's revised 1986-90 plan has yet to be finalized. This will occur at the February Party Congress in Moscow. What is starkly clear in public pronouncements in the Soviet press since Gorbachov took power, however, is the commitment of the new Soviet leader to *reduce*, not increase, Warsaw Pact dependence on Western technology. Simply put, the Soviet leadership views all trade questions with the eyes of strict and rigorous military-strategic priorities. In this sense, the present press propaganda, launched first in the pages of the uncommonly Moscow-friendly *Der Spiegel*, is part of an orchestrated *political game* between Moscow and Bonn. The stakes have nothing to do with a few pennings of export orders.

According to statistics from the Federal Association of German Industry (BDI) in Cologne, West German exports to the U.S.S.R. in the first 10 months of 1985 were down in DM terms from 1984 by 2.5%, to 8.7 billion DM. Total export trade from the Federal Republic with the Warsaw Pact countries, including East Germany, amounted to some 24 billion DM for the first 10 months of 1985, an estimated 29 billion DM through December. To put this figure in perspective, this trade represents some 5% of the entire industrial export from the Federal Republic.

If the details of the pending deals between Hoechst/UHDE and the Russians are examined further, the impressive 10 billion DM is also put into a different perspective. A spokesman for UHDE told this writer that, until now, UHDE has only submitted a bid, with counter bids from Kobe of Japan and Davy McGee of the U.K. competing. While the company has just completed a baby-food factory in the western Ural region for 150 million DM, the polyester fiber factory would

be a six-year project, of which UHDE would directly get "perhaps 7-800 million DM for engineering and design work." The rest would go to yet-unnamed subcontractors. Spread over six years, this would mean an average of 1.7 billion DM per annum, or 0.3% of total worldwide export in 1985. Even for Hoechst itself, it would amount to some 1/3 of one percent of annual worldwide sales. Put into the frame of the UHDE subsidiary, which in recent years averages some 1 billion/year DM turnover, the polyester fiber factory project would, however, dwarf all other projects, representing the company's largest contract to date, perhaps a 15% increase in annual turnover.

A spokesman for the industry association BDI clarified that in the past two years, German industry has secured "not one single major contract with the Soviet Union." "Every Western country is waiting for the final Five-Year Plan, but from preliminary information, it appears that it will not emphasize great industrial projects for the West as previously. The emphasis appears to be on investment in increasing productivity of present plant and equipment, modernizing factories." This may translate into orders for machine tools and certain equipment from Germany, until now Russia's largest source of Western industrial goods. The industry association spokesman concluded, "We and the businessmen involved in this [Soviet] trade business, have no big hopes regarding East bloc trade. We only hope to get a fair share of the orders, but we are competing with every major industrial nation. We are more realistic, I think, than some of the press or politicians."

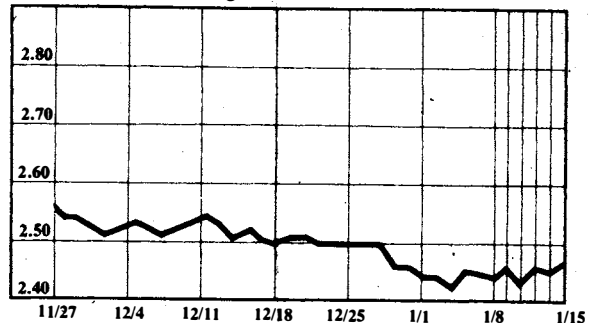
The real target: SDI cooperation

The timing of the latest propaganda barrage on behalf of expanded German-East bloc trade is calculated to inflict maximum political damage on the potential Bonn-Washington cooperation on the SDI, a major strategic objective of the U.S.S.R., as part of a broader process of decoupling West Germany from the NATO alliance. The game was exposed in the cited *Der Spiegel* article. The article on German-East trade concludes, "German industry needs a framework agreement to proceed with the American SDI project. The trade deals with the Soviet Union can proceed without any such restrictive agreements. With East trade lie potentially contracts of billions in value, while the SDI dealing with the USA to date promises only \$900,000." While the argument is a willful fraud designed to obscure the civilian argument behind SDI cooperation, namely the access to the most advanced frontiers of laser and space technologies, essential for the future of West German as well as world industry, it is clearly influencing Bonn policy. Already the government is reported discussing revising the 1982 ceiling on limiting Germany's Soviet trade dependence to no more than 10% of total state Hermes credit guarantees. If the UHDE deal is secured, this limit will be exceeded. If this is done at the expense of serious SDI collaboration, the results for the future of the Federal Republic will be incalculable.

Currency Rates

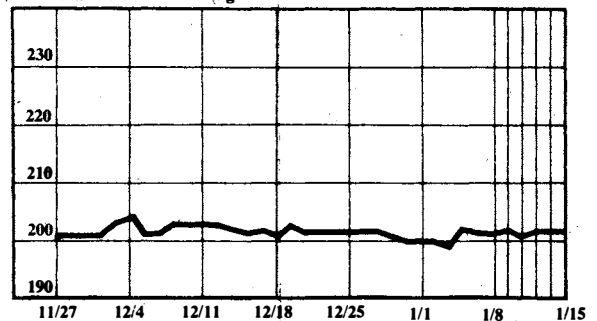
The dollar in deutschmarks

New York late afternoon fixing



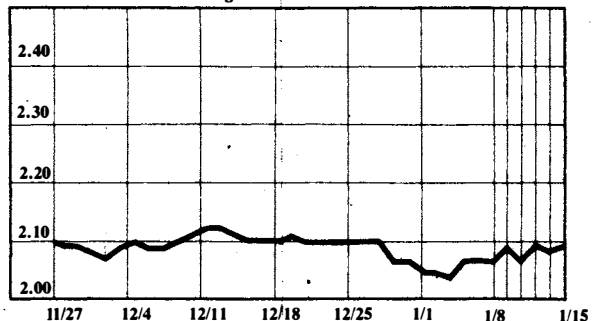
The dollar in yen

New York late afternoon fixing



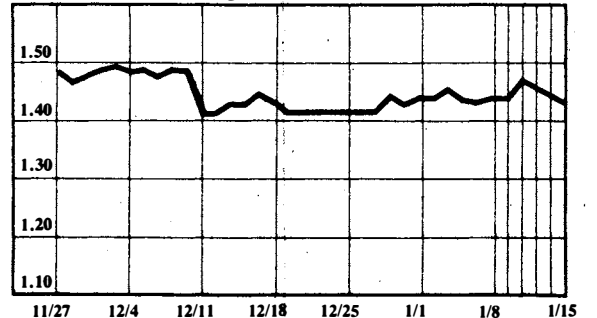
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



First Fidelity Bank's links to crime

The bank that heisted LaRouche's campaign funds in 1984, gave millions to a mob-linked swindler in 1982-83.

First Fidelity Bank of South Jersey, formerly First National State Bank of West Jersey, lent some \$22 million to a mafia-linked hoodlum starting in 1982, and, according to court testimony, never bothered to verify the supposed collateral.

The story of First Fidelity and Richard Mamarella was the subject of two lengthy front-page articles in the *Wall Street Journal* on Jan. 14 and 15, by reporter Jonathan Kwitny.

First Fidelity happens to be the same New Jersey bank that illegally seized \$200,000 belonging to the campaign funds of independent Democratic presidential candidate Lyndon H. LaRouche, Jr. a few days before the November 1984 election, partially sabotaging LaRouche's purchase of media time on the three major networks on election eve. LaRouche has been known internationally since 1978 as the most outspoken foe of the drug trafficking cartel "Dope, Inc.," one of the targets of his 1984 election-eve television broadcasts.

In 1982 and 1983, the bank gave \$22 million to a swindler, perjurer, and extortionist with ties to organized crime, Richard Mamarella. The money provided by a subsidiary of First Fidelity Bancorp, was then lent to loan sharks, illegal drug importers, and mafia boss Joseph Paterno, among others. It was argued in court that "a deal had been cut between the mob and senior bank insiders," according to the *Wall Street Journal*.

The organized-crime connections

of First Fidelity, now exposed in lurid detail in the *Wall Street Journal*, have been a subject in an ongoing lawsuit between the LaRouche campaign committees and the parent bank. That case began when The LaRouche Campaign and Independent Democrats for LaRouche sued the bank to recover their funds. First Fidelity countersued for "libel," objecting to statements that its seizure of the campaign funds could be regarded as "grand larceny," and that bank officials, including First Fidelity president Robert Ferguson, should be probed for relations to the mob. Ferguson was active in bringing into the state the organized crime-riddled casino gambling industry.

Federal Judge Harold Ackerman has already ruled that the bank acted wrongfully in seizing the LaRouche campaign funds. Motions in the libel case are expected later this month.

By the *Journal's* account, a First Fidelity subsidiary loaned \$22 million during 1982 and 1983 to a 34-year-old "insurance man," Richard Mamarella, who was ostensibly financing insurance premiums for businessmen. In reality, Mamarella, who had already been indicted previously on 80 counts of perjury, conspiracy, and fraud, put up only non-existent life insurance policies as collateral for the loans, and used the borrowed funds for loan sharking and financing drug imports. Out of 139 fraudulent policies, the bank investigated not one.

In some cases, according to court testimony, the money was loaned di-

rectly to such mafiosi as Joseph Paterno and Carl "Doc" Palo. "One borrower was murdered, though his loan was repaid with proceeds of insurance that Mr. Mamarella had arranged on his life," the *Journal* recounted.

Yet, . . . when it came out in May 1983 that he had bilked the bank, First Fidelity responded by putting him and several associates on the payroll! The bank's own insurance company, Wausau, at first refused to cover First Fidelity's losses, because, the company claimed, First Fidelity knew about the fraud.

First Fidelity and racketeer Mamarella shared the same law firm. "Representing Mr. Mamarella throughout the period of the fraud was Nathaniel Yohalem of the prominent Newark firm of Greenbaum, Rowe & Smith. . . . Mr. Yohalem's firm also had long represented First Fidelity Bancorp banks." When Mamarella was pleading to federal perjury indictments in New York in 1982, lawyer Yohalem was among those who wrote letters to the court urging that he be let off on probation. Later, even after Yohalem, First Fidelity's lawyer, learned that Mamarella had been arrested for extortion, and the New York state insurance commission sued him for \$150 million in fraud, the money from First Fidelity kept coming.

Judge Ackerman, who presided when two of Mamarella's associates stood trial for bank fraud last summer, "expressed his irritation with the only bank officer to testify," the *Journal* reported. The bank officer, "Mr. Petrycki repeatedly responded to questions dealing with the bank's part in the lending by saying he couldn't remember. . . . On the trial record, at an Oct. 22 hearing, the judge said bank officers 'at the very least, were guilty of extraordinary lassitude, which I found and find incomprehensible.'" The judge called on the Justice Department to further investigate.

Gramm-Rudman will hit the Dakotas

A leader of the sheet-metal workers union foresees another 20% loss of jobs in a hard-hit sector.

Dennis Murphy is the business representative of the Sheet Metal Workers Union (AFL-CIO) Local 14, North and South Dakota, located in Bismarck, North Dakota.

Murphy is not new to political campaigning; he ran for the state legislature in neighboring South Dakota in 1980. Although he lost the election, he polled about 40% of the votes in the precinct.

Now, he strongly considers himself a "LaRouche Democrat," speaking for the wing of the party which sees the Gramm-Rudman legislation recently passed in Washington as a disaster, to be overturned immediately.

We asked Mr. Murphy what effects he has seen in his state and local economy and on his union of the Gramm-Rudman bill, which imposes an arbitrary limit on the federal deficit to reduce it to zero by 1991, and forces budget cuts to comply with that limit. In fiscal 1986, Gramm-Rudman will cut a total of \$11.7 billion from the federal budget, with more than \$5 billion of that to be taken out of domestic programs.

There is no question that the deep cuts in the defense budget envisioned under the legislation will also hit the productive economy very hard—particularly in industrial sectors like the one Dennis Murphy represents. Murphy noted that "the effects that we can see immediately are mainly on the defense budget. We have three Air Force bases in our jurisdiction. The construction work on those sites that we have left will be hurt tremendously.

"Longer-term effects that we will be seeing will include effects on state and local governments and road construction, within the next year, canceling many projects that are planned. Any work upgrading schools that would mainly employ the building trades, will be drastically cut. We see it as very damaging to the state economy, which is already badly hurt by the farm budget."

EIR discussed with Murphy our estimates, based on calculations for the soon-to-be-issued fourth *EIR Quarterly Report* for 1985, that Gramm-Rudman will reduce American standards of living by 25% of the levels of 1975, and asked him if he could give an estimate of the expected effect of Gramm-Rudman cutbacks on sheet-metal jobs.

"If the defense projects are cut out, we're going to lose another 20% of our work, and we're already sitting at 40% unemployment in the sheet-metal trade in the two states. And unemployment is between 70% and 80% in the building trades as a whole," he explained.

As an example, he cited the fact that a building trades convention was being held during the third week of January, and OSHA (the Occupational Safety & Health Administration) was invited to come give a seminar on safety. "They called and said that because of Gramm-Rudman, they will not be able to attend."

What is the union doing about this? He noted that "nothing has come down yet from the International," about the Gramm-Rudman bill, "but at all of our

meetings, business agent meetings, building trades meetings, it's been discussed quite thoroughly, what the effects will be. It's always brought up when we're talking about a certain project: 'If, the big if, Gramm-Rudman doesn't cut the money out for it.'

"We were at a meeting not too long ago with the Army Corps of Engineers," he continued. "They were talking about projects that they had on line, and brought up Gramm-Rudman—that it might have a major impact on their construction outlays."

Part of the discussion with Dennis Murphy centered on the candidates movement launched through National Democratic Policy Committee, the political action committee supported by Lyndon LaRouche, who has declared his candidacy for the Democratic Party's 1988 presidential nomination.

Murphy said that while he himself is not a candidate, in both state offices of North Dakota, there are "LaRouche candidates" running for Congress and the Senate. The seats held by incumbents Sen. Mark Andrews, Republican, and Rep. Byron L. Dorgan, a Democrat and the state's only congressman, are up for vote in 1986.

As to the strength of the LaRouche campaign in the Dakotas, Murphy assessed that "right now, it's just taking off. Since the passage of Gramm-Rudman, since the publicity on AIDS, people are finally starting to listen. They're saying, 'You guys were right last time; LaRouche said this last year and now it's happening. What's going to happen next?'"

Murphy and other "LaRouche Democrats" plan to target the state legislature of South Dakota, which opens soon, for action against Gramm-Rudman. North Dakota's legislature meets only every two years, and will not convene in 1986.

IMF demands cuts in health care

Who will benefit from the Fund's "secret" program? The insurance giants, repositories of oligarchical family fortunes.

The International Monetary Fund released a "confidential" report at the beginning of 1986, which was leaked in the pages of the Italian press. More blatantly than in the United States, where the same IMF demands are being imposed in the guise of the Gramm-Rudman bill, the supranational Fund's report assaults what it calls the "welfare state" of Italy, and demands cuts in social expenditures such as pensions and the health care system—not only there, but in all "advanced-sector" OECD countries.

According to Italy's largest newspaper, *Corriere della Sera*, the IMF report "is inserted in a comparative analysis of the social expenditures that are being made in the most industrialized countries of the West, which will be discussed in one of the next IMF meetings. Because there is a crisis of the 'Welfare State,' the problem of social expenditures represents the most important factor of potential destabilization, since the energy problem, economic stagnation and inflation seem to be solved for the moment [sic]."

This is the IMF "gift" for the new year to the OECD and the Third World. The IMF study forecasts the explosion of social expenditures, which it expects to double in the coming years. According to the IMF, Italy's social spending currently represents 26.5% of the country's Gross Domestic Product (the GDP is estimated at 700 trillion liras, about \$419 billion). The social expenditures will reach 30% of the GDP in the year 2000 and 40% of

the GDP in 2025, the IMF predicts.

The IMF is merely using such spurious linear projections as a pretext to destroy the economies of sovereign nations, to create social upheaval, and reduce the population. This policy, long in effect in the Third World, is being brought now to Europe and the United States with a vengeance.

In a situation where the collapse of living standards and urban infrastructure means that the population is threatened with an outbreak of AIDS and other diseases on a pandemic scale, the IMF is demanding cuts in health services. The IMF's report warns against the cost increases in the health system, complaining that expenditures on health have reached 6.3% of the GDP in Italy, and will reach 7.4% in 2000 and 14% of the GDP in 2025, if current trends continue in a linear fashion.

The IMF document further demands cuts in pensions, claiming that some retired people still work and therefore get both their salary and a pension. This is not the case, of course, of the large majority of pensioners, and in any case pensions in Italy are already very low, by comparison with the rest of Europe.

Even the figures provided by the IMF itself show that Italy's social expenditure level overall is below that of Germany and France.

The IMF argues that the Italian population is dissatisfied with the social-security and health system of the state, and therefore the report anticipates a "privatization" of health care,

with Italians shifting their resources over to the private insurance companies.

This will tend to create a parallel private social-security system, in the hands of the private insurance giants like Assicurazioni Generali and RAS-Allianz. Enrico Randone, chairman of the Venice-based Assicurazioni Generali, began eight years ago to build a private alternative to the state health and security system.

The resources which this represents are enormous, and will tend to consolidate the political power of Europe's old family fortunes, the *fondi*. The insurance and reinsurance companies are among the most powerful financial and political forces in Europe, and are heavily involved in drug-money laundering and other crimes.

The IMF in its report is quite optimistic about the prospects for cutting expenditures for education. The baby-boom is over, and the student population will decrease, allowing a reduction of the percentage of the GDP allocated for schools, from 3.8% of the GDP in 1985, to 3.3% in the 2000, to 2.8% in 2025. The fact that this will mean fewer qualified workers and scientists in Italy's next generation, does not concern the Fund's supranational planners.

The IMF demands surfaced just as 70,000 doctors from the hospitals in Italy's state sector were out on strike, demanding more investment in hospitals and equipment, and asking for their contracts to be changed to allow them to increase their earnings by receiving private patients in public facilities.

The doctors' strike can go in one of two directions: Either it will accelerate the process of disintegration, or the doctors will realize that the real enemy is the International Monetary Fund, and will mobilize to defend the Italian population's right to a modern health-care system.

Business Briefs

Oil

Soviet production falls short of goals

Oil production in the U.S.S.R. for the fourth year in a row is below target, reports the Communist Party daily *Pravda*. The newspaper directed its main attack against the giant Tyumen field in western Siberia which produces about 60% of U.S.S.R. daily output of 12 million barrels/day.

Criticism of equipment used for drilling and processing has been strong. Equipment needed to develop 18 new oil fields has been delivered too slowly, and roads to the fields are not being built fast enough. No official figures for 1985 oil output are published, but the official target was 630 million tons. Actual output for the first nine months of 1985 declined 3% from the same period in 1984, to 445 million tons.

And for the very first time, annual output fell between 1984 and 1983, from 616 to 613 million tons. *Pravda* predicts, that barring, an improbable massive increase in the fourth quarter, 1985 will be significantly lower than that.

Labor

Venezuelan bishops attack capital flight

The 45th assembly of the Venezuelan Bishops Council indicted those entrepreneurs who have taken their capital out of the country.

Referring to the proceeds of national industry, the bishops' statement reads, "The decision on its use was neither before nor now exempt from moral obligation." The document blames such policies by speculators, and those of the government, for unemployment and the climate of hopelessness among youth, which brings delinquency and drugs.

In words recalling John Paul II's encyclical *Laborem Exercens*, the bishops proclaim, "The state, despite the reduction in petroleum income, has the dollars and bolivars to promote economic development, so that the people have the possibility of creative labor which dignifies them . . . because

man, in the image and likeness of God, participates through his labor in the creative work of God and becomes closer to him."

Wall Street

Market crash rigged by investment bankers

The record-breaking stock market drop in mid-January was "very deliberately rigged" by the Israeli-linked Salomon Brothers investment bank and a leading London commodities trading company, for the purpose of warning the United States not to intervene against Libya, a Chicago financial source has reported.

"There was a massive put down of the market that was very obviously rigged," said the contact, who reported that the "Zionist Lobby," in the form of Salomon Bros. and a London firm, had circulated a rumor throughout U.S. financial markets that Arab countries would withdraw their funds *en masse* from the United States, if the Reagan administration took action against Libya.

He further disclosed that Salomon Bros. had engaged in massive short selling of stock market futures in order to drive stock prices down.

Food

Irradiation processing approved by FDA

The *Federal Register* published final approval on Jan. 14 on a new Food and Drug Administration regulation that permits the low-level irradiation of pork for trichina control.

Processing fresh pork with gamma rays at 100 kilorads not only kills the trichina parasite, but also gives the pork a 60% extension of shelf life.

The FDA approval was granted in response to a petition from Dr. Martin Welt, president of Radiation Technology, Inc. of Rockaway, New Jersey, who has led the fight to commercialize food irradiation for the past 40 years. Welt's company now has several plants operating and under construc-

tion, and has been processing food for export for a number of years. An interview with Dr. Welt was published in *EIR* in the March 27, 1984 issue.

Technology

New super-laser now in operation

The Nova laser at Lawrence Livermore National Laboratory, the most powerful laser in the world, created its first "star," when the laser impeded a tiny sphere of fusion fuel, creating 11 trillion neutrons.

"This is our first successful experiment," Eirk Storm, deputy director of the lab, announced Jan. 13. "Its design and purpose was to produce sufficient neutrons to test some advanced diagnostic equipment. And we were delighted with the very high yield. . . ."

"Another way to look at what we've just accomplished is that we've taken another step forward on the mile-long journey toward harnessing fusion energy."

The 'Recovery'

America is losing the 'war on hunger'

According to a Harvard University study, over three times as many people are eligible for food stamps as actually receive them.

The government attacked the study for relying on statistics (the government's own) and not taking into account "seasonal changes" (a standard government accountant's trick).

At President Reagan's prompting, the income ceiling that qualified for food stamps was lowered in 1981 from 150% of the "poverty level" to 130%. In spite of this, the percent of poverty families who received food stamps in 1980 was 65%, and in 1984 dropped to 55%.

The Department of Agriculture replied that the Harvard study wrongly equates poverty with hunger. A family of four is now impoverished if their income totals \$10,609

annually. J. Larry Brown, head of Harvard's hunger research program said: "America is losing ground in its war against hunger."

Austerity

Egypt implements IMF conditionalities

Following the International Monetary Fund's dictates, Egypt is once again raising prices of basic commodities, including bread and gasoline, as of the beginning of the year.

In December 1985, President Hosni Mubarak announced the creation of special bank accounts within the state bank, to which Egyptian citizens are expected to contribute to "help pay the foreign debt," estimated at \$32.5 billion.

State employees have been told to contribute one day's wages to these accounts, while high officials are reported to have already contributed 10% of their income.

War on Drugs

Italy, Vatican promote development of Peru

The Italian government will extend a \$23.4 million loan to Peru, according to the Jan. 11 Italian financial daily *Il Sole 24 Ore*. The loan will finance four development projects.

A delegation of Italian technicians will visit Peru on Jan. 28 to launch the projects, which will include irrigation, milk production, and training of agricultural specialists.

According to the Jan. 12 issue of the Vatican newspaper *L'Osservatore Romano*, "The Peruvian Government is pushing economic development in order to isolate the guerrillas. . . . [Peruvian President] García's pacification program in the Andean area . . . aims at defeating hunger, which is at the root of the armed rebellion, according to the government."

Three days later, on Jan. 15, *L'Osservatore* described the war against "narcotrafico" (drug traffic) in Ibero-America, citing the recent "war on drugs" meeting of Presi-

dent Reagan with his Mexican colleague, President Miguel de la Madrid. The paper calls Mexico "one of the countries more committed in the fight against 'narcotrafico,' succeeding in eradicating 80% of the clandestine drug-production fields, and arresting 2,500 'narcotraficantes.'"

The paper points to the link between drugs and terrorism in Colombia, Peru, Brazil, and Bolivia: "The drug mafia pays the guerrilla . . . the bloody guerrillas are financed by Dope Inc. [*Multinazionali della droga*], which finances terrorist groups to divert military forces' attention from narcotrafico and to keep the military busy with the terrorists." *L'Osservatore* report that in Bolivia, a "billionaire, the cocaine king, offered to pay \$4 billion of Bolivia's foreign debt."

According to *L'Osservatore*, the capability to stop the drug traffickers rests with "consumer nations, which should close their markets to drug production."

International Trade

Platinum markets thrown into confusion

The firing on Jan. 8 of most of the work force at Gencou's Impala Platinum mines in the South African homeland of Bophuthatswana has sent shock waves through international platinum markets, with the price of the metal soaring in Europe and the United States.

In London, the metal was fixed at \$349.74 U.S. an ounce—about \$8 up on the previous day, while in New York, the price rose even more sharply, gaining about \$15.

Impala is the second largest of South Africa's platinum producers, with current output in the region of 900,000 ounces a year—or close to 45% of the country's output, which itself is about 70% of world output.

Any long-term disruption of production would undoubtedly affect world supplies. But the company has large, although unspecified, stocks that will see it through any short-term halt in underground production. As a result, the soaring price on the international market is thought to be a result of over-reaction.

Briefly

● **THE EUROPEAN** Commission agreed on Jan. 13 "in principle" to retaliate against the unilateral U.S. quotas on import of EC semi-finished steel. Officials recommended restrictions be applied to EC import of U.S. fertilizer and paper products. Final approval was expected by Jan. 17.

● **PRESIDENT ALFONSIN** of Argentina ruled on Jan. 13 that the general strike scheduled for Jan. 24 will be "illegal." He said, "We all have rights here and I don't think the leaders are doing this for any anti-democratic purpose . . . however, the strike is illegal. . . . The Argentine economy can't give all the wage increases we would like."

● **JIMMY CARTER** has invited Peruvian President Alan García to give the inaugural address at an international foreign debt conference scheduled to be held in Atlanta in April. President García has not said whether he will attend.

● **EL COMERCIO** in Peru reported Jan. 11 that Harvard-trained economist Richard Webb, the former Peruvian central bank head who remains as an adviser to the Peruvian cabinet, will hold informal talks with the bankers' Peru Steering Committee in New York, led by Citibank.

● **SEN. TED KENNEDY** has proposed a seven-point strategy to deal with Ibero-American debt. At a meeting at Buenos Aires in mid-January, Kennedy presented his own version of the Baker Plan.

● **THE IMF LOANED** Mexico \$315 million on Jan. 10 "to alleviate the effects of the earthquake." The loan must be repaid over the next five years at 7.87% interest. Mexican Finance Minister Jesus Silva Herzog was scheduled to arrive in Washington on Jan. 20 to seek further loans from U.S. agencies.

Opening the age of electromagnetic flight

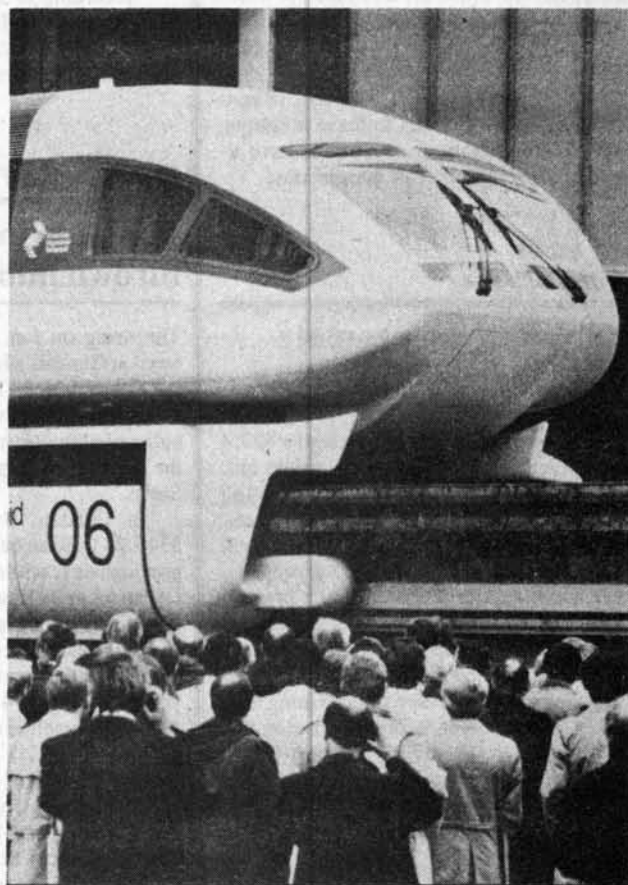
Marsha Freeman reports on the 'maglev' trains that make train transport more like flying, and whose potential speed is virtually unlimited.

Inaugurating a series on modern transportation technologies in last week's EIR, Lyndon H. LaRouche, Jr. argued that current reliance on passenger cars for transport of persons is increasingly, savagely, counterproductive. We can transport commuters and goods more cheaply, more comfortably, and faster, by public rapid-transit systems. This article examines one of the best technologies for doing this, now reaching the stage of commercial development in Japan and West Germany.

A maglev train could travel from Washington to New York in less time than it currently takes to fly, because it could go faster than a plane. In addition, as every air plane passenger knows, the real time for an air journey is much greater than the scheduled flight time, once traffic jams to and from the airport are taken into account, plus the hours of delay in the terminal and on the runway. A well-run mass transit system can be fast, non-polluting, quiet, and run on a more frequent schedule than either autos or planes.

Future articles in this series will discuss other transportation technologies of the future, including those which will boost the efficiency and durability of the automobile. As LaRouche emphasized, to the extent that the family automobile is still used in the future, it should be built to last at least 20 years. The forthcoming EIR Quarterly Economic Report (fourth quarter 1985) will include an in-depth examination of technologies which will make this possible, such as the ceramic heat engine.

Imagine traveling from New York to Los Angeles in only 21 minutes—by train. Impossible? Not according to feasibility studies for the mass-transportation system of the future, the



The Budd Company

Government and transport officials in West Germany inspect the Transrapid 06 Maglev vehicle in Emsland.

magnetically levitated train. A maglev system operating underground in a vacuum tube would have virtually no limit to its speed, with no steel-on-rail friction and no aerodynamic resistance. At a steady rate of acceleration, the passenger leaving New York would feel a gentle acceleration pull for about half the trip, then a steady deceleration. And this at an average speed of about 8,500 miles per hour!

Tests are now underway in West Germany and Japan which will soon lead to the commercial development of such trains without wheels, operating on the principles of interaction of electrical and magnetic fields. The first generation will not use vacuum tubes, and so, slowed by aerodynamic drag, will run at 250-300 mph.

More akin to flight than conventional ground transportation, these maglev systems have been under development for 20 years. In the United States, where an effort to develop such systems was active at the Massachusetts Institute of Technology and in industry until the early 1970s, research was abandoned by the federal government, so that anyone considering building such systems in the United States today, will have to import the technology from West Germany or Japan.

Tests on the maglev test track in Emsland, West Germany, detailed in the accompanying article, have proven that people can be safely and comfortably transported at speeds over 250 mph. Maglev offers noiseless, pollution-free, energy-efficient mass transit, most effective along routes where it generally takes more time to get to the airport than it does to make the flight once you are in the air.

In the near future, maglev systems should connect the major cities and population centers across Western Europe. By the 1990s, islands in Japan will also be connected by magnetically levitated trains.

This is in stark contrast to the situation in the United States, where even our barely functional conventional passenger rail system is under threat of abandonment, as the Gramm-Rudman "balanced budget" bill may cause the shut-down of the Amtrak passenger rail system. A nation without an efficient rail system is no longer an industrialized nation.

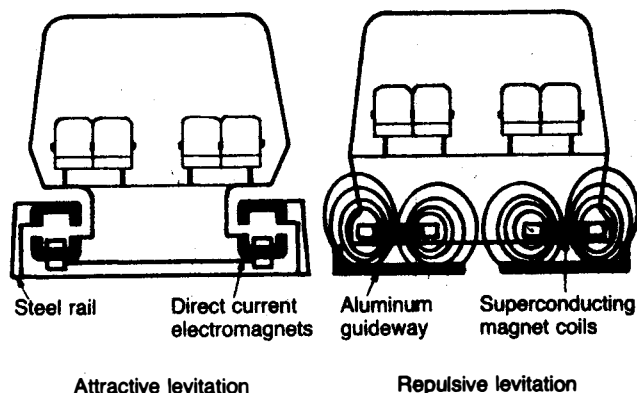
The limits of wheeled trains

Even the most advanced wheel-on-rail trains have an inherent speed limit of less than 200 miles per hour, due to problems of loss of traction, frictional heating, and difficulties in the transmission of power through wheel-rail contacts. Wheel-on-rail trains operating at very high speeds are expensive to maintain, noisy, and very sensitive to climate and weather changes.

For example, the Japanese bullet trains, or Shinkansen, which have been operating since 1964, necessitated the construction of sound barriers in populated areas. The line is shut down every night, as men and equipment are sent along the lines to realign the track, which must be near-perfect. In 1979 the system set a world speed record of 198 miles per hour for

FIGURE 1a

FIGURE 1b



The attractive levitation system operates on the basis of pull between the steel rail and the train's electromagnet. With the electrodynamic or repulsive levitation, superconducting magnets create a repulsive force against the current induced in a conducting non-magnetic aluminum guideway.

wheel-on-rail trains, but averages a speed of only 130 miles per hour.

The 1,100-mile Shinkansen system is computerized, and is monitored and controlled from a central control room in Tokyo. Since 1964, over a billion passengers have ridden on the 2,200-car system, with no fatalities. But the 130 mph average speed of the trains means they cannot compete with less energy-efficient air travel. To get from Tokyo to Osaka, the two largest cities in Japan, takes 3.5 hours with the bullet train. With a maglev system, this could be reduced to about one hour.

The French railway also operates a high-speed wheel-on-rail system—the TGV. In 1981 it broke the Japanese record, hitting 238 mph, though it regularly runs at about 165 mph. Though various cities and states in the United States have considered high-speed rail systems to replace aging and obsolete trackage, only an all-electric maglev system could successfully compete with petroleum-dependent automobiles, buses or airplanes.

In the first couple of decades of this century, experimenters in Europe and the United States developed and demonstrated small-scale magnetically levitated systems. Before the first World War, the Frenchman Emile Bachelet demonstrated the concept at an exposition in Paris. Hermann Kemper, known in Germany as "the father of electromagnetic levitation," conducted successful tests with the technology in the 1930s, and at about the same time, Edwin Northrup built a successful test model in the United States.

By the 1960s, conventional rail systems were reaching their technological limit, and maglev development began in earnest in America, Germany, Britain, Canada, Japan, and other nations. Only West Germany and Japan have continued this work, now nearing the point of commercial introduction.

Attractive versus dynamic maglev

The fundamental principle involved in using the interaction of magnetic and electrical fields to levitate anything, is that bodies of like polarity repel, and those of opposite polarity attract.

The German group of aerospace, steel, and electronics companies that makes up the Transrapid Maglev Train Consortium is testing an attractive maglev system. In this approach, the levitation of the vehicle above the track, or guideway, is accomplished through the use of 32 electromagnets mounted on the train's undercarriage, below the guideway beam (**Figure 1a**).

The guideway beam is a nonenergized ferromagnetic steel-conducting surface, which is attracted to the magnets on the train, and pulls the vehicle up about one-half inch from the guideway, the way a magnet attracts iron filings. Each vehicle also has a set of 28 magnets facing the outer edges of the guideway, to provide guidance and keep the train from swaying from side to side.

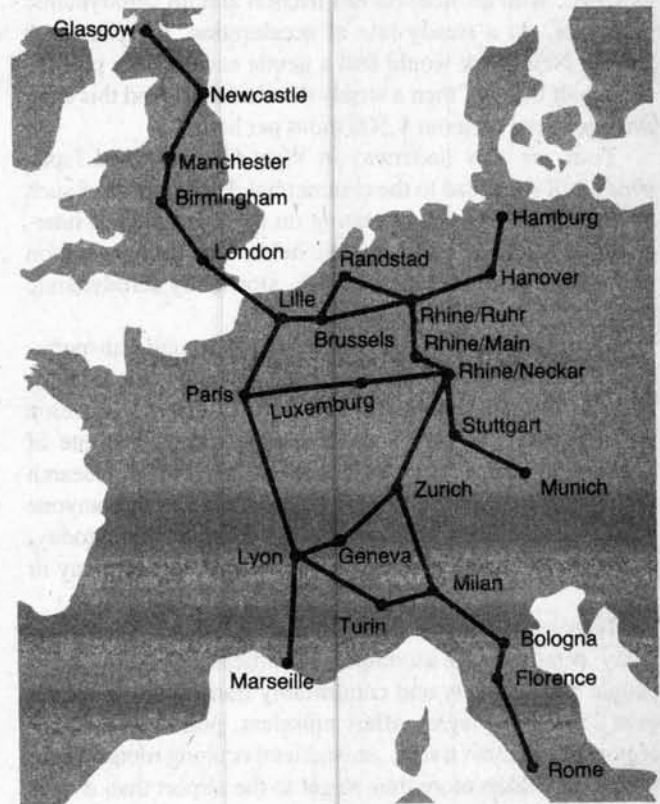
The gap between vehicle and guideway is very small in the attractive maglev system, because the levitation force is inversely proportional to the distance. If the distance were increased, the force required would be so large that the use of conventional iron-core magnets would not be possible. The attractive maglev system requires very precise and constant electronic feedback mechanisms to make sure the gap between vehicle and guideway remains constant. Any irregularities in the guideway will interfere with levitation, which means that a near-perfect guideway must be maintained at all times.

Because the gap in the attractive system is small, the power needed for levitation is also smaller than the dynamic repulsive design. There is less magnetic drag, which also reduces the propulsion requirements, although at high speeds, 80% of the energy loss is from aerodynamic drag, affecting both systems.

The alternative to the small-gap attractive maglev design, has been developed in Japan. In the electrodynamic or repulsive design, two energized electromagnets are needed, to produce the magnetic fields of opposite polarity. On board the vehicle are high-powered superconducting magnets, which induce eddy currents in coils in the guideway as the vehicle moves (**Figure 1b**).

The guideway itself is not conducting, and is made out of a continuous sheet of aluminum that can be unrolled along the road bed. The attractive system needs to have a steel rail guideway. Unlike the attractive system, where there is no motion required to produce the levitation, the dynamic systems must have auxiliary wheels, similar to airplane landing

Potential maglev lines in central Europe



and take-off gear, until a speed of about 60 mph is attained. At that point, the magnetic force exceeds the vehicle weight, and produces levitation.

The greatest advantage of the repulsive maglev design, is that the gap between vehicle and guideway is about four inches. Tests done at the Miyazaki test track in Japan have shown that since the repulsive magnetic force naturally increases if the train nears the guideway, it is automatically stabilized. No electronic feedback control is necessary. The vehicle was tested with a 1.5-inch vertical irregularity in the guideway, and the four-inch gap was found sufficient to keep the train running normally. There was also found to be an increase in aerodynamic pressure on the vehicle when it goes through tunnels. Here, too, the larger gap is an advantage, since the vehicle did go up or down three-quarters of an inch with the changes in pressure.

The challenge in developing the dynamic or repulsive maglev system, is to master the new technology of superconductivity. Certain metals and combinations of materials lose their resistance to the flow of electricity when they are kept at temperatures near absolute zero. This superconductivity means that if a magnet is energized with electrical power, it will remain an electromagnet and not dissipate its energy as

heat and require continual energy in-puts, if it is kept at cryogenic—very low—temperatures.

Regular iron core magnets, when they reach a large size, have to be cooled with circulating water, because of the energy that is lost through resistive heating. Therefore, more energy-efficient superconducting magnets have already been developed for large-scale applications such as fusion energy research, and magnetohydrodynamics energy conversion, but such magnets are not yet off-the-shelf commercial technology.

Means of propulsion

No matter which method is used to levitate the vehicle, it must also have a unique propulsion system. The German attractive maglev design uses a synchronized electric induction motor, which consists of continuous ferromagnetic stator elements with three-phase windings which are in the guideway. These elements are mounted under both sides of the guideway beam, along the entire length of the system.

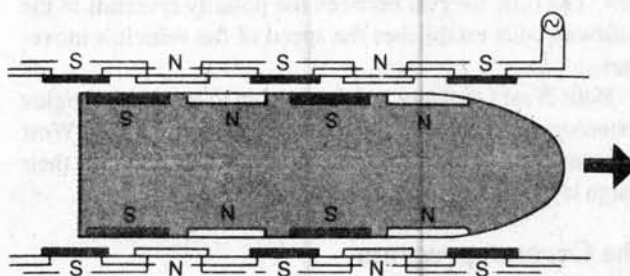
Alternating electrical current from transformers and frequency converters along the roadbed create a traveling magnetic wave that interacts with the car-mounted levitation magnets, and drives the train. This induction motor recharges the batteries on board the vehicle, which power the iron core magnets. It provides the electricity for heating, air conditioning, and other purposes.

The linear motor also serves as the braking system. By varying the voltage, frequency, and polarization of the power from the commercial electric grid, the converters control the

driving force of the motor, to create either forward or braking motion without frictional contact with the guideway.

The entire track is divided into several power feed switches, which are automatically energized when the train is approaching, and are shut off after the train passes. This increases the system's energy efficiency.

FIGURE 2
The Japanese-built linear synchronous motor



In this propulsion system designed in Japan, the vehicle is propelled by the interaction of magnetic forces between its on-board magnets and the magnetic coils on the sides of the guideway. Each magnet on the vehicle is attracted by a guideway coil of different polarity immediately ahead of it, and repulsed by the same polarity immediately behind it. The polarity of the guideway coils is reversed at frequent intervals, propelling the vehicle forward. The time interval between these reversals establishes the speed of the vehicle movement.

Source: Japanese National Railways

A maglev route from Los Angeles to Las Vegas

Extensive studies have been conducted to determine the economic feasibility of connecting the approximately 230-mile corridor between these two large western cities. While both high-speed rail and maglev were found to be technically feasible, only the maglev could compete economically with the existing modes of transport, because of its greater speed.

Using a 160-mph wheel-on-rail train, the trip would take approximately two hours, taking a route along existing railroad right-of-way. A 250 mph maglev train could make the trip in almost half the time, along a shorter route.

Because the maglev system does not depend upon traction between wheels and rail, it can climb steeper grades. In the Los Angeles to Las Vegas example, the train can go over, rather than around, the Clark Mountains

west of Las Vegas, shaving 24 miles off the route, compared to the 254 miles a high-speed train would have to travel.

One study indicates that with a four-car maglev train departing on the hour from Los Angeles, and on the half hour from Las Vegas, train crews could make two round trips per eight-hour shift. This compares with just 1.5 trips per shift using seven-car high-speed trains, to provide the same level of service.

Either new rail system would divert thousands of travelers from existing modes of transportation, but the maglev system would attract 3.7 million passengers per year, which is more than double that of the high-speed rail, due to the time difference and the novelty of the technology.

The cost, in 1982 dollars, of building the maglev system for the route, was estimated at \$1.85 billion. With a round-trip fare of \$65, which is well below the \$100 commercial air fare, it was determined that the system would generate enough revenue to pay operating and maintenance costs, repay the debt with interest, and return a profit. Flying is the only way to make this trip now in less than five hours.

In the dynamic system being developed in Japan, the guideway already has coils in it for levitation, but the bulk of the energy needed for both the levitation and propulsion is provided by the powerful superconducting magnets on the vehicle. Only a small amount of electricity is needed for the guideway coils, to provide a north or south polarity under the train, as it passes over the guideway (Figure 2). This linear synchronous motor is not needed to produce electric power for the train itself.

The speed of the forward movement of the train varies with the frequency of the power supplied to these ground coils. The time interval between the polarity reversals in the guideway coils establishes the speed of the vehicle's movement.

Both West Germany and Japan plan to turn their maglev technology into commercial transport systems. It is in West Germany that developers are closest to that goal, as their design is based on more conventional technology.

The German program

In 1969 the Krauss-Maffei company, which builds railroad locomotives, tested a scale model of their Transrapid 01 maglev vehicle. At the same time, the aerospace giant MBB began developing the sophisticated control systems needed for the attractive maglev concept.

Then in 1974 these two corporations joined together to form Transrapid EMS, and in 1976 they tested the 10-ton Komet vehicle on a one-mile guideway. Five years later, the steel manufacturer Thyssen joined the consortium, and the full-sized Transrapid 05 vehicle was built and tested. It transported tens of thousands of visitors, at a speed of 50 mph, around an International Transportation Fair in Hamburg in 1979. The vehicle weighs 80,000 pounds, and can carry 75 passengers.

In 1978 the federal minister for research and technology decided that the maglev technology should be evaluated under practical operating conditions, including temperature fluctuations between -13° and $+104^{\circ}\text{F}$., in all weather conditions, and in 60-mph winds. The goal was to provide enough data on operating and maintenance costs, for industry to be able to produce a fixed price for a commercial system by 1986.

The Magnetbahn Transrapid consortium, now including seven major industrial firms, began construction of the Emsland Test Track and the Transrapid 06 vehicle in 1980; it began operations two years later. The track is designed for 18 hours a day of testing, with a six-hour break. The top speed the vehicle and guideway are designed for is 250 mph.

Japan: setting speed records

In Japan, the Japanese National Railways (JNR) has been involved in maglev development since the late 1960s. In 1978, the first couple of miles of guideway at the Miyazaki test track opened, and the ML-500 test vehicle reached a speed of about 180 mph. In December 1979, the vehicle set the world's speed limit for a maglev system, of 321 mph,

without any people on board.

With the completion of the ML-500 program, the MLU-001 vehicle began testing in 1980, after the guideway design was altered. This is a three-section vehicle which is more representative of a full-sized commercial vehicle. Though the goal of the German maglev system is to reach a speed limit of 250 mph, the Japanese plan to design their system for a 300 mph average speed.

In a presentation made at the First International Convention on High Speed Rail in May 1984 in the United States, Dr. Ichiroh Mitsui stated that the JNR is considering three routes for its commercial maglev system in the 1990s. One would connect Tokyo and Osaka; another Tokyo and Sapporo on Hokkaido island, and the third between Tokyo and Hakata on the island of Hokkaido.

The problems that remain to be solved in the superconducting Japanese system include capturing and recycling the evaporated liquid helium coolant for the magnets on board the train, and studying the fatigue on the magnets from severe stress and strain from the propulsion forces generated by them.

What will the United States do?

In the United States, a number of states and municipalities are interested in building high-speed ground transport systems. A company called Transit America was established in January 1985, a sister company of the Budd Company, which is a subsidiary of Thyssen. Transit America is licensed to sell German maglev technology in the United States. Feasibility studies have already demonstrated that at 250 mph, maglev systems could compete with much automobile and air transport.

But the cut-back in federal funding for such public transportation systems made it virtually impossible for them to be initiated, even before the Congress voted up the Gramm-Rudman bill.

Three much-studied projects are links between Los Angeles and Las Vegas, various cities in Florida, and connecting Chicago and Milwaukee or Detroit. A spokesman for Transit America reported that the proposed elimination of federal subsidies for Amtrak, and proposed cuts in the budget of the Urban Mass Transit Authority of the Department of Transportation, has recently left these promising projects in the lurch.

Economic studies done by German, Japanese, and American contractors have shown that the maglev systems, which substantially reduce the energy cost per passenger-mile of service, can take as much as two-thirds of the business away from air traffic in trips of a couple of hundred miles.

By the turn of the century, magnetically levitated trains could criss-cross all of Western Europe, as shown in the accompanying map, to provide speedy service between major population centers. In the United States, heavily traveled corridors, such as the Boston-to-Washington route, going through New York City, could have maglev spurs, that would eventually be connected to neighboring corridors, in the same

way that the transcontinental railroads were linked up a century ago.

As the speed of the "flying" train increases, so does the aerodynamic drag. For distances of thousands of miles, such as long stretches across the United States, it would be worthwhile to put the trains inside underground evacuated tunnels, to eliminate the drag and limits on speed. In that case, the only limit to the speed, would be the amount of time the train has to accelerate at a comfortable rate. The more distance and time there is to travel, the faster the train could go.

The technology is ready. According to Transit America, if a U.S. entity ordered a maglev system today, the West German consortia would have the equipment ready for export by the time the road bed were ready, in four or five years.

But over the past decade, U.S. policymakers have acted

from the standpoint that the once-industrialized United States did not any longer need public transport. The trucking and airline industries were deregulated, with disastrous results. The railroad system was allowed to fall into disrepair and contraction, with funding for development of advanced technologies eliminated.

This decline could still be reversed; all it would take would be a return to the American System of economics, which recognized that for a nation to be a great economic power, it must have infrastructure, including transportation. The United States is too far behind Japan and Germany to develop maglev technologies from scratch as rapidly as required; but it can import from those nations that recognized the importance of developing 21st-century transport technology.

The collapse of the U.S. railroads

Not only has the United States terminated all research programs to develop a magnetically levitated train system—even its conventional railroads are now threatened with drastic cuts, if not shut-down.

On Dec. 23, the federal government-supported passenger railroad system, Amtrak, announced plans to reduce rail service to seven American cities, and temporarily cut routes in three regions, because of a 10.5% budget reduction. Amtrak spokesman John Jacobsen blamed the cuts on the just-signed Gramm-Rudman balanced budget law.

The reductions took effect on Jan. 12, and involve lines between Philadelphia and Harrisburg, Pennsylvania; Albany and Niagara Falls, New York; Chicago and Champaign-Urbana, Illinois; Chicago and Detroit; St. Louis and Chicago; Valparaiso and Chicago, Illinois; and Portland and Seattle.

Amtrak also announced that it plans to reduce overhead costs and slash its capital budget to zero. Tens of thousands of former train passengers will likely have to resort to their automobiles.

For the past two years, the Reagan administration has threatened to totally eliminate the more than \$600 million per year federal Amtrak subsidy. The continuing resumption passed by the Congress before its Christmas recess, cut Amtrak's funding 10%, from \$684 million to \$616 million.

Amtrak spokesman Jacobsen said in an interview that another cut, between 4-5% is expected, in this year's funding, due to Gramm-Rudman. For fiscal year 1987,

Jacobsen fears that the reductions "could be four to five times this year's cut" or about 25% over the two years.

He stated that last year when Congress queried an Amtrak witness at budget hearings, on the impact of a proposed 25% cut in federal funding, the witness said that this would force the nation's only passenger rail system to "close its doors and go into Chapter 11 bankruptcy."

These cut-backs merely continue a trend that began with the bankruptcy of the Penn Central Railroad in the mid-1970s. Since 1976, the miles of track owned by the nation's railroads have declined every year. That year, there were over 300,000 miles of Class 1 trackage. By 1984, this had dropped to 255,748 miles. This drop is catastrophic, when it is compared to the fact that in 1929, the nation had over 100,000 more miles of rail than it does today! In 1929, there were over 61,000 cars just for passenger service on the rails. In 1984, this number had fallen to less than 4,000.

The picture is not any better for freight. In 1953, this nation had over 80,000 rail cars hauling freight. This had declined to just over 12,000 by a year ago. Although the amount of freight carried by each car has increased, it has only doubled, meaning a drastic decline in rail freight transport.

Costs of constructing various rail systems

Type	Speed (miles/hr)	Examples	Cost/mile (million \$)
Conventional	125 +	Amtrak	3-5
High-speed rail	160 +	French TGV Japanese Shinkansen	8-12
Maglev	250	German, Japanese	9-13

Source: *High Speed Rail Compact Background Report*, May 1984.

German industry tests 'super-train'

William Engdahl reports from Wiesbaden on the electromagnetic trains, nearing readiness for commercial use, which will be the fastest in the world.

The revolutionary technology of electromagnetic trains is currently in the advanced stages of prototype testing at a 12-mile-long test track in Emsland, in the Federal Republic of Germany. When commercialized, the Magnetbahn will be the world's fastest and smoothest train, capable of speeds up to 250 miles per hour.

Although results have not been officially publicized, the experimental train, known as Transrapid, has reached velocities of 180 mph. It operates on a friction-free concept, which has been under development since the late 1960s, and is the first train in the world operating which uses a synchronous long-stator motor, in which the guideway itself forms part of the motor driving the high-speed vehicle.

A consortium of seven of West Germany's advanced industry firms, led by the aerospace major Messerschmidt-Bölkow-Blohm (MBB) and the steel giant Thyssen-Henschel, have been developing the prototype test facility for a government R&D organization, IABG. The tests to date have completely confirmed the efficacy of the magnetic levitation concept, at experimental speeds up to 180 mph. Full-speed tests will be conducted this year, according to Günther Steinmetz, an engineer who for the past 10 years has been project leader, first at MBB, now with the special IABG consortium. The final 6-mile section of an 18-mile test track will be completed, permitting the maximum test speed of 250 mph.

This writer was a participant in a test in early December, in which the train attained speeds in excess of 150 mph with extraordinary quietness and smoothness. Because the train does not rely on wheel-rail friction contact, it has enormous advantages over other existing so-called fast trains. France has the TGV (*train à grande vitesse*) high-speed conventional rail train, presently operating in a 244-mile line from Paris to Lyon, which completes the trip in two hours at an average speed of 120 mph. Japan has a similar conventional "bullet" train. But both trains rely on conventional rail design, resulting in frictional wear as well as lower operating speed. The West German state railway, the Bundesbahn, is experimenting with a similar faster, though conventional, design. It would operate in the same velocity range as the French train.

The Transrapid operates by means of propulsion and

braking which entirely rest on electromagnetic suspension of the vehicle, which securely hugs the guideway. The train is suspended above the guideway by a series of electromagnets which keep it elevated some 8-10 millimeters above the rail. Guidance magnets also keep the train equidistant on either side of the guideway. There is never a possibility of the train's flying off the guideway at high speed.

Iron-core electromagnets, each weighing more than 660 pounds, are at the heart of the maglev vehicle. Steinmetz explained that the arrangement of the magnets along the underside of the vehicle has been made in a modular fashion, to ensure maximum safety and reliability. The safety features of the train have been given extraordinary attention. The vehicle automatically stops if more than one of a group of eight magnets fail to function, or if more than one of a group of eight magnetic "wheels" or more than 15 of the total 120 "wheels" fails to operate properly. If any two adjacent magnets fail to function, the train also stops automatically.

There are a total of 64 magnets for levitation and 58 for guidance in the Transrapid test vehicle in Lathen. A secondary system suspends the cabin from four joint-coupled bogies, with soft airsprings with level control in the vertical direction and soft rubber springs in the horizontal direction. A hydraulic system further controls the "roll angle" of the cabin, ensuring that passengers feel only normal acceleration.

Three independent braking systems have been incorporated: normal friction-free braking via inverse magnetic propulsion; emergency braking via controlled settling on skid devices; and mechanical emergency braking via hydraulically controlled braking shoes acting on the guide rails. There is thus extremely high redundancy built into the maglev safety system.

The levitation magnets perform the three integrated tasks of levitation, propulsion, and power transfer to the vehicle. Steinmetz explained that the Transrapid incorporates a unique design for propulsion—the results of more than 10 years of experimentation with other, now discarded concepts. For example, an earlier short-stator motor design under development by Kraus-Maffei and MBB, in which the motor/stator

is in the vehicle, was dropped in favor of the present Transrapid long-stator design, advocated by Thyssen-Hentschel. In effect, the circuit of the motor includes the actual track, hence the term "long-stator" motor.

Embedded within the guideway levitation rails are coil windings. Interaction between the electromagnetic levitation field and the three-phase current in the slots of the rail armature, produces propulsion or braking. Together, these make up a linear synchronous motor. This means that, instead of an extremely heavy powermotor apparatus within the vehicle to deliver the required propulsion, incorporation of the rail guide as part of the motor means far less energy required to drive the vehicle and far lower aerodynamic drag than with the short-stator version.

While the vehicle is in motion, an alternating current voltage is induced, which is rectified and recharges the 440-volt batteries in the train. These batteries are needed to power the magnets for operating the vehicle at speeds below 60 mph. Tests have shown that the maglev Transrapid train entails primary energy consumption per passenger/mile of about 240 watts/hour, depending on speed and utilization.

Moving into operation

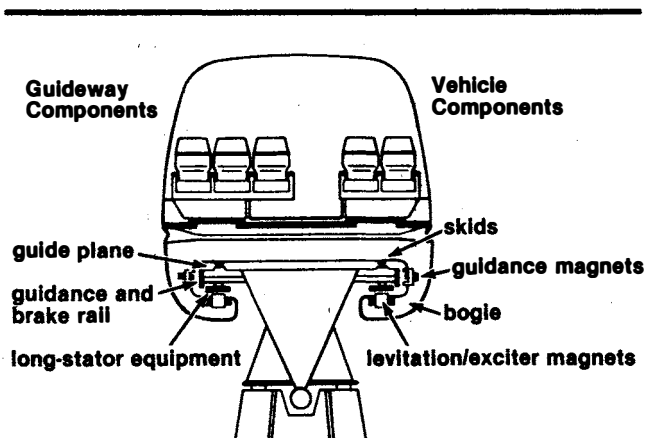
From the standpoint of experimental results, Steinmetz stressed that all basic problems have been solved. Component development for the system—magnets, special electronic systems, converters, computers, magnet drivers, and such—is expected to be complete. Already, Thyssen-Hentschel is working on significant improvements in its next-generation maglev design.

The advantages of the Transrapid maglev concept over existing train systems are considerable. Aside from the higher speed, making it optimal over all other transport, especially in ranges of 300-420 miles, the Transrapid guideway design avoids major problems encountered with conventional rail track. Among other things, there is no need to have extremely flat ground or roadbed, as with conventional high-speed trains like the French TGV.

The friction-free contactless running mode of the maglev train eliminates the noise from rolling and vibration of conventional rail-wheel transport.

Costs for installation of the new system have been calculated to be similar to that for modern high-speed rail lines. Investment includes vehicles, track, stations, junctions, power supply, and computer facilities. Studies of optimal European maglev track paths have already been carried out. One proposal being discussed in the West German Ministry for Research and Technology, is to construct the maglev dual track for high-speed transport from Hanover to Berlin.

Maglev trains will be able to utilize existing stations compatibly on dual-purpose track suitable for both conventional and maglev trains, making integration with existing rail grids optimal. Maintenance facilities can also be shared,



Transrapid's 06 Maglev train, showing the principal lifting, guidance, and propulsion systems.

The Budd Company

further cutting costs. The prospective integration with existing rail grids can result in increased utilization of both systems, as efficiency overall increases.

The special guideway track sits on concrete or steel A-shaped support structures, normally at a height of 16-20 feet above the ground, spaced at intervals along the trackway of between 15 and 18 feet. This elevated guideway has the advantage of not encountering the "right-of-way" problems which would be entailed in cutting a new special roadbed through existing areas.

The large West German construction-engineering firm Dyckerhoff & Widmann of Munich has designed the concrete spans for the rail support system incorporated in the Emsland test facility. Although the amount of steel used in the special guideway is somewhat more than in conventional rail, the economics of the lower power required to propel the maglev system, and the approximate doubling of travel speed, more than compensate. The preliminary cost estimates for the Frankfurt-Paris route show highly competitive costs, with maintenance costs significantly lower than with the standard friction train.

The train is optimal for passenger transport in medium ranges and is also well-suited for high-cost, low-volume freight transport. Because of aerodynamic drag at high speeds, the cross-section area of the vehicle must be minimized, thus making it inefficient for bulk transport. Because it involves no takeoff and landing problems or ground transport from airport to city, it is far faster than air travel for medium-range distances.

Maintenance of the magnets is designed in a modular method so that units can simply be replaced when necessary. Recent advances in microcomputers have also allowed major advances in the electronics of the maglev guidance system to become practical.

The Israeli card in Russian grand strategy

by Criton Zoakos and Mark Burdman

A powerful faction inside the Mossad, Israel's intelligence organization, has deployed, in coordination with the Russian KGB, a formidable terror and assassination capability against the United States. The "Jonathan Pollard Espionage Affair" of "Dirty Rafi" Raphael Eytan, Ariel Sharon's cohort, is merely the tip of the iceberg. As the accompanying report details, both Defense Secretary Caspar Weinberger and Lyndon H. LaRouche are among the known targets of this Mossad operation—of that component of the Mossad which draws its inspiration from the old Irgun, and receives its orders from the Ariel Sharon-David Kimche-Rafi Eytan cabal.

The credulous among our readers may find this Russian KGB-Irgunist Mossad alignment something of a surprise. But it is no surprise either to students of Russian grand strategy, or to those who know their history of Zionism.

Not only the historian, but also the average contemporary intelligence officer, is well aware of this Russian influence over the Irgun's offspring in the Mossad. For example, the current issue of the London-published *Middle East International* magazine carried a story, inspired by the scandal of "false flag" Israeli-Soviet spy Pollard, recounting how the present President of Israel, Chaim Herzog, was once expelled from the United States for espionage. The item is noteworthy for the discussions it provoked among intelligence professionals. One of them remarked: "In return for the Soviet Union's release of Soviet Jews for emigration, the Israelis have been passing on intelligence materials to Moscow on a quid-pro-quo basis. This has been going on for decades, and it certainly began well before the 1967 war. . . . There has been a pattern of release of Soviet Jews coinciding with the Soviets' acquisition of militarily sensitive Western technologies."

However, trading manpower for technology is the least interesting area of cooperation between the Mossad Irgunists and the Russian KGB. The respective strategic perspectives of each of the two partners, which draw them into this collaboration against the United States, is of much greater significance.



The Soviet Union has clinched a deal with Israel, to oust what remains of U.S. influence in the Middle East. To this end, an Israeli intelligence faction around Minister of Trade and Industry Ariel Sharon, is running terrorist operations at Moscow's behest, and is backing the effort of Zionist fanatics to provoke an explosion at Jerusalem's Temple Mount, where the third holiest shrine of the Moslem world, the Dome of the Rock (shown here), is located.

The specifics for the present Russian-Israeli collaboration were hammered out in August 1981, during a top-secret meeting in Limassol, Cyprus, between then-Defense Minister Ariel Sharon and senior officers of the Russian secret services. The talks involved general understandings respecting the two governments' longer-term strategic roles in world affairs.

In the present world strategic crisis, Russia, in its drive to establish itself as a "Third and Final Rome," a sole world imperial arbiter by 1988, is willing to permit Israel to play the role of arbiter in Mediterranean affairs once played by Venice, provided that such a role facilitates Russian ambitions. By the same token, the leading Israeli strategists, Ariel Sharon, David Kimche, and the "considerable interests" behind them, are willing to accommodate Russia's "Third and Final Rome" ambitions, provided that they facilitate their own prospects of transforming Israel into the "New Venice."

These mutual accommodations have often been discussed, since at least August of 1981, between Ariel Sharon and his representatives, and senior representatives of the Russian intelligence services. More important than the details of the Sharon-Russian understandings, are those ill-concealed "considerable interests" which, over the decades, have sponsored both Sharon's career and the network of influence which has promoted him, the old Irgun apparatus.

These "considerable interests" could, for convenience, be dubbed "The Odessa Complex," named after the Russian port-city which originally gave birth to the darker side of the

Zionist movement during the latter part of the 19th century, when it was the self-assigned task of the Imperial Okhrana to create Zionism. At the top of the "Odessa Complex," one finds the leading Jewish financial families of the Ottoman Empire, the Dwecks of Aleppo and the Recanati of Salonica, operating under the supervision of the Luzzattos of Venice. No major established financial family of Odessa itself is identified since the city of Odessa had been founded a mere one century earlier, on advice given to Empress Catherine the Great from her Venetian advisers.

From the 1881 Russian pogroms onward, these families organized a large-scale emigration of Russian Jews to Palestine, which was then under the control of the Ottoman Empire. The first large-scale settlement of Jews in Palestine, the first "Aliyah," was organized, at the Russian port-city of Odessa, by these above-named Jewish financial families in the Ottoman Empire and Venice, running the famous "Odessa Committee," the Zionist travel bureau. Over 90% of the Jews who then settled in Ottoman Palestine were from Russia, traveling through Odessa. In fact, the Ottoman government authorities of the period considered Zionism to be just another pseudo-nationalist movement, organized by Russian imperialists toward the purpose of subverting and dismantling the Ottoman Empire. This evaluation of the Ottoman authorities of the time was not too wide of the mark.

The simple facts of the case at the time were three: First, as the Ottoman authorities saw it, virtually all of the Jewish settlers into Palestine were Russian, boarding ships from

Odessa; second, virtually all of the visible leaders of the young Zionist movement were Russian Jews, most of them born and raised in Odessa; third, the leadership of the Russian secret service, the Okhrana—whose founder, Count Nicholas Ignatiev, once served as Russian ambassador to Istanbul—was actively and visibly supporting, promoting, and financing Zionism. The Ottoman administration's immediately prior experience of Russian Middle East strategic objectives, that is, immediately prior to the first great upsurge of Zionist "Aliyah" of 1880-1900, was the Crimean War of 1854-56, which had grown out of Russia's claim to protect all Orthodox Christians living in the Ottoman Empire. Istanbul, from its standpoint, had every reason to believe that "Zionism" was just another Russian imperial ploy to subvert the Ottoman Empire. However, since the defense and national security of that Empire had been transferred, by means of the Berlin Treaty of 1878, to Great Britain, and specifically to the Luzzatto-influenced British prime minister of Venetian ancestry Benjamin Disraeli (Lord Beaconsfield), Istanbul had no choice but acquiesce in the settlement in Palestine of the Russian Jews of the first "Aliyah."

It happens to be the case that the founder of Russian Zionism, Leo Pinsker, spent all his life in Odessa. Later, many other Zionist leaders, including Vladimir Jabotinskii, the founder of the Irgun, were born and raised in Odessa. In general, Zionism, as one of the nationalist movements of the 19th century, was created exclusively in Russia and had appeal only among Russian Jews, who, contrary to their coreligionists in Western Europe, could see no possibility of assimilating themselves in the surrounding brutality of Russian Orthodoxy. When Count Nicholas Ignatiev, the legendary political organizer of the Pan-Slavist movement, became Russia's interior minister and founded the Okhrana, he considered it his first priority to unleash the dreaded pogroms of 1881-82, which became the driving force for the growth of Zionism as a popular movement. Only after these pogroms did Russian Jews begin to heed the call of the handful of Okhrana-financed Odessa Zionist organizers to go and emigrate to Palestine.

Later Russian interior ministers and Okhrana chiefs continued Ignatiev's Jewish policies, which eventually became the engrained habit of the Russian state. These policies were cynically expressed by Konstantin Pobedonostsev in the following epigrammatic way: "One-third of the Jews will die out, one-third will leave the country, one-third will be assimilated and melt into the surrounding population."

Pobedonostsev, of course, was the great official popularizer and promoter of Fyodor Dostoevskii, the father of Russian anti-Semitism and, as documents show, of official Nazi anti-Semitism as well.

Another interior minister of the turn of the century, von Plehve, once said to Theodore Herzl, the great theoretician of Zionism: "You are preaching to a convert. . . . We would

very much like to see the creation of an independent Jewish state capable of absorbing several millions Jews."

When the aforementioned von Plehve was interior minister, the chief of the Okhrana was the notorious Sergei Vasiliievich Zubatov. This Zubatov is known for organizing the world's most famous secret-service-controlled labor movement, which has come down in history as "Zubatov Trade Unionism." He should become equally famous for founding "Zubatov Zionism." In this respect, it should be noted that the first Zionist organization which the fire-eating founder of the Irgun, Vladimir Jabotinskii, ever joined, was controlled and financed by Sergei Zubatov.

The story in summary is as follows: From 1900 on, Zubatov began to systematically encourage Zionism and do all in his power to ensure the success of the first legal Zionist congress to take place in Russia, the 1902 Minsk Congress. He said, at the time: "Inside Jewry, such a great internal ferment is taking place, a reformation (for us not only harmless, but, owing to the circumstances of the time, also advantageous). . . . It is necessary to support Zionism and, in general, to play upon nationalistic aspirations." He hired one Manya Vilbushevich, a Jewish woman who had earlier been arrested for subversive activities, as his agent. In 1900, she sent a message to Zubatov: "Congratulate me with a great victory I did not expect so soon. Now all the Zionists are our assistants. It only remains to discover how to make use of their services." She received praise for her work from Minister of the Interior von Plehve. Vilbushevich, ca. 1905, went to Paris, after having made a trip to Palestine, and raised money there from various people, including Edmond de Rothschild, for Jewish "self-defense" groups. Ultimately, Vladimir Jabotinskii, the founder of the Irgun, whom David Ben-Gurion called "Vladimir Hitler," joined one of these Zionist groups, controlled and financed by the Okhrana's Sergei Zubatov and his agents.

Today: Odessa and 'The Trust'

Libya's economy, now subject to economic warfare by the Reagan administration, is, to a large extent, in the hands of the "founding families" of Zionism, Luzzatto, Recanati, Dweck, and the junior partners whom they co-opted, at the turn of the century, in Odessa. The umbrella "management committee" for Libya's finances is a shady, quasi-formal grouping which has existed for the best part of this century, under the nickname "The Trust." Three Odessa-born individuals played a prominent role in shaping it in its modern form: Julius Hammer, the father of Occidental Petroleum's Armand Hammer; Alexander Helphand (Parvus); and Sidney Reilly. All played a prominent role in the 1917 Russian Revolution and in the reorganization of the Russian economy from the time of Lenin's "New Economic Policy" to the conclusion of Stalin's First Five-Year-Plan—but this is another story.

Most of Libya's oil—which is the Libyan economy—is managed by three well-known heirs of "The Trust," namely Armand Hammer, Max Fisher, and Edgar Bronfman (see accompanying article). Two of the three, Hammer and Bronfman, are playing a very prominent role, almost continuously since the August 1981 secret meetings between Sharon and the KGB/GRU in Cyprus, in arranging and managing the new Russian-Israeli relationship. In the deep background, behind the names Hammer, Fischer, and Bronfman, hide discretely and securely the old Venetian/Ottoman banking families: Luzzatto of Venice, Recanati of Salonica, Dweck of Aleppo, whose role in the founding of the Zionist movement—and the state of Israel—is more important, though less glamorous, than that of Baron de Rothschild.

One example: Israel has bought petroleum from Libya for many years now. The transaction is, reportedly, managed

There is an unbroken continuity in the interrelationship between Great Russian Imperial grand strategy and Zionist grand strategy, in large part mediated by the broader-based "Trust," a continuity which pre-dates the Russian Revolution, the two world wars, and the founding of the state of Israel.

by the Venetian Luzzattos, through the mediation of a Recanati front-man, with the oil produced by Hammer. The Recanati agent in question is a Greek shipowner by the name of John, or Giovanni, Latsis, whose corporate headquarters are in New York and who spends half his time in Italy. The chairman of the board of Latsis's New York company is a Greek Orthodox priest, Father Basil, who is also a member of the board of directors of the Recanati family bank, the Israel Discount Bank, founded by Leon Recanati, who emigrated to Palestine in 1935 from his native Salonica.

This is only a tiny example of what "The Trust" is engaged in, in terms of international economic and financial transactions. Hammer's larger role, including the activities of his "Golden Mercury" organization in Luzzatto's Venice, is perhaps slightly more indicative of the broader role of "The Trust," inclusive of its dominant Anglo-American component, in managing a significant part of the world's great affairs, especially in the domain of what is called "East-West relations:"

To stick narrowly to the subject at hand, the present

Russian-Israeli relationship, we can simply observe that there is an unbroken continuity in the interrelationship between Great Russian Imperial grand strategy and Zionist grand strategy, in large part mediated by the broader-based "Trust," a continuity which pre-dates the Russian Revolution, the two world wars, and the founding of the state of Israel. That continuity goes back to the coordinated way in which the 18th-century Venetian Luzzattos persuaded the 18th-century, Venice-educated Orloff brothers, to found the city of Odessa; how the 19th-century Luzzattos, Recanati, and Dwecks persuaded the 19th-century Ignatievs, Plehves, and Zubatovs to force Russian Jews out by means of terror and pogroms—and thus to launch the Zionist movement.

Grand strategies

When Israel was founded, in 1948, it was hardly America's "staunchest ally" in the Middle East. The young Andrei Gromyko's vote at the United Nations played a decisive role in overcoming British objections to Israeli nationhood. The Haganah, which secured Israeli independence by combatting Arab opposition, was primarily dependent on Soviet and Czechoslovak weapons shipments. It was also the Odessa-originating Irgun, which organized Arab opposition and the panicked flight of the Palestinians, by means of the Deir Yassin massacre, carried out with Soviet and Czechoslovak weapons.

The "pro-Western" character of the state of Israel began taking shape under very peculiar circumstances, yet to be clarified, during the Suez crisis of 1956. It will be recalled that that crisis began when Israeli paratroopers were dropped at the Mitla Pass in the Sinai, in order to give occasion to nearby British and French naval forces to intervene and try to recapture the Suez Canal from the Egyptians. The operation had been timed to divert world attention from the fact that, at that same time, Ambassador Yuri Andropov was crushing the anti-Russian revolution in Hungary.

It will also be recalled that this timing of the Suez crisis—so convenient for the Russians—took place shortly after the famous "de-Stalinization" congress of the Soviet Communist Party, at which the Israeli Mossad graciously circulated to the West copies of Nikita Khrushchev's historic "secret speech," which indeed remained secret for several months afterward, only in the Soviet Union. The fact that the Mossad, or someone inside the Mossad, had access to Khrushchev's secret de-Stalinization speech, is important. With it, the post-Stalin Russian leadership had signaled to the world that it was now ready, after Stalin's demise, to resume its old business with "The Trust."

None of this, of course, is to argue that Zionist leaders view themselves as Russian assets, though many of them certainly are, and though Ariel Sharon and Armand Hammer most especially are. The point is that the much-touted "survivor" mentality so much valued among militant Zionists,

has been, historically, grafted onto them by official Russian state imperial policy for over a century now, long before the "Bettelheim syndrome" was studied by Great Britain's Tavistock Clinic.

To better understand Ariel Sharon's and his braintruster David Kimche's current pro-Russian, anti-American policy, one must proceed from the fact that Soviet grand strategy is seen, in Moscow, as the concluding chapter of a longstanding Russian chauvinist imperial commitment to establish Moscow as the "Third and Final Rome," the center of a sole, ecumenical empire, modeled after the Byzantine Empire and its predecessor, Imperial Rome. Most of 19th-century Russian policy, from the Crimean War onward, was determined by this growing impulse of the "Third Rome" perspective, which, among its features, included the "drive for warm-water ports," which stands as a euphemism for taking over the Middle East, and the brutal, cynical inducement to force East European Jews to embrace Zionism as their only remaining choice for survival and self-respect.

During 1986, General Secretary Gorbachov's government intends to remove all U.S. military presence from the Mediterranean Sea and, as a result, turn this vital artery which carries 75% of Western Europe's trade, into a Russian lake, from the standpoint of preponderate naval power. Also during 1986, Moscow intends, by means of military blackmail and appropriate arms-control proposals, to decouple the defense of Western Europe from that of the United States. Toward these two objectives, Moscow has assigned Israel one very important role: Israel is to ensure that no political forces friendly to the United States remain in positions of power and influence either in the Arab world, or anywhere else in the Mediterranean basin. This is the significance of last winter's aerial bombardment of Tunisia, of the *Achille Lauro* crisis and its aftermath, and of the current, Mossad-triggered Libyan crisis.

From their perspective, Sharon's Irgunist friends, game-master David Kimche (the secret author of Sharon's "Mediterranean strategy"), and the old "Trust" interests in the Zionist orbit, Recanati, Dweeks, Luzzattos, see in this vast redistribution of power in the Mediterranean and the Near East, their golden opportunity to establish themselves as the "New Venice." Their game, in large part, depends on rapidly eliminating the last remnants of pro-U.S.A. loyalists in the region, so as to present Israel as the "sole" asset the United States will depend upon. For the weeks ahead, there is an additional twist in Sharon's perspective: Sharon and his friends are now committed to accelerating this process of knocking the United States out of the picture *before* the Russian gameplan has consolidated its positions, so as to make Moscow also depend, at least in part, on Israeli policies. Defense Secretary Weinberger's continuing refusal to involve the United States in a set-up, losing military adventure against Qaddafi, is, at this time, the principal obstacle to Sharon's present, accelerated gameplan.

Irgun, Mossad, and

by Paul Goldstein

Perhaps the single most important question facing the United States, when it comes to international terrorism today, is whether, within the next 90 days, the Israeli faction of Ariel Sharon and his covert operations chief Rafi Eytan, will assassinate prominent U.S. political figures such as Secretary of Defense Caspar Weinberger and Lyndon H. LaRouche, Jr.

It is hardly accidental that both LaRouche and Weinberger are on the same "hit" list. The Russians' secret intelligence service, the KGB, and the Irgun faction of the Israeli Mossad, both know that Weinberger and LaRouche have gotten to the bottom of their dirty deal concerning the Middle East and U.S.-Soviet relations.

The operational threat to Weinberger and LaRouche was signaled by an article in the KGB's weekly *Literaturnaya Gazeta* on Jan. 8, 1986, which stated that "Weinbergers do not live forever." *Lit. Gaz.*, *Izvestia*, and other Soviet publications have attacked LaRouche on numerous occasions, and the East German magazine *Kernenergie* in January 1985 accused him of being the "forerunner" of President Reagan, in his advocacy of the Strategic Defense Initiative.

It is an open secret, therefore, that both the Soviets and the Sharon-led Israelis want LaRouche and Weinberger out of the way. This fact has major implications for international terrorism and political assassinations in general.

The Soviets and the Israelis have come to an understanding, based upon an ambiguous division of labor between the two: The Israelis will cover for Soviet-sponsored terrorism in Europe, and will concentrate their own efforts inside North America. The major requirement for this special relationship between Moscow and her Jerusalem allies is to keep the United States off balance—to the benefit of both.

The aim of this low-intensity warfare, in Moscow's view, is to utilize international terrorism to soften up President Reagan before the Soviet economic and war mobilization against the United States reaches its climax. For the Israelis who are in on this deal, the aim is to prevent an effective U.S.-directed peace effort in the Middle East, which could determine Israel's choices to the true benefit of the entire region.

In Israel, the forces around Israel's Minister of Trade and Industry Ariel Sharon and his operational tool Rafi Eytan, are working with fundamentalist fanatics such as Yuval Ne'e-

global terrorism

man and Geula Cohen to provoke an explosion at the Temple Mount, where the third holiest shrine of the Moslem world, the Dome of the Rock, is located. Following the murderous acts of the Soviet- and Israeli-controlled Abu Nidal terror organization, which killed 15 and wounded 112 at the Vienna and Paris airports on Dec. 27, the overall gameplan of Sharon and company includes: 1) finding a way to come directly into power, bypassing foreign minister and Likud leader Yitzhak Shamir; 2) driving the Palestinians out of the West Bank; and 3) creating a pretext for going to war with Syria, as the means for annexing the so-called safety zone in southern Lebanon and the West Bank/Gaza strip.

The Mossad's origins

To properly understand the mentality of this grouping in Israel, it is necessary to trace out some of its past actions, and some of the reasons behind them. We identify here the essential features of the role of the Irgun (the Hebrew term for "The Organization"), which gave rise to the current Mossad faction. This network will be investigated in more detail in a soon-to-be-released *EIR Special Report*.

The Irgun Zvai Leumi was founded in 1929 through a fusion of the youth section (Betar) of the Revisionist Zionism of Vladimir Jabotinsky—an individual described by Israel's first head of state David Ben-Gurion as "another Hitler"—and a split-off from the Jewish Defense Units, the Haganah. Known as "Haganah B," and led by a Haganah officer named Abraham Tehomi, who joined forces with two of Jabotinsky's followers, Irma Halpern and Moshe Rosenberg, the Jerusalem unit was established in April 1931. It became a terrorist-counterterrorist organization with its own intelligence network.

Its actions during the 1930s were led by David Raziell and his collaborator Abraham Stern, who later split off from the Irgun to form the notorious Lehi or Stern Gang in 1940. This was the unit which later blew up the King David Hotel in Jerusalem, killing 98 British soldiers and officials.

Raziell began covertly training members of the underground at a Hebrew girls school. This use of a typically innocent cover to conduct covert activity, which later became the hallmark of the Mossad, was originally invented by the Irgun. To the minds of the founders of the Irgun, such measures were not only necessary, but essential for survival,

because of what they perceived as overwhelmingly hostile conditions. Surrounded by the growth of Nazism and Arab fanaticism of the Grand Mufti of Jerusalem, who, along with the British Mandatory Government, organized attacks on Jewish settlements, the Irgun emerged as a more militant operation than the Haganah. In 1937 Jabotinsky, a Jesuit-trained Zionist, became the supreme commander of the Irgun, a post he held until his death in 1940.

The counterparts of the Irgun were the Labor Zionists and their Jewish Defense Units, the Haganah. Led by David Ben-Gurion and Chaim Weizmann, the Haganah received its training from a top British military intelligence officer named Orde Wingate, who himself became a fanatical Zionist.

A political-scientific intelligence espionage operation was set up by Chaim Weizmann under the guidance of Winston Churchill's top "spook," Sir William Stephenson, the man who helped set up the U.S. Office of Strategic Services (OSS), the precursor of the Central Intelligence Agency. This apparatus later established the Mossad, or, as it is known, the Institution.

Only certain capabilities of the Irgun were brought into official service. The relationship between the dominant faction of the Israeli leadership and the "opposition" or "minority" faction created a feeling of insecurity among the leaders of the Irgun, who believed that only by spectacular and bold actions could their real power be felt. This became their hallmark within the Mossad organization.

To further sharpen the profile of both sides of the Mossad, it is necessary to understand the "survivor" mentality. In the interests of "survival" at any cost, both the Haganah and the Irgun even attempted to make deals with the Nazis. In one case, representatives of the Irgun met in Berlin in 1938 with Heinrich Himmler's chief deputy, Adolph Eichmann. In order to "help Eichmann get the Jews of Europe, the Irgun leadership made a series of deals with Eichmann," according to the memoirs of Irgunist Yitshak Ben-Ami. Though the details of these deals may never be fully known, they involved providing the Gestapo and the SS intelligence network with the names of British agents.

This is the same mentality that today leads Sharon to "facilitate" attacks on the United States. According to one Israeli intelligence source whom this writer met in Bonn in the summer of 1982, it was Ariel Sharon who facilitated the bombing of the U.S. embassy in Beirut, killing eight top CIA personnel.

It stands to reason that if certain Irgun leaders made deals with the Nazis, why not with the Soviet intelligence services? This is certainly how their successors are thinking about the Soviet Jewish immigration question today. Through a series of complex deals arranged through "The Trust" of Armand Hammer, Israeli leaders now find themselves prepared to undermine the waning power and influence of the United States. From the standpoint of "survival," it appears wise that Israel make its deal with the Russians.

As a result of the conditions under which Zionism emerged from World War II, and given the complex web of intrigue and double-crossing at the time, the mentality of those who were shaped by these events makes it difficult for them to see the true interests either of Israel or of the United States. Only this can explain why a Jonathan Pollard could be deployed to spy on the United States on behalf of not only Israel, but also of the Soviet Union.

From this standpoint, the notion that Mossad hit teams are deployed in the United States, no longer appears so far-fetched.

International assassination teams

In the aftermath of the Munich Massacre at the 1972 Olympics, the Israelis deployed a network of hit teams to target the murderers of the Israeli athletes. One of these counterassassin teams, however, mistakenly identified a Moroccan waiter as a top Palestine Liberation Organization op-

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erative, and killed him. This resulted in the arrest of six Israeli operatives by the Norwegian authorities in the town of Lillehammer, Norway.

The overall chief of Mossad Western European operations during this period was "Dirty" Rafi Eytan. Eytan, the ultimate controller of Israeli spy Jonathan Pollard, was dismissed by Defense Minister Moshe Dayan. He then came to the United States and worked with Israeli mafia figure and former drugstore chain owner Amon Barness, who is now living in Panama. Eytan, along with the founder of the Jewish Defense League, Meir Kahane, began a recruitment drive among young Jews at the Hebrew Schools and yeshivas who would make "Aliyah" (return to Israel), receive training from the Israeli Defense Force, and later be deployed back into the United States to carry out terrorism and assassination. During the 1973-77 period, up to Menachem Begin's election victory, Eytan and Kahane established a parallel Mossad, based upon Irgun methods of cell-structure and control, which could be utilized for both unofficial and official purposes.

The recent wave of assassinations of so-called Nazis and PLO supporters was carried out by this group. The Mossad-Irgun apparatus recruits heavily among Jews from Arab

countries, who, by culture and physical features, are Arab. This allows much so-called Palestinian terrorism to be conducted by the Israelis, who would tell U.S. intelligence officials that they had "penetrated" Palestinian organizations. Whenever an atrocity against Jews in the diaspora or within Israel is needed to further Sharon and Eytan's schemes, their special "Arab terrorist" units are deployed.

Key to these "parallel" Mossad hit teams, according to U.S. intelligence and law enforcement, is an Israeli operative named Dan Aerbel, who operates in North America, according to a highly reliable source. Aerbel was described as a member of the hit teams which were deployed and arrested in Norway. Aerbel's team in the United States is again comprised of six-man units.

At the time of Aerbel's European "hit" assignment, his cover was as a shipowner and businessman who traveled extensively to Libya in 1971-72, selling sportswear and soccer balls. This was two years after Muammar Qaddafi came into power. Aerbel's Libyan activities are still not fully known. One of his associates on this mission was a woman named Sylvia Raphael, who was later killed in Larnaca, Cyprus by the PLO's Force 17, when posing as a tourist. Her death and the near-escape of the deputy director of the Mossad who was with her prior to the shoot-out, precipitated the Israeli strike on PLO headquarters in Tunis in the summer of 1985. Another operative of this network was Marianne Gladnikoff, who was a member of the Jewish Defense League.

At present, this entire apparatus is operational in the United States: not just Aerbel and his team, which is primed for assassination assignments, but also Israeli operatives and agents who have penetrated the U.S. intelligence services and the military. This apparatus is directly controlled by Sharon and Eytan. Recently, after the negotiations over the Pollard affair between the United States and Israel were concluded by Judge Abraham Sofaer, legal counselor for the State Department, Eytan's LEKEM, or scientific espionage apparatus, was supposedly dismantled. But in reality, Eytan was just redeployed by Sharon into the position of chairman of Israel Chemicals, the state-controlled chemical firm. It is likely that Sofaer knew that this would occur, since his past arrangement with Ariel Sharon was established when Sofaer was the trial judge in Sharon's libel suit against *Time* magazine.

Since the Pollard affair and the recent wave of assassinations, this Mossad apparatus is being redeployed into Canada. Through a network of organized crime figures in Montreal and Toronto, with a Windsor, Canada sub-base, the hit teams are dispatched. New York City remains the control center, while the Baltimore area serves as the paymaster locale. With 800 Libyan, Palestinian, Iranian, and Syrian terrorists carrying false passports, readied for activation inside the United States, unless U.S. intelligence and security abandons its dependence upon the Israelis, the Soviets and the Sharon-Eytan forces will soon have a field day in their war of terrorism against the United States.

Qaddafi's Israeli connection: a case study of 'the Trust'

by Scott Thompson

President Reagan on Jan. 7 called for U.S. firms to sever all connections with the "Libyan economy," in retaliation for Libya's role in international terrorism. What is the Libyan economy? It is oil, and nothing else.

Now look at who controls Libya's oil: Three-fourths of the country's production of 1.1 million barrels per day, is pumped by Occidental Petroleum, Conoco, Marathon Petroleum, and Amerada Hess, which companies supply the bulk of skills, technology, and equipment for production with their partner, the Libyan National Oil Company. Occidental Petroleum has handled as much as 25% of Libyan production in partnership with the LNOC. Conoco, Marathon, and Amerada Hess each owns about 16% of a combine with LNOC known as Oasis, which produced 40% of Libyan oil last year, pumping 420,000 barrels per day.

These companies, which have Muammar Qaddafi on a dole, in exchange for the rights to produce Libyan oil, are all either under the direct control of, or strongly influenced by, senior Zionist interests. It is pillars of the Zionist lobby who supply Muammar Qaddafi with the sums he uses to underwrite assassinations, terrorism, and coups d'état.

The controllers of the Libyan oil industry, which keeps Qaddafi's coffers filled, include the top names in Jewish and Zionist "philanthropy"—Edgar M. Bronfman, head of the World Jewish Congress; Max Fisher, longtime former chairman of United Jewish Appeal, now head of the Israeli Government's "Project Independence"; and Soviet agent Armand Hammer, a member of Fisher's "Billionaire's Club," which meets regularly in Jerusalem to plan funding efforts for Israel. Each of these senior Zionist lobby officials is a close personal friend of that faction in Israel publicly identified with Gen. Ariel Sharon, the current minister for trade and industry.

Hammer's Libyan empire

Armand Hammer made his third and largest fortune, when Occidental Petroleum, an ailing California company which he bought into for \$34,000 in the 1950s, struck a major oil find on concessions obtained from the Libyan regime of King Idris. After the coup d'état in obtained from the Libyan regime of King Idris. After the coup d'état in September 1969 that toppled King Idris in favor of Qaddafi, Hammer became the centerpiece of a plot, which the CIA suspected of being

hatched in Moscow, to drive oil prices for the West sky-high.

CIA counterintelligence officers monitoring telecommunications from the Soviet embassy in Tripoli became convinced that there was Soviet orchestration to save Hammer, while creating the basis for OPEC, which ultimately drove oil to \$30 a barrel. *Forbes* magazine wrote of Hammer's handling of this affair:

On Sept. 1, Occidental caved in. . . . In retrospect, Oxy's Libyan settlement may have been the most important single event since the end of World War II—and one that marked a turning point for the modern world. Hammer had saved his Libyan concession at a terrible price to the industrial world.

Although Hammer claims to be divesting his Libyan holdings, the company has made more money, producing far less oil, since the creation of OPEC, than it did previously. Hammer's Libyan connection gained further notoriety, when President Jimmy Carter's family sought to use it to run personal swindles, while Zbigniew Brzezinski orchestrated a Carter administration deal with the Islamic fundamentalists that meant a further reorganization of Middle East oil.

Hammer was involved closely in business affairs with Raymond K. Mason's Charter Oil Company, which sources reported at the time paid several million dollars from offshore accounts to President Carter's brother Billy, as an agent seeking LNOC shipments of crude oil. While Billy Carter traveled in Libya accompanied by indicted arms trafficker Frank Terpil and assorted other terrorists, U.S. intelligence sources reported that Armand Hammer opened doors for the President's brother, while serving as the go-between for Moscow's intervention on Carter's behalf in the 1980 Presidential election.

Armand Hammer was a registered Communist from the day he was born, thanks to his father Julius, a founder, with Jay Lovestone, of the Communist Party U.S.A. The Hammer family originated in the Venetian colony of Odessa, which was influenced by the same *Doge Volpi di Misurata* who was a founder of modern Libya. Contemporary Jewish families in the small community of Odessa were: Alexander

Helphand (Parvus), who controlled Leon Trotsky in the 1905 Revolution and funded the 1917 Bolshevik Revolution of Vladimir Lenin; Vladimir Jabotinsky, a founder of the Zionist movement in Israel, who was a "universal fascist" running an extensive underground network in Russia that collaborated with both the pre-revolutionary secret service, the Okhrana, and its Bolshevik successor, the OGPU; and Sidney Reilly, who would later be a top "British" operative affiliated with "the Trust"—the deepest intelligence project run by OGPU chief Felix Dzerzhinsky to take over the opposition to the Bolsheviks.

In the early-1920s, the period of Lenin's New Economic Policy, Armand Hammer was a co-founder of the Trust. His personal job, working with Lenin and Dzerzhinsky, was that of the "Judas Goat," assuring Western capitalists that "peaceful coexistence" with Bolshevism was possible. Having made a small fortune by bootlegging tincture of ginger and exotic drugs during Prohibition, Lenin's agents paid off Hammer handsomely for his assistance with jewels and art objects of the murdered czar.

Today, Israeli Prime Minister Shimon Peres and Foreign Minister Yitzhak Shamir, have used Hammer's Soviet connection as the highest level "back channel" to negotiate Israeli-Soviet rapprochement.

Just days after President Reagan imposed the boycott against Libya, it became evident that Hammer had already found a loophole to avoid it. According to the Italian newspaper *Reporter*, only American firms are now obliged to boycott Libya, but since Arab Oxy, founded by Occidental Petroleum in 1983, is classified as a "foreign associated" firm and is based in Bahrain, Hammer figures he can keep on merrily pumping oil for Qaddafi.

Max Fisher and Marathon

Three years after Max Fisher obtained a position on the board of Marathon Petroleum, through the sale of his Aurora Gasoline Company on Aug. 1, 1959. Marathon became involved in Libyan oil production, creating the Oasis combine with Conoco and Amerada Hess. Fisher remained with the firm to do business with Qaddafi; his influence at Marathon did not end until 1982, when U.S. Steel bought up the outstanding shares in the firm.

Marathon was not Max Fisher's first fling in multinational oil operations. Having made a fortune with the Detroit Purple Gang of Morris Dalitz & Co. during the Prohibition years, and having provided substantial support for Israeli intelligence's Sonnenborn Institute, which smuggled guns to Israel, forming the seed crystal of the later Mossad, Fisher "went legit" into the oil business via the Rothschilds' interest in Shell Oil and Israel.

When the Arabs boycotted oil shipments to Israel in 1958-59, Max Fisher was not only shortly able to transship Libyan oil via Greece through Marathon (a practice continued under Qaddafi), but he created the Israeli-registered Paz Oil Co., Ltd. by combining Shell Oil Palestine, Ltd., Shell Chemical

Palestine, Ltd., and the strategic Eilat Pipeline, with its fleet of tankers. As a one-third owner and director of Paz, Fisher was a partner with the Swiss-Israel Trade Bank of Maj.-Gen. Julius Klein, who helped create the Sonnenborn Institute, working closely as well with Mossad logistics chief Tibor Rosenbaum of the Banque de la Crédit Internationale.

Another partner was Paz board member Sir Ernest Israel, whose Charterhouse Japhet firm has been at the center of Hong Kong drug deals since the Opium Wars of the 1840s, serving as a passthrough today for Israeli diamonds to Hong Kong.

Fisher is presently the head of Project Independence in Israel, which seeks to sell off Israeli government-owned industry to the Zionist lobby's "Billionaire's Club." He is a close associate in this enterprise with Sharon, who is also a friend of Max Fisher's political partner within the Republican Party, Henry Kissinger—the man who oversaw Qaddafi's successful coup in 1969 as President Nixon's national security adviser. Sharon and Fisher have tried to interest Armand Hammer in the purchase of Israeli firms, and Hammer is now committed to oil exploration there, as a partner of Isramco, with a concession that covers 40% of Israel.

The Bronfmans and Conoco

Conoco (Continental Oil Co.), another partner in Libya's Oasis combine with Max Fisher's Marathon Petroleum, is a subsidiary of E. I. Du Pont de Nemours & Co. It was acquired on Sept. 30, 1981, when the Bronfman family of Seagrams Co., Ltd., also set out to purchase Conoco, ending up with a 20% interest in Du Pont and three seats on Du Pont's board—including those held by Charles R. Bronfman and Edgar M. Bronfman.

According to the bestselling book *Dope, Inc.*:

The Bronfman family is best known to Americans through its ownership of Seagram, the biggest liquor company in North America. The family's holdings stretch from whisky, to banking, mining, real estate, and—somewhat less publicized—narcotics. . . . Less than 50 years ago, they were known to be the biggest bootleggers in North America and were referred to by the less prestigious title "the Bronfman gang."

These magnates of illegal narcotics and Libyan oil are pillars of the Zionist lobby. Edgar Bronfman is president of the World Jewish Congress and a former member of the National Commission of the Anti-Defamation League of B'nai B'rith. Charles Bronfman is governor of the Jewish Agency of Israel. Both have been active in Max Fisher's Project Independence, while Edgar Bronfman traveled to Moscow, playing a second fiddle to Armand Hammer in the revived "Trust" operation to arrange an Israeli-Soviet rapprochement.

Let us not kid ourselves. When President Reagan called for a boycott of the Libyan economy, this will have to mean a boycott of these powerful figures Zionist lobby figures.

Soviets move into Gulf, Mediterranean

by Thierry Lalevée

While international attention was focused on the clash between Libya and the United States, the Soviet Union's deputy defense minister, Gen. Vladimir Govorov, quietly arrived in Kuwait on Jan. 11. Preliminary reports indicate that military deals worth \$300 million were signed between the two countries, but few specialists have any illusions that the purpose of the visit was limited to the issue of arms sales. Kuwait and the Soviet Union have had diplomatic relations for years, but Govorov's visit, the highest-ranking Soviet military delegation to visit the Gulf, represents the high-point of Moscow's ongoing diplomatic offensive in the region.

Postponed from the original date of Dec. 21, Govorov's mission was made fully public as it ended on Jan. 16. The trip was prepared by Soviet troubleshooter Karim Brutents of the international secretariat of the Soviet Communist Party, who arrived in Kuwait on Jan. 4. Brutents has become a familiar figure in Kuwait and in the Gulf where he has, in recent years, played the figure of a discreet diplomat. Brutents's presence in the region has always coincided with major terrorist and military events, and there is little doubt that the Soviet embassy in Kuwait plays an essential role in coordinating Moscow's activities throughout the region.

Kichmal Madatov, the suspected KGB *resident* in Kuwait, was a KGB official under Geydar Aliyev in Azerbaijan. Aliyev, now a Politburo member, has broad responsibility for operations in Asia and the Mideast. Pogos Akopov, the Soviet ambassador, is an old Middle East hand with close ties to Aliyev, and is suspected to have played an important role with the Armenian terrorist organization ASALA (he is Armenian himself).

From Kuwait, Brutents went to the United Arab Emirates, the Gulf sheikhdom which is expected to be the next to establish diplomatic relations with Moscow. At the very same time, Yevgenii Primakov, the new head of the IMEMO think tank in Moscow and rumored to be scheduled for appointment as a deputy member of the Supreme Soviet, told Japanese reporters that he expected diplomatic relations with Saudi Arabia to be established "very soon."

The timing of this diplomatic offensive is certainly no coincidence, and has run parallel to the crisis between the United States and Libya. While fanning the military crisis

and mobilizing its European assets to drive a wedge between Europe and the United States, Moscow is imposing itself as *the* ruling power.

It was no coincidence, either, that on Jan. 11, the Iranian Navy seized an American vessel in the Strait of Hormuz. The American government almost apologized to the Iranians, as the State Department commented that Teheran was within "its rights" to have boarded the U.S. ship. There was no outcry in the region against Iran—on the contrary. The media in the Gulf and Saudi Arabia are not merely criticizing American policy, but are blasting away at it day after day. Pro-American editors are reported to have been purged from the newsrooms. Saudi Arabia has certainly not converted to the Iranian brand of fundamentalist Islam, but reliable sources indicate that Riyadh is heavily financing Iran. Saudi financial contributions based in European banks—Swiss in particular—are channeled to Iran through Qaddafi's Libya—a *realpolitik* aimed as much at securing the Saudi kingdom as at desperately manipulating the Gulf war to prevent a collapse of oil prices.

The Saudi shift

It has thus not been a total surprise to see Saudi Arabia becoming, in the last few weeks, one of the strongest supporters of Qaddafi! King Fahd of Saudi Arabia did have several direct discussions with Qaddafi to assure him of his support in the conflict with the United States. Reports from Tripoli indicating that Riyadh had pledged military and financial support to Libya were at first widely discounted in the West, but proved later to be entirely correct.

This spectacular shift of policies in Saudi Arabia is only the tip of the iceberg, indicating how successful the Soviets have been in manipulating the current crisis to their advantage, demonstrating to one and all that the United States is an impotent power. Not surprisingly, Israel has played an important role in this shift. The public display of negotiations between Israel and the Soviet Union sent a clear message to the countries of the region. Moscow made the Gulf countries quite uncomfortable at the thought of having to face a Moscow-Jerusalem axis on the one side, and on the other, Islamic mobs raving at their governments' American connections. Displaying at will its "Arabists" or its "pro-Israelis," the Soviet Union has announced loud and clear that it can be the mediator between Arabs and Israelis. Whether the U.S.S.R. can actually guarantee the Gulf's security against any Israeli attacks, is another matter.

Moscow is especially optimistic that its plans can come to fruition. It has the Americans bogged down off Libya's coast—both in political and military terms. Matching the U.S. military deployment in the region, Moscow has sent in its own flotilla of warships, making the point that the crisis will continue as long as America doesn't acknowledge the Soviet Union's status as an "equal power" in Mediterranean security. Meanwhile, thanks to its Israeli and Arabs assets, Moscow now has a free hand in the rest of the Middle East.

Let us celebrate the great Wilhelm Furtwängler!

As Wilhelm Furtwängler's 100th birthday on Jan. 25 approaches, a number of new biographies and books have appeared on this man, most certainly the greatest conductor of our century. Precisely because Furtwängler was such a great conductor, who understood like no other how to revitalize the best that civilization has produced in music, and thus, in the sense of the German poet Friedrich Schiller, to morally improve and ennoble his listeners, he was much slandered by the envious and by his enemies. Furtwängler offended many, primarily in foreign countries, because he defended the values of the German classics during the Nazi dictatorship, the darkest period of German history, and because he tenaciously persevered in giving support to the German population with his interpretations of Bach, Mozart, and Beethoven.

Today, 40 years after the end of the Nazi terror, at a point in time when suddenly many are self-interestedly rehashing the absurd reproaches of "collective guilt" and "German revanchism," it is especially important to give a historically accurate presentation of both Furtwängler's artistic achievements and his moral stand.

For that reason, the German magazine Ibykus, which describes itself as a journal "for poetry, science, and statecraft," held a long conversation with Mrs. Elisabeth Furtwängler in April 1985, in Clarens on Lake Geneva, in which she, with refreshing openness, described some of the decisive moments in Furtwängler's life. Character traits emerged which have previously not been acknowledged or appreciated—or, if at all, only slightly. That Wilhelm Furtwängler was in constant conflict with the Nazis to preserve "German music" from abuse is generally known. That he protected many, many Jewish colleagues from the Nazis and made possible their emigration is likewise known, as is the fact that he was forced to flee to Switzerland at the beginning of 1945.

But the real motivation for his actions has been passed

over in silence or mentioned only superficially: his unshakable faith in Germany as a nation of culture deeply rooted in Judeo-Christian civilization. When Furtwängler learned in 1945 that writer Stefan Zweig had shot himself in Brazil, because Zweig could no longer tolerate the life of an emigré, Furtwängler told his wife, that would also have been his own fate as an emigré.

Elisabeth Furtwängler characterized her husband as humorous, serious, even deeply religious, a man who was not only "always at work" and who played Beethoven sonatas in his "free time," but who was also passionately interested in contemporary events, above all in fundamental scientific questions from such distant areas as astronomy (spiral nebulae) and agriculture.

This interview not only answers many questions of the "what" of Furtwängler's life, but also the "why"—and that renders the interview an important as well as interesting contemporary document. The interview was conducted by Ortrun and Hartmut Cramer.

Ibykus: Mrs. Furtwängler, in this, the "Year of European Music," 30 years after the anniversary of the death of your husband, and shortly before his 100th birthday, it is certainly appropriate to remember Wilhelm Furtwängler, since he understood as few others how to bring "German," or, better, "European" music to life and, in doing that, to encourage men throughout the world. Despite his incontestable musical achievements, which went along with his exceptional moral stand, many reproaches were made against your husband during the postwar period because he remained in Germany and did not, unlike many of his colleagues, emigrate. Wilhelm Furtwängler certainly knew what the Nazis were. Why did he, despite that, remain in Germany during the Nazi period?

Elisabeth Furtwängler: Yes, he knew what the Nazis were.

Of course, he didn't know about Auschwitz, since no one in Germany knew about that—only the soldiers stationed there. You must consider, that during the war there was no communication. In peace, Auschwitz would not have been possible, that is quite clear.

Why did he stay in Germany? *Because of the Germans!* Because so many people knew: He was German in the best, classical sense. He remained for the Germans who were not Nazis.

It is simply not true that all the people were Nazis. Certainly, there was a large number of fellow travelers, especially after the initial victories in the war, but we certainly must keep in mind, to be quite accurate, that Hitler's popularity had begun to wane just before the seizure of power. In the last free election, in 1932, Hitler's popularity fell off so sharply that Furtwängler was actually led to believe, as were many others, that the major danger was past.

But then, when Furtwängler realized what was happening and understood what horrible characters the Nazis actually were, he said: One must keep the flag flying here in Germany. And there are many who had the highest regard for Furtwängler, just because he took this stand. For example, Countess [Marion] Dönhoff, [the publisher of *Die Zeit*] who herself wrote in *Die Zeit*: "I shall never forget the consolation I experienced in the Furtwängler concerts in Berlin at that time. Every listener who attended these concerts knew exactly what Furtwängler thought."

Ibykus: How did you experience the effect of Furtwängler's concerts; what was the effect of classical music on the Germans, especially under the Nazis and during the war?



Elisabeth Furtwängler, before a portrait of her husband.

Elisabeth Furtwängler: I believe it was right that Furtwängler remained in Germany. Because he gave other Germans so infinitely much that was good and glorious. Because he simply believed in other Germans. He believed in the greatness that is within Germans and especially within the music. Music was the greatest thing of all for him—as for many others. And if you leave aside all German-speaking composers, there's not much left. He felt himself to be a German musician, and a German conductor, and therefore he stayed.

Ibykus: Did he have the possibility of leaving Germany?

Elisabeth Furtwängler: Yes. Surely you know of the famous incident with the pass, when Goebbels told him: "Emigrate if you please, with everything you possess, with money and family. But you will never be able to set foot on German soil again." And that, for Wilhelm, was not possible. I still remember exactly the day on which it became known that Stefan Zweig had shot himself. We were already here in Switzerland, and my husband said to me: "You see, that's what I would have done had I emigrated. I couldn't live without the possibility of seeing Germany again." There were many Jews in Germany who fully understood that.

Ibykus: Who, for example?

Elisabeth Furtwängler: Horenstein. Horenstein told me later that he understood very well that which is specifically German. Or, for example, the emigrés whom we met in London immediately following the war. Hardly had we arrived when we were surrounded by them, both Germans and Austrians. They knew very well that Furtwängler was no Nazi; we could embrace them, and we visited with them all.

Furtwängler wanted to touch everyone with the music that belongs to them all. And, naturally, Jews could understand that well, since Jews have a virtually unequalled understanding of art that is, as it were, innately within them. I have also received a number of letters from Israel. There is a music critic in Israel who has frequently visited me. He constantly writes in favor of Furtwängler in Israel. The difficulty for Furtwängler during the Nazi period was that everyone inside Germany knew that he was not in favor of Hitler and that people outside Germany believed that he was in favor of Hitler. That was essentially his problem.

Ibykus: Who was against him then?

Elisabeth Furtwängler: At that time, unfortunately I must say this, there were many Americans against him. A book is about to appear in which all this will be very exactly described, above all, the entire American situation. Naturally, we can't say America in this regard, since it was only a small group of people who opposed Furtwängler, primarily in New York.

During the Nazi period, musicians primarily in New York intrigued against him. Their principal motivation, as Yehudi Menuhin thought at that time, was their anxiety about their

own "happy hunting ground." In the postwar period, John McCloy [the postwar U.S. High Commissioner for Germany—ed.] allied with this group. He wanted to prevent Furtwängler's ever conducting again, and he never would have conducted again had it been up to McCloy. Unfortunately, many opposed Furtwängler even though they knew better. But there were many, very many, who were for him, and it was very difficult for them.

Ibykus: Who were the friends that helped him?

Elisabeth Furtwängler: Over in America, there were naturally the members of the Philharmonic whom he had assisted in emigrating. Piatigorsky, Graudan, the violinist Gilbert Back and the conductor Fritz Zweig, who died a short time ago. He had a number of friends, precisely among his Jewish colleagues, who knew exactly what was going on and who also did not allow themselves to be deceived.

Ibykus: What part did Yehudi Menuhin play?

Elisabeth Furtwängler: Yehudi was tremendous for Furtwängler, from the very beginning. He also oriented himself musically toward Furtwängler.

Yet they didn't know one another personally. That was the great surprise in 1946, that someone suddenly stood up for him that he didn't himself know at all. Menuhin had heard about Furtwängler from many. He had spoken in Paris with many musicians who told him what Furtwängler had actually been. Menuhin's second wife and her sister knew Furtwängler. And, of course, there was also Bertel Geismar, Furtwängler's secretary for many years, who had had to emigrate in 1936 because she was a Jew. She informed Menuhin very accurately about Furtwängler. Then Yehudi visited us here in Clarens, and, in the further course of time, we got to know one another personally quite well.

It must be said that Yehudi Menuhin is certainly one of the noblest human beings on this earth. He has incredible personal courage and great independence. Many find him, however, a bit too soft, but that is not true; he also has the courage to say no. His artistry also rests in part on his great moral power.

Ibykus: Wilhelm Furtwängler was not close to the Nazis; he intervened for many of his Jewish musical colleagues, and in some cases saved their lives. For that reason, he was constantly quarrelling with Goebbels. The "Furtwängler Case" in 1934 is quite famous; there was a public fight with Goebbels over a Hindemith concert. Finally, he had to flee to Switzerland because of the Nazis. That was all known in the postwar period. Then why were there such difficulties about Furtwängler's "de-Nazification" when the facts so unambiguously spoke in his favor?

Elisabeth Furtwängler: Yes, it is very strange. On many important things in this connection, we don't have the evidence any longer. It is simply lost, especially all the things which his famous housekeeper Lenchen unfortunately de-

stroyed at the beginning of 1945 out of fear of the advancing Russians. She was so terrified that she destroyed all letters on Nazi stationery or that contained a single "Heil Hitler." That proved to be very sad, since there were mostly splendid things in those letters, how he had defended himself against Goebbels in doing this or that. That was all investigated during the "de-Nazification" of my husband, and then it turned out that a part of Furtwängler's correspondence, principally that with Goebbels, simply didn't exist any longer.

Ibykus: How did the "de-Nazification" of your husband actually go?

Elisabeth Furtwängler: Really, there couldn't have been any problems. But there were. Initially, everything went wrong. But, then, when the whole procedure was redone, his friends spoke out on how things had actually been, and then everything went smoothly. And yet Furtwängler didn't receive his certification from the Americans; it came and it didn't come.

At this time, he received an invitation from Rome. He answered that he would gladly come, but unfortunately had not been yet "de-Nazified," and therefore would not be allowed to. The Italians answered: "That doesn't interest us in the least. We want to hear you." And so we traveled to Rome. And who came to three concerts? American radio. Clearly they suddenly noticed: he certainly managed that without us.

The Russians were, incidentally, really much more clever. In 1946, still before the final "de-Nazification," Furtwängler was approached one day in the Russian sector of Vienna by a Russian officer: "Don't you really want to go back to Berlin?" Of course, that was what he wanted all along, but he had received no authorization. Of course, he wanted to go back to Berlin. "We are flying out the next morning, come along with us." And so he was flown back to Berlin by the Russians—quite alone, in a gigantic troop transport. On arrival in East Berlin, [Johannes R.] Becher [the writer and president of the Union for Democratic Renewal of Germany—ed.] was at the airport to greet him, together with a large group of artists. The Russians then immediately concluded the preparations for a concert. A new piano was prepared and Furtwängler received every assistance.

Ibykus: And so the Russians would have liked for Furtwängler to stay with them?

Elisabeth Furtwängler: Yes, of course. They were ready to give him anything, to actually roll out the red carpet. But Wilhelm wanted the Berlin Philharmonic, and they were now elsewhere. For a time, we could travel from Potsdam, where we lived, across the Glienicke Bridge over to the Western sector. Then that was closed, and we had to move back to West Berlin. The Russians were, however, very accommodating. At that time, there was still no wall.

Ibykus: Who interceded for him most clearly during the "de-Nazification"?

Elisabeth Furtwängler: In Germany, really very many colleagues interceded for him. Boleslav Barlog perhaps most strongly, but also Celibidache. I would like to emphasize that very strongly, that Celibidache stuck by Furtwängler, when he could have been really quite different since, in the meantime, he had become Furtwängler's "successor" and could have indulged in some wonderful intrigues.

Ibykus: How did the *public* react when Furtwängler returned to Berlin?

Elisabeth Furtwängler: Gloriously, absolutely gloriously. But Berliners are unique. I still remember how it was when Wilhelm returned to Berlin with the famous Beethoven concert of 1947—the Egmont Overture, the "Pastoral," and the Fifth. The Berliners sold their porcelain, they sold virtually everything to be able to get tickets for this concert. And Erika

Mann wrote at that time: Those were all Nazis that went to the concert. That was so despicable.

Ibykus: Erika Mann was the daughter of Thomas Mann . . .
Elisabeth Furtwängler: . . . yes, and Thomas Mann may have been a great writer, but he was also a cold man, a very cold man. It's known that he said, in reference to the destruction of the Marienkirche in his home town of Lübeck, that that didn't interest him, the main thing was that now the Germans be obliterated.

And just compare that with Oskar Kokoschka's reaction [German painter, professor at the Academy of Art, Dresden, 1918-24—ed.], who was in London, and also had to look on as an emigré, as Dresden and other German cities were bombed and completely devastated. He was deeply shocked, and almost became ill, because art works were being destroyed

Behind the slanders against Furtwängler

From Furtwängler's debut in America in 1925, until his death in 1954, the U.S. Eastern Establishment, and particularly its house organ the *New York Times*, subjected him to a campaign of villification and even death threats. As the greatest conductor of the 20th century, the representative of the highest tradition of German culture, Furtwängler was an intolerable threat to those who sought to stamp out the true classical heritage of Beethoven and replace it with "modern music"—the cult of irrationalism. Further, since the 19th century, the Anglophiles of the New York Council on Foreign Relations and other "elite" circles had determined to break the historical and cultural link between America and Germany, whipping up hysteria against "the Hun" and going so far as to ban the teaching of German during World War I.

These very "elites" who maliciously tarred Furtwängler as a Nazi, belonged to the international conspiracy of financiers and cultists that put Hitler into power, as the Schiller Institute documented in *The Hitler Book* (New York: 1984). Always in the vanguard, the *New York Times* promoted the Neville Chamberlain policy of appeasement of Hitler, until that was no longer acceptable to anyone.

Furtwängler wrote in a letter dated 1948, that the real leader of the slanders against him in the United States was Ira Hirschmann, an attaché at the State Department during World War II, who had joined forces with a clique around

the self-styled anti-fascist Arturo Toscanini. American musicologist Daniel Gillis, a friend of the Furtwängler family and author of the book *Furtwängler in America* (New York: 1970) wrote that Furtwängler believed that Howard Taubman, *New York Times* correspondent and biographer of Toscanini, was one of the key people involved.

Furtwängler had planned an American tour after the war, but this had to be canceled when he received an anonymous letter, threatening him with "fatal consequences" if he dared to conduct in Chicago: "Think about this warning carefully. It will be the only one."

Gillis establishes that the attacks against Furtwängler had already begun in 1925, when his first appearance in New York prompted a standing ovation from a wildly enthusiastic audience, which applauded for 15 minutes after the performance of Brahms' First Symphony. Members of the orchestra and other musicians proposed to have Furtwängler as a regular guest conductor in New York or even as chief conductor of the New York Philharmonic Orchestra. It was *New York Times* correspondent Olin Downes, with his slandering critiques, who played the decisive public role in sabotaging this plan.

Behind the scenes, it was the East Coast elite controllers of New York's musical institutions, who did the real job, by bringing Toscanini to the United States instead. (Toscanini was a product of the Venetian oligarchy that created Nazi "culture," and he personally ran for office in 1919 on the ticket of Mussolini's National Fascist Party.) This accomplished two things: It prevented Furtwängler from conducting in the United States, and it kept American audiences from understanding classical music in general and Beethoven in particular.

which were simply irreplaceable. Kokoschka would become terribly agitated over such things.

The German population was completely defenseless. During the day, the Allied bomber formations could be seen as they flew over; generally, there were no more anti-aircraft; the bombers could fly calmly over Germany and, then, when they reached their target, simply drop the bombs. Kokoschka never got over the destruction of Dresden.

Ibykus: One individual who helped Furtwängler during the last months of the war and advised him to escape was Albert Speer [Hitler's Minister for Armaments]?

Elisabeth Furtwängler: Speer had known Furtwängler from back in the Mannheim years, 1917 or 1918. At that time, Speer had been a young student who went to Furtwängler's concerts and simply adored him. Furtwängler had later seen him again in Berlin.

As for the warning, it happened like this. In January 1945, as Furtwängler was giving his last concert, complete with air-raid sirens, Speer came back to the green-room during intermission, and said: "Herr Furtwängler, I hear that you have been invited to give some concerts in Zurich and Geneva. Well now, I think you look rather miserable. I am sure that no one could take it badly if you were to take a holiday now in Switzerland."

You can imagine, how strenuous the regular trips between Berlin and Vienna on the train are by themselves; added to that, however, were air-raid alarms, war, and the constant fear. But Furtwängler wanted to go. An incredibly positive tension dominated his concerts. The tape recordings from 1942, '43, and '44 which still exist are among the most beautiful of Furtwängler's recordings. Because everybody was under such a tremendous tension, the artists as well as he and the public. Each time it was like a—perhaps this sounds like an exaggeration—but it was like a final holy service. More or less for everybody.

I still remember exactly how my husband asked me after the last concert: "Tell me, Speer said something to me today—do I really and truly look so horribly miserable and sick?" In the meantime, Furtwängler had, however, received other warnings, very clear warnings, which at first he didn't believe. He got most of them after July 20, 1944 [the date of the aborted German army coup against Hitler—ed.], three in all. And only when he noticed that he was being followed or shadowed did he have to take that seriously, and, after the conversation with Speer, draw the conclusions. So he didn't return to Berlin, but fled here to Switzerland.

As we learned in 1948 in Argentina, Speer had tried a total of three times to warn us—through his adjutant, a flight officer—against a return to Germany. These messages, however, had obviously been intercepted by the Nazis. The first warnings we received, incidentally, were from Mrs. Himmeler's doctor, who lived near us in Potsdam. She came one day to us and said: "You are on a list. I have seen the list. It is a list of 'unreliable elements,' with whom party members

are not allowed to have social contact. Please be careful." At first, Wilhelm had only laughed. But then, after July 20, 1944, she came again and warned Wilhelm more urgently, and said, "No one must see that I come to you."

Ibykus: Did Furtwängler have friends in Switzerland?

Elisabeth Furtwängler: Yes, many. But the two great people who did the most for us at that time were Ernest Ansermet in Geneva and Werner Reinhard in Winterthur. Although we had a house in Graubünden, that canton couldn't admit us because the influence of the Nazis there for the preceding 12 years had been too great, and, also, the canton didn't or couldn't admit any more Germans. But the Vand canton did admit us, principally because Ansermet and others interceded for Furtwängler.

Ibykus: November 1984 was the 30th anniversary of the death of Wilhelm Furtwängler, and, at the beginning of 1986, he would have been 100 years old. In between, 1985 is the "European Year of Music," in which we are celebrating the birthdays of Bach, Handel, and Scarlatti. In light of these "jubilees," the question is appropriate, what is Wilhelm Furtwängler's legacy, and will it be continued?

Elisabeth Furtwängler: Shortly after his death in 1954, there was, in spite of the mourning, actually a great enthusiasm for his work, and many musicians and conductors were very committed to him and came to understand him, above all Keilberth. And then everything was quiet. But now it's different. Since about 10 years ago, there has been something like a Furtwängler renaissance, especially internationally. Particularly among young artists. When recently Yo Yo Ma, the young Chinese cellist who lives in the United States, gave a wonderful Bach concert, he embraced me on leaving. That was meant for Furtwängler. When Murray Perahia was here, a young, fabulous pianist from New York whom I had not previously known, he asked especially for me, so that he could talk about Furtwängler, whom he admires so much.

And then, of course, there is Barenboim, to whom Wilhelm personally gave his blessing.

Ibykus: Did he teach Barenboim?

Elisabeth Furtwängler: No, not teach. Barenboim played for Wilhelm when Barenboim was a little fellow only 12 years old. Wilhelm was deeply impressed, and also put that in writing for him. Although Barenboim is accused of "furtwänglering" when he conducts, he is an incredibly talented conductor. Perhaps he is too talented for being so young—for the many who envy him.

Ibykus: You were recently in Japan. Is there great enthusiasm for your husband there?

Elisabeth Furtwängler: Yes, very much. What the Japanese are doing in relation to Furtwängler is on a gigantic scale, just like everything in Japan that has to do with music. Last year, two books were written about Furtwängler at the



*Wilhelm Furtwängler
rehearses in the Hamburg
Music Hall.*

same time, one by the musicologist Shidori and the other by the Germanist Ashizu. Shidori's book came out last October, just as I was there, and there are already 10 printings of it. The Germanist Ashizu released his book on Nov. 30, 1984, on the 30th anniversary of Furtwängler's death, and, by January, 42,000 copies have already been sold. Imagine, 42,000 in one month! Our publishers dream of that sort of thing.

All the lectures and essays that my husband gave or wrote are now in Japanese. Basically, there is not a word of Furtwängler that has not been translated into Japanese. That's what it's like in Japan.

Ibykus: You gave lectures in Japan?

Elisabeth Furtwängler: Yes, two. One in Tokyo, the other in Kyoto, and both were very well attended. Toshiba and one of the largest Japanese newspapers invited me and organized everything. Interest was extraordinarily great. The representative of the Goethe Institute told me that he had been asked by Toshiba to announce the lectures. "We had hardly begun to advertise when it was completely sold out. It isn't like that with the other events we give."

It was glorious, but very strenuous. Every hour was planned out, with lectures, visits, and interviews, for example, with women's magazines. Those 11 days were very interesting.

Ibykus: What is your relation to music; do you play an instrument?

Elisabeth Furtwängler: No, unfortunately not. Of course, I learned to play the piano early, but my field is the visual

arts. And Furtwängler also shared this interest. We went together to every museum, since we understood each other very well.

Of course, I was interested in music, and as a child went to all the operas. But because I concerned myself primarily with the visual arts, the enrichment of my life through music because of Furtwängler was and still is enormous. For example, Wagner was inaccessible to me, and that was changed by my husband. The entire greatness of Wagner and many, many others first became clear to me through him.

Ibykus: What was Furtwängler's relation to Wagner? Didn't he sharply reject him in his youth?

Elisabeth Furtwängler: Yes, in his youth he didn't want to have anything to do with Wagner—all that existed for him was Beethoven. And yet he is the only conductor whose picture does *not* hang in the Beethoven house in Bonn, as Furtwängler's outraged French devotees in Paris told me. But that only in passing.

Concerning Wagner, I could tell you a thousand things about how he came to know Wagner and to acknowledge Wagner's greatness. His first performance of Wagner was quite early; in Lübeck, he conducted *Die Meistersinger*. In Bayreuth, there was a row, with Toscanini, that is well known, but also with Winifred Wagner, because they claimed artistic leadership exclusively for themselves.

Ibykus: Is there a musical tradition in your family?

Elisabeth Furtwängler: Yes. My aunt, my mother's sister, was the first "Rosenkavalier" in the Berlin National Opera,

then the Royal Opera House. And, at home, there were many evenings of lieder and music, as was then customary. My mother was a politician, a deputy in the Reichstag for the Deutsche Volkspartei, Stresemann's party.

Of course, there had to be difficulties with the Nazis for a woman involved in politics. That was also true for my mother. She had never kept her mouth shut. She was not nationalistic, and at that time that was bad, although she did adore Bismarck. She was also a modern woman, and, for example, made me keep my hair bobbed. When I was 12 or 13, I had my pigtails cut off and gave them to her for Christmas. That was, oddly, very unpleasant for me, but I stuck to it. So, she was really hypermodern. But, of course, German.

Ibykus: And what was the music like later, in the Furtwängler family?

Elisabeth Furtwängler: When I got to know the Furtwängler family, he was the dominating husband, the others worshipped him, so to speak.

Ibykus: When was that?

Elisabeth Furtwängler: I met him in 1940, and we married in 1943. He was very secluded. He had three brothers and sisters. One sister sang with the Berlin Philharmonic Choir. His father was a good, a brilliant pianist; and he was very romantic, as his son used to say with a smile.

Ibykus: What was your musical life like, after you were married, primarily as the children grew up; did you perform music together?

Elisabeth Furtwängler: Naturally, Wilhelm played the piano at home and, naturally, our boy Andreas learned to play the piano. Unfortunately, when he started school, he stopped.

Furtwängler himself played a lot of Beethoven, that was so essentially his nature. Recently, someone asked me, "What did Furtwängler do when he wasn't working, how did he divert himself?" Well, about that, I can only recall that we took many trips to the mountains, and evenings, Wilhelm played Beethoven sonatas. But otherwise, he worked; he always worked.

Ibykus: Did he have anything like a favorite piece?

Elisabeth Furtwängler: No. Whatever he was playing, that was his favorite, so to speak. He had a quite particular affinity to Brahms, a great affinity even, but Beethoven was the ideal. He always said: "Good Lord, German music has such richness! I think it's terrible when someone says: 'I love only Schubert, I love only Mozart, I love only Bach.' Why? Because we can be so very happy that we have them all." I heard him say that any number of times. There are always people who say, "But this is really more beautiful." To that, he always said, "Yes, yes, when I play Bach, that is the most beautiful."

Ibykus: Has this tradition been continued by the children?

Elisabeth Furtwängler: At least in part. One of my older grandchildren is studying music here in Geneva. But I don't know if the Furtwängler legacy will be continued. Furtwängler himself used to always say that it is very difficult to be an artist. For, if someone understands much about music, but cannot produce it, as he would like, so that others can be really enriched by it, that will always cause suffering.

He often related the following example in this connection, and he stated this without the least vanity, merely basing himself on his ability: "I know that when I am not conducting the orchestra, the Berlin orchestra, then those will suffer most who know music best. For they are only happy when the most sublime interpretation is performed. With orchestras, there are always, let's say, 25% of the players who are the very best. Then there are another 25% who play very well. Then there are those who are only very musical and can do it, and then there are finally those who merely think that playing is merely their job and are really not interested, but are swept along with the others. Technically they are all perfect, relatively so, according to which orchestra one is standing in front of."

Ibykus: To return once more to your family: Was Furtwängler himself ever, like his father, interested in archeology?

Elisabeth Furtwängler: He was interested in almost all the arts, for example, in the Renaissance, in Michelangelo, and other painters. He always said how his father had been really somewhat disappointed that he had been so impressed by the Renaissance when, on the contrary, his father was naturally strictly for the Greeks.

But his father must have been a wonderful man. I asked Furtwängler once: "I hear constantly that your father's students are so fond of him and enjoy his lectures so much. Did you ever go to one of your father's lectures?" "Yes, once I went to hear Dad. But he didn't expect that of me at all."

And that's how Wilhelm was as well. He never wanted to force anything upon anyone, especially in matters of great art. And Adolf Furtwängler was himself musical enough to recognize his son's talent very early. Therefore, he excused him even from school. He was the wildest man. That really must have been the most impossible professor's home in Germany, since such homes were often rather stuffy.

Ibykus: Did your husband involve himself with other sciences?

Elisabeth Furtwängler: Well, I must say, I don't know, since I was his companion only in the last 13 years of his life and he was a man who—very seriously—lived each day as it came. He neither lived in the past nor in the future. He lived today. What counted for him, was what the problems are today. How Bach's *St. Matthew's Passion* speaks to us today, that is important. Not to perform it some way or other

just because we read somewhere how Bach performed the *Passion*. Of course, it must be done the way Bach wrote it, but still not in the sense that it has nothing to say to us today.

The historical way of considering music, he said, yes, that is all very interesting—for a historian of music, but not for contemporary human beings. For them, what is interesting is what it has to say today. Goethe once said: “Most men live in the past, or in the future; it must be very difficult to live in the present.” Furtwängler lived in the present.

Ibykus: Since you just mentioned the *St. Matthew's Passion*: What philosophical views did he have, was he a religious man?

Elisabeth Furtwängler: Yes, yes. It was quite impossible that Wilhelm not be a religious man. He wasn't a churchgoer, but he was religious, even a deeply religious man.

Apropos the *St. Matthew's Passion*, there is a story. He told me this before we were married. “You know,” he said, “this Weingartner, who wrote books on Beethoven, do you know what he selected to have played at his death bed? The final scene from *Aida*.”

Since I always found this passage from the opera so wonderful, I didn't say anything at all at first since I didn't want to make a fool of myself. Then I asked him, what would he want? And I shall never forget what happened then: the sudden change in his face. The ironical outrage over his colleague who had wanted something so superficial—for him superficial—suddenly vanished. “I,” he said with a complete transformation of his face, “I would say ‘Wenn ich einmal soll scheiden,’ [‘When one day I must depart’] from the *St. Matthew's Passion*.” I shall never forget that. The vast change in his expression. That's why I say, a religious man. He was that. Otherwise, he couldn't have conducted the way he did.

At his concerts, the people were a genuine community; they were captivated by what took place. And there was a religious component to that, there truly was. We can't get away from that. It was simply there without him directly intending it.

Also, when he spoke about religion, he said, “You know, for us, for Europeans, Christianity is obligatory. That belongs to us, it fits us, we are that. European, Christian.” That was something of which he was convinced.

Ibykus: Did he take any interest in scientific problems?

Elisabeth Furtwängler: Yes, he was madly interested in all that. I can still remember that he read an article on agriculture in a geological magazine. It was about the awful exploitation of the soil in the United States. He immediately began to think about a solution to the problem. “However, that is, after all, America. The experts there have to appeal to the government, and the farmers have to be told how it can be done differently and better, so the soil will not be leached.” He was also interested in contemporary problems. As I previously said, he lived in the present.

Ibykus: Was he interested in astronomy?

Elisabeth Furtwängler: He was enormously interested in astronomy, above all in spiral nebulae. He consumed entire whole books on the subject. He always used to say: “Imagine, there are whole worlds beyond our Earth, which is only a tiny part of all that. Each of these spiral nebulae is such a new world.” Yes, he was very interested in astronomy.

Ibykus: Who did he discuss all these questions with? Probably with you . . . ?

Elisabeth Furtwängler: Yes, he told me all that. But he read and discussed them with Oscar von Panther. Von Panther was also a conductor, and Furtwängler had conversations with him on those topics, I know that. Von Panther had been a friend from his youth, and was also very talented musically. He also wrote a small book on Furtwängler and the Ninth Symphony. He was a good friend of his.

Ibykus: Another friend was Heinrich Schenker?

Elisabeth Furtwängler: Yes, he was the most important man in Furtwängler's life in those days. My husband wrote something on that, and I also wrote of it in my book.

Ibykus: Yes, but could you add some personal things to that?

Elisabeth Furtwängler: Since Heinrich Schenker in Vienna had no telephone, Wilhelm always had to send him postcards when he came to Vienna and wanted to visit Schenker. Even at that time, that was very old fashioned. Usually these postcards, one of which is still in the posthumous papers, said only, “Will come at such and such a time. Don't take any trouble. Wilhelm Furtwängler.”

Ibykus: What did your husband and Schenker mostly talk about together?

Elisabeth Furtwängler: Beethoven, Beethoven, principally. Furtwängler had previously read a lot of Schenker, especially what he had written on Beethoven, and then he finally met him personally, in Vienna in 1917 or '18. And Schenker, I must say, he died—thank Heavens, one can only say—before the Nazis could kill him because he was a Jew. This Schenker was such a German, you can't even imagine. If what he wrote on German music, in contrast to other music, were written today, it would cause the greatest difficulties.

And who was exactly the same? Mahler. It was just that which always upset Wilhelm to the point of distraction. “The Jews understand us. And Mendelssohn is a German composer.” How often he said that. “Exactly like Mahler,” he usually added. But with Mendelssohn, there were two pieces for him. The music to Shakespeare's *Midsummer Night's Dream* and the Violin Concerto. “That is the most sublime peak, there, where the truly great are found,” he always said. Naturally, he also conducted the symphonies of Mendelssohn, such as, for example, “The Italian.”

Ibykus: Furtwängler was a defender of the tonal, well-tempered system. Mrs. Picht-Axenfeld told us some time ago that Furtwängler intended to establish composing in the tonal system as law, so to speak.

Elisabeth Furtwängler: Yes, and that was primarily with Ansermet. That was a great, late friendship. They always talked very intensely on that subject. There are even letters from Wilhelm to Ansermet in which they discuss that. And although Ansermet stood up for the moderns, still he emphasized along with Wilhelm that there can be no music without the tonal system. Naturally, I still have the letters from Ansermet to Wilhelm in which they discuss the questions of tonality. There was a sort of division of labor between them. Wilhelm always used to tell him: "You have to write the book and I have to compose. We will fight together, but each in his own field." Ansermet did write a large book on composition, very philosophical and also mathematical. Since it is difficult to read, he also did a small book as a summary so that it would be more comprehensible to laymen.

Ibykus: Were there others in addition to Ansermet with whom he discussed these questions?

Elisabeth Furtwängler: Naturally, there were many colleagues with whom he discussed these questions. But the one who really understood that, who also enriched Furtwängler, that was only Ansermet. With Schenker, of course, the discussion would have been quite different because of the difference in generations. Often Oswald, one of Schenker's students, also came and visited us here.

Ibykus: What conception of musical education did he have for children? Did he sing with them?

Elisabeth Furtwängler: Unfortunately, he had very little time for the education of his children. But my grandchildren are all very strong in singing. Not that they will become singers, but some of them do sing in a choir. I have five grandchildren who sing in a choir. They are passionate choristers. Unfortunately, Wilhelm did not live to see that.

Ibykus: Did your husband also sing?

Elisabeth Furtwängler: Wilhelm could not sing, he was always out of tune when he sang. Of course, that sounds funny when I say it like that, but it's true. There is a lecture by Hans-Peter Schmitz, which he gave on Nov. 30, 1984 to the Society of Friends of the Berlin Philharmonic, which has now appeared as a book. It's a very good lecture, and he says there that Furtwängler always sang along while conducting, "in which case it wasn't always important whether he hit the right note or not"—he put it so nicely. And it's true. There are not many conductors who sing well. One could sing well, genuinely sing, and he also sang along, and that was Josef Krips. He was the only one. No, Wilhelm could not sing, but his sister was a good singer, a choir singer, a mainstay of the choir.

Ibykus: In other words: If Furtwängler had had more time, to educate his children. . . .

Elisabeth Furtwängler: . . . he would have thought singing wonderful and right. Very much so. He would have found singing important because he always envied people who could sing because, as he always said, singing contributes to the improvement of mankind.

But he was also in favor of his children being physically active. He was always very much in favor of physical activity. Going up into the mountains, playing ping-pong. He always played catch with the children, and did all sorts of tricks. Afterward, the children said, "We put up with the tricks so he would continue to play."

Ibykus: Are the literary remains of Furtwängler in Zurich?

Elisabeth Furtwängler: Yes. No one in Germany asked me for them. Only Dr. Birkner in Zurich, who is, of course, a German. He became aware of me through a young American who was interested in Wilhelm's compositions.

The Central Library in Zurich is naturally not so large or comprehensive as the libraries in Vienna or Berlin. But the German libraries did not want the literary remains. Later, the Berliners said that they had no money. But Birkner in Zurich took it on himself, without any money, to concern himself with the complete literary remains of Furtwängler. I am very happy about that, because I know that it will be done properly, and people can go there and look at everything and study it, just like in large libraries.

Ibykus: How can the power of Furtwängler be continued?

Elisabeth Furtwängler: There is only one way. People have to listen to the things which he created. Moreover, it must come of itself. But interest is still very great—everywhere. Just think of Japan. I did nothing in this regard. And then came the invitation to give two lectures. Also, the leader of the symphony in Osaka conducted Furtwängler's Second Symphony in October 1984, and now, a few weeks ago, a Japanese musician came and brought me a record of this concert from his boss, a compact disc at that. In such a short time, all that was done. He succeeded with the First Movement wonderfully, and the orchestra is very good. And, besides, Furtwängler's pieces are very difficult.

Ibykus: Could you say anything about Furtwängler the composer?

Elisabeth Furtwängler: He oriented himself completely to the sonata form, even for the symphony, as Beethoven and Brahms had done. Exactly as he said, that tonality has not been exhausted, he also said that the sonata form is something in which something can be expressed. Even today, something can still be created.

Ibykus: What can you do, and what are you doing, to preserve the memory of your husband?

Elisabeth Furtwängler: I have perfect pitch; not musically,

but for what is said about Furtwängler. Thus, I can say: Yes, that's true. Exactly that is true. And that, no, it wasn't like that. For example, recently someone, to characterize Furtwängler's attitude toward young artists, began his presentation with the unctuous words, "My dear young friend." Quite false, Furtwängler never said such a thing. He generally had nothing of the pastor about him; he was never pompous. Very friendly and nice in contact with young people whom he helped wherever he could, but never with exaggeration. He hardly needed to emphasize his power.

And so, there is one thing I can do as long as I live. To say: That is true, that isn't true. And when I am asked, as you are doing now, then I can say: Everything, that I have said and told, is true.

One man who characterized Furtwängler brilliantly was Hans Keller, a Jew from Vienna, who lived a long time in London. Keller vividly described Furtwängler's temperament in a radio broadcast, when he strikingly imitated Wilhelm's reaction to Keller's question about Webern's and others' atonal music. "He suddenly pounded on the table, and ran around like a young man, and . . . he said everything what you expected he would say! [*sic*—quotation in English in the original—ed.]" And that was so good. And so right.

And so you ask, what do I intend to do? Well, I stand, as is so beautifully said, ever vigilant, ready to prevent anything

false being said. There will be much false that will be said in the future, and even more will be falsely understood.

It is wonderful to see how people from all social levels and political camps all become unified when it is a question of Furtwängler and his music, even if they otherwise hit each other over the head and are of quite different opinions. But in regard to Furtwängler and what he meant to them, then there is a unanimity.

Ibykus: Are preparations being made for next year, the 100th anniversary of his birth?

Elisabeth Furtwängler: Yes, in Vienna, Paul Badura-Skoda will perform his Piano Concerto, and the radio station will present his *Te Deum* and the posthumous Third Symphony, conducted by Yehudi Menuhin. In Berlin—how wonderful!—Herbert von Karajan will direct the Furtwängler Memorial Concert. It will be a premiere, since he had never, up to now, conducted a concert in honor of Furtwängler.

Ibykus: Are you planning anything for your husband's 100th birthday?

Elisabeth Furtwängler: No, I'm not planning anything myself. I collect. If I were to plan something, that would be contrary to Furtwängler: "My wife may not expose herself to rebuff."

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State Department guns for civil war in Philippines

by Linda de Hoyos

The presidential campaign in the Philippines, between President Ferdinand Marcos and opposition leader Corazon Aquino, is fast gaining in intensity, as voting day on Feb. 7 nears. As of the middle of January, the U.S. State Department has displayed its full-fledged support for the opposition ticket, shared by Aquino, widow of the slain opposition leader Benigno Aquino, and her vice-presidential running mate, Salvador Laurel, scion of a major oligarchical family that governed the Philippines during the days of the Japanese occupation.

For the Philippines and for the United States, the State Department policy is a disaster. If the State Department scenario prevails, the Philippines will be hurled into civil war and the U.S. bases at Clark Field and Subic Bay will be withdrawn. That is precisely the State Department intention; the Philippines is being sacrificed in the new Yalta deal between the State Department and its counterparts in the Kremlin.

The opposition ticket declared Jan. 4 that if elected, it will work to turn all of Southeast Asia—the U.S.-allied nations of ASEAN—into a neutral zone. The opposition further pledged that it would maintain only those agreements entered into by Marcos that cohere with its idea of national security. The presence of the U.S. bases on the islands “is an open option.” The lease rights for the bases runs out in 1991.

But it is unlikely that if Aquino is elected Feb. 7, the U.S. bases would last that long. Since New Year's, Aquino has pitched her campaign to the left in the Philippines—as *the natural base for her campaign*. She is working with Cardinal Jaime Sin, patriarch of Theology of Liberation left-wing in the Philippines, to attempt to negotiate a ceasefire between

the government and the terrorist New People's Army.

Marcos has also charged that Aquino's brother-in-law Agapito has offered the separatist Muslim Moro Liberation Front a deal for full secession of the island of Mindanao and the Sulu Archipelago, if the Front comes out for Aquino. It is definitely known that Aquino recently met with Moro leaders. Aquino has also promised that if elected, she will release all political prisoners, including the many communist terrorists and their protectors incarcerated by the Marcos government. She vowed that if the communists “renounce violence,” she will bring them into the government.

President Marcos's declarations that the election is a “struggle between democracy and communism” precisely express the reality. If Aquino is elected, it will be the left in the Philippines that dictates the terms to the government—until such time as the Aquino-Laurel combination is itself swept out of government.

That is the scenario the State Department has elected for the Philippines.

Set-up for Marcos

On Dec. 14, Philippines Political Affairs Minister Leonardo Peres accused the American Central Intelligence Agency of interfering in the elections, and stated that “certain high U.S. embassy officials have played a key role in helping certain political groups form a presidential ticket.”

State Department and embassy conduct toward the Philippines proves Peres to be correct. It was the United States that pressured Marcos to call the elections in the first place, claiming that in this way, the President could polish his tarnished international reputation by winning a new mandate.

State Department intervention began when U.S. Ambassador Stephen Bosworth forced Aquino and Salvador Laurel to sit down and iron out their differences—after both had announced that they would run separately. A divided opposition would have had no chance or credibility against the well-oiled local and grassroots machine of the ruling KBL party. To further boost the opposition, it has been reported from sources throughout Southeast Asia and Washington that the Aquino ticket has been the recipient of \$30 million from Washington, laundered through Hong Kong.

In Washington, State Department desk officer John Mais to is working closely with Sonny Alvarez's Ninoy Aquino Movement, and is considered "a darling" by the NAM staffers. "Of course he has to follow some lines of the official line that they [the State Department] have," but "he tells us some reports and that sort of thing."

The embassy in Manila has made no attempt to hide its preferences. After Aquino campaign staffers complained loudly that they were being denied equivalent time on the national television networks, on Jan. 13, Bosworth stepped forward to state that the opposition's equal access to the Philippines media is "an important test" in determining whether next month's election is credible. "Everyone here as well as in the United States," he intoned, "is concerned over the need to ensure that all of the voices in the opposition have an adequate opportunity to be heard." Bosworth delivered the State Department's declaration to cut Marcos, and the Philippines, loose: The United States, he said, would have "serious difficulty" dealing with a government elected in a contest not viewed as credible.

Simultaneously, from Washington, the House Foreign Relations Committee announced that it was launching an investigation into evidence that Marcos has personally bought property in the United States worth millions of dollars. This allegation, first aired by the CIA-connected *San Jose Mercury News*, was used to give the flagging opposition a new lease on life this summer. The Asian and Pacific Affairs Subcommittee, chaired by Soviet-Mossad asset Rep. Stephen Solarz (D-N.Y.), announced that the report on its investigation will be out within the week—available to plaster over the international press before election day.

After this announcement, the front page of the *Washington Post* Jan. 17 aired "U.S. intelligence reports" that Marcos is in the throes of another attack of the disease lupus and according to their sources, "looking terribly fatigued and exhausted." Marcos's health, the *Washington Post* chortles, is "one of the critical wild cards in the election." However, on page 17, the *Post* runs an op-ed by Evans Novak reporting, "Haranguing a crowd of 60,000 in this oppositon stronghold [Naga City] for one hour and 25 minutes, the 68-year-old Marcos scarcely looked like the Manila-bound invalid supposed in Washington. He went on to Legaspi to deliver another stemwinder to about 40,000, this one lasting over an hour."

The point of the reams of disinformation coming from

Washington is to prepare the climate in which Washington can protest a Marcos election as "not credible"—signaling civil war for the Philippines.

Violence and counter-violence

The escalating cycle of violence and counter-violence between the NPA and the military is now closing in on the election itself. On Jan. 15, one of Marcos's personal pilots was gunned down as he stepped out of his home near Manila. The assailants reportedly took from his pocket a paper with Marcos's flight schedule during his campaign tour.

On Jan. 16, Jeremías de Jesús, a godson of Mrs. Aquino, also on her campaign staff, was killed along with his driver, while driving on a dirt road outside of Manila. The State Department issued an immediate statement deploring the action, declaring: "We deplore the killing and hope that those guilty are brought to justice swiftly," the implication being that the killers were deployed by the Marcos machine.

That is not necessarily the case; such violence does not benefit the Marcos campaign. Ramsey Clark, who works with the Ninoy Aquino Movement in the United States, declared to an astonished associate that President Marcos could be assassinated, but that the real danger was to Cory Aquino. Questioned as to who would mount such an assassination, Clark replied: "It can be from anywhere. It can be from, well, 'crazy' is not a kind word but conditions like this generate a lot of very disoriented people, which I have always felt was really behind the Martin Luther King or the John Kennedy assassinations." As U.S. attorney general under Lyndon Johnson, Clark knows only too well the fraudulence of the "lone nut" theory of assassinations of major public figures. The question is posed: Is Clark cognizant of, and perhaps in on, a plot to make a bloody martyr out of the politically naive Cory Aquino?

Clark represents precisely that anglophile interface to Soviet intelligence that has orchestrated the destabilization of the Philippines from the beginning—perhaps including the traumatic murder of Benigno Aquino himself. On Nov. 23-24, Clark played a prominent rôle, along with leading figures from Moscow and East Germany, in a so-called "Nuremberg Tribunal" in West Germany against the proponents of the Strategic Defense Initiative.

Whether Clark and his gang go so far as to target Mrs. Aquino herself, there is no question but that the way is being prepared for massive violence after Feb. 7, no matter who the victor is. The leftist Bayan party declared Jan. 17 that there is "no chance at all" that Aquino will win, and they will mount a major campaign of protest against the Marcos government after the elections. Bayan leaders blamed the United States for an expected Marcos victory.

In the first instance, a clear-cut Marcos victory is required to avert such violence. But if the United States does not reverse its current treasonous policy toward the Philippines, it will become increasingly difficult for even a newly mandated Marcos government to bring stability to the country.

World Cup soccer tainted by mafia, Kissinger, as '78 scandal widens

by Mark Sonnenblick

The story began nearly eight years ago, and is still unfolding:

- On June 9, 1978 a suitcase containing \$250,000 in cash was dispatched to Lima from Bogota by Gilberto Rodríguez Orejuela, a cocaine mafia chieftain now jailed in Madrid pending extradition to the United States.

- On June 21, 1978, Henry Kissinger sat with Gen. Jorge Videla, sentenced in December 1985 to life imprisonment, and the other members of the Argentine junta, cheering as the crack Peruvian soccer team miraculously turned itself into a sieve, allowing Argentina to score 6 goals to 0 for Peru. That inexplicably oversized victory enabled Argentina to become the World Champion and created a climate of euphoria which enabled the corrupt and butchering junta to remain in power several years longer.

- A few days later, the Argentine Peronist magazine *Línea* accused the regime of having bribed the Peruvian team in return for dropping its defenses. Peruvian defensive player Manzo confessed there had been an "extra-football" deal, but was soon shut up.

No receipts signed by Peruvian players, nor Kissinger pawprints on the \$250,000, have been discovered so far. But *EIR* found enough evidence to merit further investigation and to raise serious questions about today's Roman circuses known as sports championships.

The Bogota suitcase would have remained a secret had not a lawyer involved with it been appointed mayor of Bogota last Dec. 11. The scandal which resulted was sufficient to force Diego Pardo Koppel to resign on Jan. 10. This particular suitcase never made it to Lima. Avianca accidentally put it on a flight to New York, where it was discovered by U.S. Customs. Diego Pardo later admitted that he was hired by Gilberto Rodríguez for testimony before Judge Irving R. Kauffman in support of Rodríguez's efforts to retrieve his money. On the basis of Pardo's testimony, Judge Kauffman, now chairman of President Reagan's Commission on Organized Crime, ruled in 1981 that the mafia had a better claim to the \$250,000 than the Colombian government. That judgment was overturned in 1983 after the mafia refused to bring the supposed owner of the suitcase, one José A. Fonseca, to New York for deposition, on the grounds of the Fifth Amendment.

In his comical efforts to explain his conduct, Bogota mayor Pardo wrote to *El Tiempo* on Dec. 18 that Gilberto Rodríguez "model 79" was a respectable banker. He also asserted that he had been persuaded to help Rodríguez by "a top political leader," whom he refused to name. Pardo had been appointed Colombia's superintendent of foreign exchange control in 1977 by President Alfonso López Michelsen, a Kissinger favorite. This winter, as the scandal grew against the mayor, López Michelsen's influential radio chain drummed over and over the line expounded by the ex-President's son, that Pardo should only be criticized "under judicial norms, not on moral precepts."

Kissinger's revenge on Peru

Henry A. Kissinger made Lima, Peru, his only stop on the way to Buenos Aires on June 20, 1978. He held a private meeting at the airport with U.S. ambassador Harry Schlaudemann, his protégé and most adept specialist in covert operations. It was the first time Kissinger had stepped foot in Peru since, on Feb. 18, 1976, the then secretary of state had been forced to sit through a long indictment of the evils of his foreign policies delivered by General Miguel Angel de la Flor, Peru's nationalist foreign minister. Kissinger was so enraged being mortified by Peru that he terrified Peru by proclaiming a "special relationship" with Brazil two days later, his aide Luigi Einaudi later confided.

Now, it was Kissinger's turn to laugh as Argentina ravaged the Peru's national champions 6-0. Argentina went into the crucial game needing to win by more than 4 goals to break its tie with Brazil and go to the finals, an easy match against Holland. Kissinger's heart must have dropped as Peruvian Juan José Muñante bounced the ball off the Argentine goalpost after 90 seconds of play. Though Muñante kept fighting for goals, he found no support from his dispirited teammates. Argentina, which had scored no more than 2 goals in previous cup matches, came out with 6. Brazilian coach Claudio Coutinho, whose efforts came to naught by this foul play, called a press conference to accuse Peru of having made a deal to throw the game.

Peruvians believed the same. The returning team had to land at a provincial airport to avoid a lynch mob waiting for

it in Lima. Some suspected that President Francisco Morales Bermúdez had an arrangement. Morales Bermúdez was indebted to Kissinger for facilitating the 1975 military coup which had ousted Gen. Juan Velasco Alvarado and put him in power.

Though happy, Kissinger was not surprised. On arrival at the Buenos Aires airport that morning, Kissinger pontificated with a diabolical smile which few understood. "I don't know much about football, but Argentina will be the champion." Once again the soothsayer was showing off his great wisdom, just as he did when he predicted to Italian Premier Aldo Moro and Pakistani Prime Minister Ali Bhutto that they would meet violent deaths for opposing his policies.

Kissinger gloated, "I also think this World Cup has projected a good image of Argentina toward the world. Your country has made tremendous progress." After the streets of Buenos Aires filled with euphoric masses celebrating the triumph, President Jorge Videla proclaimed, "Our visitors will no doubt be honest witnesses to their countries of our true reality, without the intentional deformation of an international campaign of falsehoods. . . . Sport was, this time, the road to extract, like never seen before, the sentiment of national union and common hopes of peace, union and fraternity."

The special agency created to prepare for the World Cup

spent \$520 million, not counting airports and other infrastructure, in game preparations. Most of that money was never accounted for. Gen. Omar Actis, an army construction expert known for honesty, was assassinated 48 hours before he was to head the agency, and a bomb exploded at the house of a finance official who had challenged the expenditures at the exact moment Argentina scored its fourth goal against Peru.

The mastermind of "Operation Argentina Champion '78" was Navy junta member Adm. Emilio Massera, with whom Kissinger held a 50-minute secret meeting on June 24, 1978, UPI reported. Massera was later exposed in Italy as the key Argentine in the Propaganda 2 (P-2) Freemasonic lodge terrorism and banking scandal. Massera was sentenced to life imprisonment last Dec. 9, for having supervised the torture center at the Navy Mechanics School, located in the shadow of the stadium where Kissinger sat next to him cheering Argentina's final victory. After all the evidence was in, he was convicted on numerous counts of homicide, kidnapping, torture and theft, which took place before, during and after the World Cup.

Kissinger had sat in the junta's box with Massera, President Jorge Videla, Brigadier Orlando Agosti, and Treasury Minister José Martínez de Hoz. Videla was also sentenced on Dec. 9 for even more brutal crimes in the 1976-81 "dirty



AP/Wide World

Look who came for soccer! Henry Kissinger arriving at World Cup Match in 1978 with Argentinian President Gen. Jorge Rafael Videla (l.) and Navy Chief Adm. Emilio Eduardo Massera (r.). Videla and other members of the Argentine junta are now behind bars; Kissinger's still on the loose.

war" than Massera and given perpetual reclusion, with hard labor and solitary confinement. Agosti, the air force junta member, was sentenced to only four-and-a-half years, since the air force under his command had fewer proven cases of barbarism.

Kissinger's best friend in Argentina, the Oxford and Harvard-educated de Hoz, has miraculously avoided being jailed, although more than one judge has put out a warrant for his arrest for "economic sabotage," under charges that at least \$5 billion of the \$35 billion in foreign debt with which he saddled Argentina during his five years in office is fraudulent. Although he is still on the loose, de Hoz's properties are under judicial embargo. De Hoz was not tried in the "dirty war" which covered up the multiple economic crimes of the "Patria Financiera" he represented, despite the facts that hit lists naming victims were found in his office.

Kissinger helped Warner Communications of Atlanta invest the lucre earned from promoting pornography and the rock-drug-sex counterculture to import soccer star Pele from Brasil to play for its New York Cosmos in 1975, and to make Trilateral Commission member Jimmy Carter President the next year. After Warner hired rock star Mick Jagger as "international consultant" to the Cosmos in 1978, the press corps found Mick and Henry loitering in the locker room after games. "It's difficult to resist not coming to the games," Jagger told *The New York Times*.

Argentina '78; Mexico '86

The World Cup finals will be played in Mexico City in June. Once again, Kissinger has his hands on the ball. In May 1983, he got himself appointed chairman of the U.S. World Cup Organizing Committee, ostensibly to get the games held in the United States. Aside from having President Reagan kick a soccer ball around the White House lawn, Kissinger did nothing.

After all, Kissinger's Mexican allies wanted to host the games for the same reasons as Videla and de Hoz. They became the winners of the contest Mexican President Miguel de la Madrid held among his entourage in 1982-83 seeking ideas on the best way "to entertain" the Mexican people while applying International Monetary Fund austerity. The narcotics and money-laundering mafia associated with former President Miguel Alemán and with Kissinger proposed hosting the World Cup. With the help of Kissinger and FIFA mobster Guillermo Cañedo, they got the federation to break its own rules.

So, while the Mexican population is beginning to suffer severe malnutrition and almost all productive projects have been canceled, several hundred million dollars are being lavished on putting on a World Cup extravaganza in June.

At the players' entrance to Mexico City's Aztec Stadium, there stands a 10-foot-high altar with an inscription which embodies Henry A. Kissinger's Aztec religious beliefs: "GOD AND FOOTBALL, SPIRIT AND WILL."

Spain: a referendum for 'decoupling'

by Leonardo Servadio

Politically, it is a big year for Spain. It has just joined the European Community; it will hold European Parliament elections in June; next October, the national political elections are coming up. But first, this spring, possibly in March, the Spanish people will have to vote for or against being part of NATO.

It is an absurd referendum. Twice already, the Spanish parliament has expressed an absolute majority, including the government and most of the opposition, with the only exception of the Communists, in favor of NATO. In 1981 Spain decided to join NATO. In 1982, the Socialist Party swept the national elections with the promise to hold a referendum on NATO and an electoral platform opposed to NATO. Then, Socialist Prime Minister Felipe González changed his mind, and is now apparently campaigning in favor of NATO, but he sticks to the idea of holding a popular referendum, the exact date of which should be announced in February, in connection with a parliamentary debate on foreign policy.

'Overcoming dependence on the U.S.A.'

Prime Minister González is playing a key role in the Trilateral Commission's game of "decoupling" Europe from its strategic alliance with the United States. "Anti-Americanism is very much an issue. NATO, conceived as a European security alliance, would not trouble Spaniards," wrote W. Pfaff in the *International Herald Tribune* of Jan. 8, expressing the essence of the Trilateral policy. That point has been made by Felipe González over and over: "Europe should overcome its dependence on the U.S. in security matters," declared González at the International Conference on the Future of European Unity in Madrid on Dec. 16. And the theme of European and, in particular, Spanish, independence from the United States is used extensively by González in the statements he makes in favor of NATO: "Yes to NATO but in our own way," says González.

To prove how independent from the United States he considers the role of Spain, González stated in mid-December that if the United States did not leave the military bases it holds on the Spanish territory of its own accord, he would unilaterally shut them down. Also in December, the Spanish government published a study indicating that it wanted the United States to leave its air force bases in Spain, although,

it would accept a temporary reduction of 50%.

The Pentagon immediately answered that the number of U.S. soldiers in Spain should not be cut. But immediately thereafter, negotiations started between U.S. State Department and Spanish representatives on a partial withdrawal of U.S. troops. The results of those talks are not known, but the general line seems to be that if the referendum went in NATO's favor, the U.S. objection to cutting its troops in Spain would vanish. This is exactly the Trilateral Commission policy of establishing a "European NATO" separate from the U.S.A.

A variation of this plan was floated by the Washington think tank, the Heritage Foundation, several months ago, around the idea that if Spain would also militarily join NATO, (González's stated policy is to stay in NATO but *not* to join its military command), it might at least partially replace the U.S. troops, which are bound to leave Europe under the decoupling policy. As usual, the "conservative" Heritage Foundation's line is oddly congenial with Soviet policy toward Europe.

A grotesque aspect of the situation is that at the same time it started to negotiate U.S. troop withdrawal, the Spanish government announced cuts in its military budget, which has been increased by only 2% from 1985 to 1986, far below an inflation rate of 8.3% per year.

If González wins the referendum he has called for, that will be considered a victory for his concept of an anti-American, Papandreou-style NATO, and his power internally will be massively fortified. If he loses the referendum, that will be used to push Europe to accelerate the decoupling from the U.S.A., alleging that Spain didn't reject NATO, but America's NATO, leaving open the idea that Spain would be ready to join a European defense which were somehow separate from the U.S.A.

Spain in the southern tier

Spain is a key country to control the Mediterranean Sea, through the Straits of Gibraltar and the Baleari Islands, and, in case of war, is the key for an air bridge between the United States and the eastern Mediterranean. A Spain formally in NATO, but in an anti-American position, would create an untenable situation for the West, since it would duplicate in the western Mediterranean what Greece's Papandreou is doing in the eastern Mediterranean. Naturally, a Spain out of NATO would represent the greatest advantage for the Soviets and for Qaddafi.

The opposition parties have been put in a very difficult situation by González's referendum policy: since, apart from the Communist party, they are predominantly in favor of NATO, if they want to push Spain in NATO, they are bound to support González. This would make González a sort of national hero above the parties. To avoid this, they are calling for people to abstain.

When Lord Peter Carrington, the NATO secretary-general and a "decoupling" advocate, visited Spain at the end of

December, González reiterated that he would consider the result of the referendum binding for his government. So, if he loses the referendum he will take Spain out of NATO; the opposition will call for him to step down and call for early elections; and the debate which will follow will be used by the Communist forces to rev up anti-NATO feeling.

Open door to terrorism

The decision to make the referendum binding is an important part of González's destabilization policy, since referendums in Spain are constitutionally only consultive, not binding. This step toward "direct democracy" has a great relevance in connection with the fact that Spain is the motherland for regionalism, especially in Cataluña and the Basque provinces, where there is a strong drive to call a regional referendum with the power to decide on creating an independent state.

These regional independence movements play a prominent role in Moscow's policy to destabilize the region. The famous Basque terrorist group ETA is nothing but the most extreme expression of these regionalist groups. On Dec. 27, 1985, the International Conference of the Stateless Nations of Western Europe met in Barcelona. One agenda item was the legitimacy of armed struggle, which was approved by everybody present, with the pretense that "every kind of struggle has to be respected." All the separatist movements from Europe and many other areas in the world were in attendance.

Through these movements, Moscow, directly or through Libya's Qaddafi, will try to stir up maximum anti-NATO activity around the referendum. Leading elements in the Basque Catholic Church, notoriously soft on the ETA terrorists, are pushing in the same direction. At the end of December, the Social Secretariat of the Dioceses of Navarra and of the Basque region issued a communiqué criticizing the Socialist government for having changed its mind on NATO, and insisting that the referendum on NATO has to be binding. Days later, 25,000 young people were organized by the Basque Church into a conference pushing for a global disarmament mobilization, led by the strange "Brother Roger," leader of an "ecumenical community" in Taizé, France, where Christian priests and monks of various denominations live together.

Such movements generate the social environment necessary for Moscow and Qaddafi to push through their policies of upheaval. The Spanish military security service warned in late December that the Mokhaberat, the Libyan secret service, was likely to move its European command center, from Rome to Madrid.

In the same period, the Spanish liberal press put on the front pages photos of the handful of peaceniks who staged anti-NATO demonstrations during Lord Carrington's visit. That is exactly the kind of climate Carrington would want, to push through his project for decoupling.

Who's afraid of Mrs. Thatcher?

by Laurent Murawiec

That minor differences among two British Cabinet ministers on whether an ailing British helicopter manufacturer should be rescued by associating itself with either of two competing industrial consortia, should have led to the resignation of the defense secretary, and shape into possibly the worst political crisis suffered on her home ground by Mrs. Margaret Thatcher, simply reveals that the affair that exploded around the rescue of the Westland firm, and the resignation of Michael Heseltine, has very little to do with helicopters.

The suspicion looms large in London that "Tarzan," the nickname awarded to the ex-defense secretary by London's popular press, would have resigned on any pretext, ranging from trivial squabbles to his "monumental rejection" of signing an agreement with the United States on Anglo-American SDI cooperation, which the prime minister forced him to do last December.

On Jan. 9, Heseltine stunned his ministerial colleagues by storming out of a Cabinet meeting, announcing his resignation to the policeman usually assigned to guard the front door of 10 Downing Street, hastily convening a press conference hours later to assail Mrs. Thatcher, and splashing himself on the front pages as the forthcoming challenger for leadership of the Conservative Party, and the prime minister-ship.

"Is it the beginning of the end for Thatcher?" asked grandly *The Observer*, the country's leading liberal Sunday weekly. Many commentaries noted that Heseltine's manner of quitting was unprecedented in 20th-century history, that he had shown greater courage than the many closet opponents of "one-woman-rule," that many a disgruntled Tory backbencher not-so-secretly now would rally around the blonde mane of Tarzan, and that in short, Mrs. Thatcher, who is trailing in the polls—many a poll was swiftly taken within minutes, one may say, of the flap breaking out—had for the first time found a political rival her size in the Conservative ranks.

True enough, since she booted defeated Prime Minister Edward Heath from his leadership of the Opposition, and successfully contested the 1979 elections, Mrs. Thatcher had

effortlessly bounced all of her internal opponents. Lord Carrington had to find shelter abroad; his companion Sir Ian Gilmour took refuge in back-bench mutters; Jim Pryor held out longer, only to be offered Carrington's succession as chairman of General Electric Co.; Norman St-John Stevas had to seek a cultural job; sacked defense minister Francis Pym mounted last year a cultural job; sacked defense minister Francis Pym mounted last year a lamentably ineffective caucus named "Center Forward," and a few other political corpses went to oblivion as years went by. All received from the prime minister and her chorus the unenviable title of "wets."

"Wets" meant two things—which Mrs. Thatcher is now going to have to disentangle in her own mind. On the one hand, the "wets" were the Keynesian and post-Keynesian opponents of the wild "monetarist" policies she followed, politicians who opposed their own brand of deindustrializing disaster to hers. They were "wet," so the Thatcherite theory went, because they did not have the guts to pursue the policy-prescriptions authored by the clique of Friedrich von Hayek, Milton Friedman, and other ideologues of the anti-industrial society. On the other hand, "wets" has a deeper meaning which Heseltine's coup is bringing to the fore: The "wets" are the political frontmen of the British Liberal Establishment, properly identified with the Chatham House policy establishment—the Royal Institute for International Affairs—and its American offshoot, the New York Council on Foreign Relations. This Liberal Establishment runs the Foreign Office, and has its spokesmen in the major British media—*The Economist*, the British Broadcasting Corporation, the *Financial Times*, etc.

Now, why should this Liberal Establishment suddenly grow tired of Mrs. Thatcher? The spokesmen provide the answers: Former RIIA director David Watt, now a columnist for *The Times*, said on Jan. 10 that "Europeanism versus the Atlantic 'special relationship'" was the real, underlying issue of the break. Heseltine had snapped because of "his real commitment to a European defense identity . . . [and] his suspicion of American domination." Heseltine had always "signally failed to hit it off with Caspar Weinberger . . . he was initially reluctant and sceptical about British participation in President Reagan's Star Wars 'bonanza,' and the fact that he was outmaneuvered by the prime minister and obliged to toe her line on that issue probably fueled her determination in this case."

Wanted: an 'Anglo-European'

True enough, the *issue* on which Heseltine—or whoever pulls his strings by promising him a great future as a statesman—*chose* to fall, is not truly the Westland case, but an issue that can be summed up as "Anglo-American" versus "Anglo-European." The minor battle for the company involves a bid by a Sikorsky-Fiat group against a European consortium. But what matters is the extraordinary anti-Amer-

ican outburst Heseltine indulged in in Parliament on Jan. 15—which had the unmistakable hallmarks of the “independent Europe” rhetoric that usually goes along with “New Yalta” and decoupling talk: “The issue [is] the relationship of Britain with its European and American allies within NATO . . . the issue is about the [NATO] relationship, whether it should be one of partnership . . . the political processes in my view will be uncontrollable if on either side of the Atlantic the tensions developed whereby either side felt it was disadvantaged by the processes of the Alliance.” America would technologically swallow Europe.

The tirade is underscored by an intervention, a few weeks before the Westland crisis broke out in London, from EC Commissioner for Industry, Trilateral Commission executive member Karlheinz Narjes, who “gave a warning that Britain could be shut out of European helicopter deals *and military projects* if Westland went into partnership with the United States. . . . The Europeans would not only refuse to cooperate with Westland but boycott its products if they went ahead with the American deal” [emphasis added—ed.]. Narjes recently addressed a circular letter to European high-technology companies threatening them with a similar treatment if they joined the SDI, since this would have constituted a “violation” of the “priority” assigned to the empty Eureka project. On Jan. 7, the Socialist defense ministry of France distributed hints of the same sort on Westland case.

The Times of London swiftly picked up the undertone in the crisis opened by Heseltine in a Jan. 16 editorial: “The prime minister’s enemies may well be thinking now that there is some deep and undisclosed reason why she lent her weight to the Sikorsky proposal as she is alleged to have done. The talk turns to Star Wars. . . .” and further that “the nastiest taste [of the affair] which may linger longer than any but Britain’s enemies would wish, is the exploitation by Mr. Heseltine above all of growing anti-American feeling. . . .”

It should not be surmised, based on the above, that Mrs. Thatcher has been a paragon of pro-American virtue. We have not failed to pinpoint some very dubious aspects of policies followed in the last year, from the Middle East to the SDI. However, a more fundamental issue is now raised, in the context of the transformation of the Reagan White House into a lame-duck regime: Since Reagan will go at the very latest in 1988, Mrs. Thatcher, whose “handling” of the American President had not dissatisfied the Liberal Establishment, can and must go too. The British Liberal Establishment wants to resume in full the “European” game, “a Europe equidistant from the superpowers” in the framework of an American military disengagement from Europe as advocated by Z. Brzezinski, H. Kissinger and company. Mrs. Thatcher is too heavily “marked” in the Atlantic direction to be useful in running that game. She must go, the powerful Liberal Establishment has decided, and be replaced by a European-minded, Trilateral creature of some sort.

Michael Helestine, nicknamed “Michael Philistine” by his Oxford contemporaries, appears to have been picked up as a front-runner (or at least as a crucial factor in weakening Mrs. Thatcher) because, contrary to the pitifully ineffective “Whig” patricians and aristocrats of the wet bag, Carrington, Gilmour, Stevas, Pym, he enjoys great grass-roots popularity in the Conservative Party. “Tarzan” has roused the annual party congresses at Brighton with fiery speeches liturgically attacking Labour’s “socialism,” the “militants, the Trotskyists, the trade unions,” which provides great comfort, if little enlightenment, to the Tory electoral machine. The challenge, this time, is from within. As David Watt reports, and as many London sources reported in the last few months, “It has been virtually impossible to talk to any minister or senior official outside the cabinet office for many months without hearing another tale of woe—about prime ministerial high-handedness, about Downing Street interference in detailed departmental matters. . . . Irritation within some parts of the cabinet is now frothing over in this affair.”

Heseltine, described in the press as “a closet wet,” will be setting up his ambushes, notably in the case of severe Conservative defeats in upcoming by-elections and local elections. Conveniently released polls place the Conservatives a poor third, with 29.5% of voting intentions, compared to Labour’s 34% and 35% for the so-called ‘Alliance’ of the Social Democrats (SDP) and the Liberal Party. Thatcher’s authority will be further eroded by a public inquiry into the Westland affair to be held by the House of Commons’ Select Defense Committee.

Labour leader Neil Kinnock, an inept leftist phrase-monger, has refurbished his image toward a more “moderate” rhetoric, to come closer to the “Alliance,” led by Trilateral Commission member David Owen and Liberal David Steel. Along with the Tory “wets,” such are the outlines of a future government coalition which would revert, after six or seven years of a passing ideological phenomenon called “Thatcherism,” to Edward Heath’s stridently anti-American “European” option of the early 1970s. The defection of Tory MPs Enoch Powell and Ian MacLeod in 1963, and Powell’s 1974 call to vote Labour, are being conjured up as an example of Conservative in-fighting leading to Opposition victory.

If Mrs. Thatcher wants to survive, she will have to move against the Liberal Establishment, which may take more “iron” than whatever else she’s done so far in her career. This would allow the British government to cooperate in SDI, and the West to avoid the swing of Britain to a Trilateral government in the short period before the coming U.S. presidential elections. This would be a good way for her to draw the lessons of the fate of Richard Nixon in 1974: It was not anything that he had done *per se* that provoked American Liberal Establishment to oust him, but the mere fact that he had ceased to fit their specifications. Apparently, the same circles have reached the same conclusion concerning her today.

Qaddafi devil cultists captured as South Americans begin crackdown

by Gretchen Small

Members of a satanic cult which worships Libya's Colonel Qaddafi as its "Messiah," are being arrested, charged with running drugs, and with kidnapping, molesting, and brainwashing children, in a police sweep against the "Children of God" cult in Colombia, Ecuador, and Peru.

In Peru, the crackdown against the Children of God has opened a new flank in the war against the narcotics economy which had seized control of the country. Political leaders and officials of the Catholic Church have now joined forces in a crusade against the entire spectrum of gnostic, irrationalist cults which blossomed during the past decade.

Dope, Inc., EIR's groundbreaking book on the narcotics cartel, argues that international narco-terrorism is organized on the basis of the satanic cults, of which the vaunted "crime families" are merely extensions. EIR's contention was demonstrated in the case of Colombia, where it was the godfather of the dope mafia, Alfonso López Michelsen, who, during his term as President, legalized the Gnostic Church which established the M-19 narco-terrorists as their private army. Now, with the Children of God, the same principle of operation has been established.

Freedom of religion will be respected, Peruvian Justice Minister Luis Gonzáles Posada promised on Jan. 15, but "religion" cannot be a cover for crime. "If it is proven that members of a cult are responsible for crimes, they will be sanctioned with the full weight of the law." An authentic witchhunt has begun. The cult crackdown is no "Peruvian" matter. What is now unfolding in South America is the counter-offensive against the forces of pagan imperialist evil, begun by the Vatican at the recent Extraordinary Synod.

One week before the Synod opened, Joseph Cardinal Ratzinger, head of the Catholic Church's Congregation for the Doctrine of the Faith (once the feared Holy Office), publicly charged the Rockefeller family with financing the promotion of "other Christians" in Ibero-America, to undermine and replace the region's dominant Catholic morality.

The Peruvian judicial investigations and police actions against the gnostic cults, are beginning to produce the needed court evidence for international prosecution of the criminal underworld of cults, narcotics, and "free enterprise."

Child sacrifice

The first crack in the "Children of God" network, operating also as the "Messengers of God," came on Dec. 31, when Colombian police raided a house in Bucaramanga run by the "Messengers of God," freeing a 17-year-old Peruvian girl who had been captured by the cult. Ten members arrested in the raid were found to be of various nationalities, including Colombians, Ecuadorians, Chileans, Paraguayans, and Spaniards. A simultaneous raid was carried out by police in Quito, Ecuador, and raids immediately followed in Peru.

Newborn babies are used as the centerpiece of the cult's clandestine rites, Colombian authorities report. Older children are also captured, given drugs, and forced to participate in orgies, Peruvian police found when they raided the cult's luxurious house in a neighborhood of Lima on Jan. 10. Six children were found in the house, along with cult literature depicting Biblical figures fornicating, accompanied by exhortations on how such acts are the correct path to "know" God.

The Peruvian girl freed in Colombia was so brainwashed that she did not recognize her father when she was brought back home. Peruvian police are now searching for some 2,000 children reported missing in the past year, believed captured by the cult.

The cult's centered its activity in Peru in the prime drug-production areas, investigators found. The cult was found to have just established an "ant-styled" drug-trafficking route in Cuzco, Peru. International "tours" to visit old Incan ruins were organized, offering rituals dedicated to Halley's Comet, hyped as a "heavenly sign" that the world is coming to an end. Each participant was then given a small amount of cocaine by the "priests," to carry back to his country of origin.

From Qaddafi to Belaúnde

Cult founder David Brandt Berg began as a fundamentalist preacher in the 1960s, first operating as a minister in Luis Palau's Missionary Alliance. He began the Children of God in 1968, in the cult-spawning center of southern California. Like other gnostic cultists, Berg warned all but his "chosen"

would soon die in the great Apocalypse, to occur after 1989, and probably in the year 1993. Berg's world was Manichean: When the reign of God is restored, Satan, too, will live again.

In 1970, Berg went to Israel and applied for citizenship, claiming he contained some "Jewish blood." It was after that, that Berg turned pro-Arab.

Charges of child molestation and kidnapping against the Children of God go back to at least 1972, when an attempt by a number of U.S. parents to rescue lost children resulted in a public scandal. Nor were their ties to Qaddafi, which one U.S. book reports go back to 1973, kept secret. Qaddafi considers the Children of God "the new prophets," while he is viewed as "one of God's chosen ones," sometimes called "Godhafi," a mutual admiration aided by financial support from Libya. In 1980, Qaddafi built a spiritual center to honor his "Children of God."

None of that stopped the government of Belaúnde Terry from legalizing the Messengers of God in the 1980s. President Belaúnde Terry not only legalized the cult, but his ministry of economics included the cult on the list of "non-profit associations," to which private business could make tax-free contributions. Lima daily *El Nacional* reported on Jan. 15. *El Nacional's* front-page exposé said that investigations by the attorney general had discovered that several high-level officials of the last government participated in meetings held at the just-raided Lima house of the sect!

A second article in *El Nacional*, on Jan. 16, revealed that a cult called "The Heavenly Dimension" operated out of the National Palace during the Belaúnde administration, in which President Belaúnde, his wife, his wife's brother, and various cabinet ministers took part. The President regularly called upon members of the cult for advice in "confused" political situations, *El Nacional* states, cautioning only that "the Heavenly Dimension" differed from the "Messengers of God" in its practices, but an overlap in membership between the two cults has not been ruled out.

Among the "other Christians" promoted by Belaúnde was the American "king of television preachers," Rev. Jimmy Swaggart, a former gambler "born again" with the desire to become a multi-millionaire through marketing of a carnival style of "preaching" and "country-rock gospel" records. Swaggart had been thrown off several U.S. television stations, because of his violent anti-Semitism and diatribes against the Catholic Church, but under Belaúnde, Swaggart came personally to Peru—often to preach in English—and was allowed hours of television time for his "message."

Preachers of voodoo economics

Swaggart belongs to the kook wing of the Republican Party known for its worship of the "Invisible Hand" and "the magic of the marketplace." Any country which adopted the "free enterprise" model promoted by this crowd in the past period, such as Belaúnde's Peru and Edward Seaga's Jamaica, became an area of operation for Swaggart. Here econom-

ics and satanic "morality" come together, producing in the case of Jamaica the concept, "voodoo economics." The government of Seaga, a former voodoo priest, has been promoted internationally as the economic "model" of development by David Rockefeller.

The economic policies of Seaga and Belaúnde were similar. Seaga's first economic measure was to legalize the flow of drug-monies through Jamaica, as he personally announced, bring your money in, "no questions asked!" In Peru, it was the same ministry of economics, of Rockefeller ally Manuel Ulloa, which provided Qaddafi's drug-running cult "tax-exempt status" and rammed through legislation allowing foreign monies to enter Peru, no questions asked—and guaranteed free of prosecution!

Swaggart returned to Peru Jan. 12, to tell Peruvians to prepare to accept the coming end of the world. Before 50,000 people in Lima's stadium, Swaggart thundered, "There will soon be illness, pestilence, war and death. That's what God told me, and I have said that it's fine that that happens so that everything is in its place," Swaggart raved. This time, the government of Alan García did not receive him with open arms. Warning that Swaggart was planning his return to Peru the Lima daily *Hoy*, known to be close to Peru's justice minister, called upon the government to curb the proliferation of cults "whose sole goal is the recruitment of fanatic proselytizers," in a Jan. 8 editorial. Such pseudo-religious cults are characterized by a hatred of humanity, science, medicine, and education, another article in *Hoy* explained, which cited the Hare Krishnas; the Tradition, Family and Property sect; and Reverend Moon and his CAUSA group, as examples of this irrationalism.

Political and Church reaction to the reappearance of Swaggart makes clear Cardinal Ratzinger's charge against the Rockefellers has not been relegated to the academic world. "Sects and Colonialism" was the title *Hoy* gave its editorial on Swaggart and the cults. Another daily, *La Cronica*, called Swaggart a "false prophet . . . who lives like a king," and noted that the former Louisiana gambler has a physical resemblance to "Nelson Rockefeller."

Swaggart is one of a number "of illuminati, charlatans, and mentally ill who are fooling the people," Bishop Luciano Metzinger, president of the Catholic National Social Media Commission, warned. The Bishop urged people to remain calm, confident that those who use God's name to predict catastrophes are "twisting the spirit and content of the teachings of Jesus." Bishop Metzinger has given full support to the government's crackdown against the Children of God. Before Swaggart's arrival, the bishop gave a Jan. 8 interview warning that such sects as the Mahi Kari, Seventh Day Adventists, and others, work to impose "passivity" upon their members, so that their leaders are substituted for God.

Will they burn witches in South America? *EIR* cannot predict the answer. but we do recommend that advocates of "Voodoo Economics" think twice before traveling there.



For a nonviolent solution to South Africa's exploding crisis

Mr. Nyaose is the exiled founder of the liberation movement in the Republic of South Africa. He is president of the Federation of Free African Trade Unions of South Africa (Fofatusa), was founding chairman of the Pan-African Conference of South Africa, and was a founding member of the Inkatha liberation movement, which is currently led by Chief M.G. Buthelezi. He was interviewed by Nicholas F. Benton, on EIR's Washington, D.C. radio program.

EIR: Mr. Nyaose, you are the founder of the liberation movement of South Africa. Please tell us a bit of the history of this.

Nyaose: The liberation movement in South Africa was born on March 21, 1960, by the Pan-Africanist Congress and Fofatusa. We launched the liberation movement; all other movements in the country had refused to join hands with it. The founding of the movement today is known and honored by the United Nations as the Sharpeville massacre of March 21, 1960.

EIR: Bishop Desmond Tutu is in Washington, D.C. this morning. He has been given a lot of publicity, as a spokesman on the anti-apartheid struggle in the Republic of South Africa. He was asked on a number of occasions, what are his real solutions to the problem of apartheid—solutions which will not make the Republic of South Africa simply ungovernable. I don't think he really answered that question. Since your credentials as a founder of the liberation struggle in South Africa go back a lot farther than his do, what is your view of this? What are your current efforts to achieve a rational solution to the current crisis? We can also discuss, of course, the fact that this occurs in the context of very dangerous Soviet designs upon that part of the world.

Nyaose: We have said it time and again, that the time is right for finding a solution to the South African dilemma. The South African dilemma cannot be solved by violence, disinvestment, and in-fighting between whites and blacks, and between blacks and blacks. It is a colonial dilemma; it is a system introduced in South Africa by the British government. And it will be solved by no other authority, with power and legality, except the British government. As long as South Africans, white and black, are still shirking their responsi-

bility of asking the British government to give the country a constitution that will enable the communities of South Africa to forge a new South African society themselves, we will go on exterminating one another.

EIR: So you're saying that the solution lies in the direction of creating a constitution that would allow a peaceful transition to a majority-rule government?

Nyaose: Mr. Benton, I have been involved in solving disputes all my working life. I solved the dispute between Swaziland and the British government in 1964; I played a leading role in finding a solution to the Zimbabwe problem, which had plagued the United Nations for 14 years. When the death rate in that country increased, I was touched by it, as a citizen of a neighboring state, and offered my services and helped the British to find a solution. We did it—we did it in one year. And I say we will do it again in South Africa, given time and opportunity, and assistance.

EIR: You seem to represent an optimistic view. Do you think that a move toward a black majority-rule government in South Africa is under way, with your efforts, those of Chief Buthelezi, and the organizations that you represent? Are the efforts of the African National Congress, the ANC, really disruptive, are they undermining this capability?

Nyaose: We are certainly going to solve this problem by peaceful means, by a negotiated settlement, with Chief Buthelezi and all other movements that will support a peaceful settlement. I have been attacked before, by people who had heard rumors, and to be specific, by some officials in the ANC, for advocating a peaceful solution in South Africa. They said they don't want any negotiations. But I am glad that their leader today, Mr. Oliver Tambour, has actually said that they want negotiations. But, unfortunately, he says nothing about the leaders of the South African liberation movement, who created the liberation movement in South Africa when all other parties were still engaged in a struggle for concessions from the Pretoria government.

EIR: So now we have the situation, in which the Soviet Union has a massive military buildup in Angola, with Cuban troops and Soviet personnel and equipment. There is Soviet

influence within the ANC—we can note the role of a Joe Slovo, a Lithuanian who is a card-carrying communist, and who was in Angola on Dec. 9, speaking at an MPLA party congress about backing the Soviet struggle to take over all of southern Africa. He is, perhaps, the top man controlling the ANC at this point. How can the threat that is represented by this Soviet strategic designs on southern Africa, be fended off in the current situation?

Nyaose: The Soviet Union is involved in southern Africa, because there is the liberation movement, among others, which has invited them, to assist them. Those who have invited them, now have to be asked to ask them, *not* to get involved. They are not our problem. They are a problem of superpowers. They say they are involved, because South Africa is assisted by other superpowers; therefore, the solution here is that the Western powers, and, in particular, the United States, should offer the Soviets a solution, that they as superpowers should both withdraw. And the people of South Africa will continue and solve their problems.

EIR: In other words, you are calling for the complete and total withdrawal of all superpower involvement in the southern African situation? And under these conditions, you are confident that the majority of black South Africans will support the program that you are talking about, that is, a constitutional reform that would bring into power a black majority-rule government?

Nyaose: I want it to go on record, that I was the first South African to denounce apartheid; in January 1949, I denounced apartheid in South Africa. I prophesied that apartheid would eventually lead to bloodshed between blacks and whites in South Africa, and I called upon the whole world to oppose apartheid. And I have a duty to the international community, if I think I have a solution to apartheid now, to say, yes, we have a solution. And indeed we do have a solution. Our movement, with Chief Buthelezi, has a solution. We need the backing of the international community.

EIR: Since Bishop Tutu just held a press conference here a couple of hours ago, what remarks do you have to make to him, as he begins his tour in the United States?

Nyaose: My message to Desmond Tutu is that the problems of the people of South Africa will be solved by themselves, provided they talk among themselves. And when I say, talking among themselves, I mean that they should know what is the cause of the struggle in South Africa. The struggle in South Africa was over apartheid, but apartheid can only be solved when the colonial cause of apartheid is solved. It will not be solved by demonstrations; it will not be solved by disinvestment; all these are side issues, as beneficial to others, but not to the people of South Africa, who are now dying for the cause. And we detest the idea that the struggle should be sabotaged, by the newcomers into the struggle! We want them to honor those who started the liberation movement for them. And the struggle must be solved now—not tomorrow.

I want it to go on record, that I was the first South African to denounce apartheid. I prophesied that apartheid would eventually lead to bloodshed between blacks and whites in South Africa, and I called upon the whole world to oppose apartheid. . . . Our movement today has a solution, but we need the backing of the international community.

EIR: You say that the solution to apartheid is to solve the cause of apartheid in the first place, which is British colonial policy? And that that can be done by creating a truly autonomous, sovereign nation, with its own constitution, which reflects the actual conditions in that country—that is, a black majority-rule government?

Nyaose: Exactly.

EIR: Bishop Tutu did not address the question of an actual solution. In fact, he has been on record saying that the only role that he would support, for the struggle against apartheid in South Africa, is to make that country ungovernable. What is your reaction to this, and to the fact that he asserted in the press conference this morning, that Chief Buthelezi, as he put it, is simply part of the “system,” and therefore not qualified to really comment on this struggle?

Nyaose: Those who know the implications of the phrase, “making the country ungovernable,” would have never made that mistake. Who will negotiate with the black South Africans the new system, an agreed system for a new South Africa—when the white society itself has become ungovernable?

EIR: What about his comment that nobody should pay attention to Chief Buthelezi, because he plays too close to the hand of the government there?

Nyaose: The stage of fighting homelands is over. Because leaders in South Africa, particularly the liberation movement, did not oppose effectively the creation of the Bantu homelands. Even the government in South Africa today knows, that the homeland system will not work; but the question is, the government expects *us* to say what will work. The government says it is doing the things it is doing, because it has got no alternative. And it is prepared to talk to the leaders, if they have got an alternative. But you don't talk by violence!

Who is really sinking Pemex?

The oil union had the audacity to tell the President that the World Bank mafia controls the oil industry.

In an episode which has caused more consternation than serious analysis, the secretary-general of the Oil Workers Union, José Sosa, told President Miguel de la Madrid on Jan. 8 that the national oil company, the country's major source of foreign-exchange earnings, has been mismanaged into a state of disaster. "There is still time to stop the crisis, spending less on paperwork and offices and spending more on food production and employment sources. If Pemex sinks, the President will sink, we will all sink, [including] the country. We are not pessimists, but it is the only thing that still defends us from foreign and internal pressures."

Flabbergasted, the Mexican President answered that the oil union should not fall into catastrophic alarmisms which lead nowhere. "I don't agree with what Mr. José Sosa said about Petróleos Mexicanos being weak and in danger of a catastrophe." He insisted that Mexico's difficulties are caused by "deficiencies in its economic political and social structures."

But the next day, the secretary-general of the powerful Mexican Confederation of Workers (CTM) defended the charges of the oil union leader. Speaking to 40 leaders of the Oil Workers Union, Fidel Velázquez said: "To tell the truth is to try to help the one who has in his hands the destiny of the country. . . . The CTM uses the same vocabulary."

At this historic meeting, the 20 speakers, one by one, reiterated So-

sa's charges, all targeting the mismanagement of Pemex. Federal Deputy Alfredo López Ramos, from Oaxaca, refuted Guillermo Prieto Fortun, the treasury undersecretary, who two weeks earlier said that all Mexicans are to blame for the crisis. "We deny this fallacy. The only ones responsible for the crisis are the inept, the speculators, the looters, and those who do not know how to administrate the nation adequately."

Most political commentators here in the capital have considered this petroleum conclave as an overt provocation "to the system." There were even some who called Joaquín Hernández Galicia "the strongman" of the Oil Workers Union, and a "counter-revolutionary and traitor," for having been the intellectual author of such temerity. And since Sosa referred to the lack of investment in maintaining plants, the cited scribblers say that this problem does not come from the crisis, but is the result of the monumental projects and drillings which Pemex has been carrying out.

What these well-paid scribblers are trying to hide, is that the oil workers' charges were not made to create a head-on clash with the President, but to try to put an end, once and for all, to the monetarist mafia, which, in the hands of Pemex director Mario Ramón Beteta, is destroying Pemex—and with it, the country.

The story is simple. Mario Ramon Beteta, ex-treasury secretary under Presidents Luis Echeverría and Joé

López Portillo, was the "spoiled child" of the international financial oligarchy. His political godfather, Antonio Ortiz Mena, director of the Interamerican Development Bank (AIDB), has been organizing financial warfare against the country which kept him from becoming President.

Ortiz Mena has his tentacles all over the national finance companies and Pemex. His political godfather, in turn, is Carlos Salinas de Gortari, the present planning and budget secretary, who is tied to him by marriage. It turns out that Ortiz Mena's wife is the aunt of Salinas de Gortari, the man whose job it is to cut the budget and everything that comes into his grasp, whenever the International Monetary Fund barks.

Salinas de Gortari has been recently accused of bankrolling a new book signed by the politician Héctor Aguilar Camín, which insinuates that oil unionist Joaquín Hernández Galicia ordered the assassination of journalist Manuel Buendía. In Mexico, it's no secret that the main anti-labor mouthpiece, particularly against the oil union, was the recently deceased Jesús Reyes Heróles, protector and ideological mentor of Salinas de Gortari.

That's not all. Two years back, Ortiz Mena ordered Pemex to set up an office in Washington. He put in charge of it none other than his son-in-law, Mr. Gutiérrez Kirshner, who was first secretary of the Mexican embassy in Washington during the days of the close friend of Ortiz Mena, then-Senator Hugo B. Margáin (also an ex-treasury secretary and failed presidential aspirant). This Pemex office has nothing to do with trade. Rather, its chief function seems to be that of keeping up ties with the State Department, to undermine and denationalize this critical industry—just as the oil union has charged.

Zia lifts martial law in Pakistan

It is part of a grand plan which may or may not be merely a paper scheme.

Finally, General Zia ul-Haq, the President of Pakistan, did as he promised when he seized power in a 1977 coup. On Dec. 30, he lifted martial law in Pakistan, amending the 8½-years-old martial law order to transfer powers to the prime minister, Mr. Mohammed Khan Junejo.

It certainly can't be called a restoration of democracy, the demand of the opposition spearheaded by the outlawed Pakistan People's Party, founded by Zulfikar Ali Bhutto, the man General Zia overthrew. But it is part of General Zia's plan to fashion an alternative, what he calls "Islamic democracy" in Pakistan. One cannot fault the meticulous persistence with which General Zia has pursued his plan. It remains to be seen if what looks credible on paper as a political step-up will actually take root in the soil.

The lifting of martial law culminated a series of maneuvers begun a year ago when elections to constitute a new parliament were held simultaneously with a referendum which established General Zia as President until 1990. The controversial elections, boycotted by the 11-member opposition coalition, the Movement for Restoration of Democracy (MRD), were held on a non-party basis to elect the 237 member national assembly.

Then, in October, the partyless assembly cast the first of two critical pieces of legislation to pave the way for lifting of martial law—the so-called Indemnity Bill, a constitutional amendment which pardoned the 1977 coup and validated most of the martial

law orders General Zia had issued since then.

To allow consensus passage of the bill, Zia accepted a compromise limiting the right he had conferred on himself as President to dissolve the assembly, and acceded to the election of the prime ministers and chief ministers of the provinces after 1988. Appointment of the provincial governors, it was further agreed, would be made in consultation with the prime minister and not at the President's sole discretion.

Zia had earlier dropped his plan to create a national security council of five army chiefs, six civilians, and the appointed chief ministers to act as a super authority in case of constitutional breakdown. He had also bowed to several other compromises, including withdrawing the demand that MPs approve without consideration the government Political Parties Act, which provides for the revival of political parties in the country.

Compromises notwithstanding, General Zia remains in a position of overwhelming control through at least 1990, and he has managed to further his goal of destroying the PPP, the largest opposition party which is a professedly secular party. The Political Parties Act ultimately passed in November permits the revival of political parties, but only through a process of registration to begin one year hence, in which many exacting criteria are to be met. One such criterion is the requirement that the parties' operation is in no way prejudicial to Is-

lamic ideology.

But while the general has managed not to drown, he hasn't exactly begun swimming yet. His dilemmas are several, as indicated in the apparent attempt to revive the Muslim League as the ruling political party of the land. The group has been moribund since 1958, when Ayub Khan established the first of Pakistan's martial-law regimes. That individuals associated with the Muslim League did well in partyless assembly elections boycotted by the active major parties a year ago does not speak for its viability or credibility as a political vehicle. Less so when one considers the deep-rooted if not well-led opposition ranging from the PPP to the Muslim fundamentalists of the Jamaat-i-Islami.

In the vacuum, the forces of fragmentation and fanaticism dig in. Although the Muslim fundamentalists—of the Jamaat-i-Islami—were rather decisively defeated in the assembly elections, their role as guardians of the faith, which General Zia purports to be enshrining in the state, and their potential to act as a conveyor belt for the surges of mullah-ism in the neighborhood, makes them a potentially explosive force.

The fundamentalists, have, for instance, joined cause with the secularists of the MRD to challenge Zia's insistence incorporated in the Indemnity Bill that no activity of the assembly is subject to judicial review—not even to the judgment of the Supreme Shariat Court.

The PPP has admittedly been set back, and is now reportedly threatened with a split. But the result will tend to be a devolution toward greater accommodation with localist, separatist tendencies which have already gained significant ground in the Sind and Baluch "liberation" movements.

Will a new France emerge?

The expected bashing of the Socialists in the upcoming elections could cause an earthquake in French politics.

France may be the epicenter of one of the first political earthquakes of 1986, when national legislative elections take place this spring, probably during March. This earthquake could shake up the precarious European political situation in a positive way.

In the results that would be most favorable, the emerging new French government would support cooperation with the United States on key strategic issues, including the Strategic Defense Initiative. There are also voices being raised, among "Gaullist" circles who should have a substantial impact on the next government's policies, for France to return to its traditional commitment from the period of Charles de Gaulle's presidency, to actively promote development of the Third World, and to reject policies of economic liberalism in favor of a "dirigist" approach to national economic policy.

There is no reasonable doubt at all, that in the elections for the approximately 500 seats in the Chamber of Deputies, the currently ruling Socialist Party will suffer a major defeat, and lose its majority to "the Opposition," a blanket term covering four major political formations. These are the Rassemblement Pour la République (RPR), the party that formally carries the legacy of de Gaulle, and which is headed by Jacques Chirac, the mayor of Paris; the "Giscardiens," one of the significant formations in the coalition called the Union pour la Démocratie Française (UDF), congregated under

former President Valéry Giscard d'Estaing; the "Barristes," the followers of former Prime Minister and Tri-lateral Commission stalwart Raymond Barre, mainly congregated within the social-democratic wing of the UDF, but also in other parties; and the National Front, the party of Jean-Marie Le Pen, which has catered to the baser populist/racist reactions of wide segments of the French population, under conditions where France's economy and living standards are collapsing.

Should the "Barriste" and Le Pen components of the Opposition achieve only mediocre results, as is likely, that would create the preconditions for a nationalist, pro-defense government to come into being, especially under conditions where the issues of the election are, more and more, being shaped by the intervention of a candidates' movement of the Parti Ouvrier Européen, the co-thinker organization in France of Lyndon LaRouche.

Whether or not this most-favorable result transpires, the expected bashing of the Socialists will certainly begin to clean out some of the most obnoxious elements in the current French situation. Here is why:

France has a hybrid presidential-parliamentary system, a kind of mixture of the American presidential and European parliamentary forms. President Mitterrand himself is *not* up for election, and there will not be *presidential* elections until 1988. This seems to bear a similarity to the Amer-

ican process, in the sense that an American President can co-exist with a "hostile" Congress, that is, a Congress under majority control from the opposing political party. The difference in France is that, if the President's own party is defeated in the legislative elections, the President's *government*—or Cabinet—must be dissolved, and he must, then, "co-habit" with an "opposition" government.

In this situation, barring one or two exceptions, Mitterrand will be obliged to agree to the removal of his ministers from their posts. Most happily, this means that Interior Minister Pierre Joxe will be out of his job, by as early as March. Under Joxe's reign, the interior ministry has been used to carry out open warfare against the traditional branches of the French intelligence services, among the best in the West.

Particularly in the "Greenpeace Affair," Joxe's ministry has been the source of repeated leaks to the press, including the unprecedented practice of *naming* the French intelligence officers allegedly implicated in blowing up the Greenpeace radical-environmentalist group's *Rainbow Warrior* ship in a New Zealand port in July 1985.

The backlash against Joxe for the Greenpeace Affair, in fact, is one of the contributing reasons for the expected Socialist debacle in the coming elections, and, as election day approaches, it is not excluded that new information on Joxe's activities in the Greenpeace affair will further damage his credibility. Joxe is also widely hated for his protection of Soviet-linked terrorism in France.

Given that Mitterrand's number-one driving force is his presidential prestige, it is not to be excluded that, under these conditions, he may make more and more political concessions to his "Gaullist" opponents.

Politician gives Moscow a hard time

Why is Soviet propaganda heaping such venom on parliamentarian Jürgen Todenhöfer?

Immediately after the Geneva superpower summit, General Secretary Gorbachov's propaganda coordinators relaunched a campaign against alleged "West German revanchism," on a scale not seen since 1984 and early 1985. This time, the press attacks are not against generalized "revanchist tendencies," but are targeted against specific politicians, notably Christian Democratic parliamentarian Jürgen Todenhöfer.

In one recent example, *Krasnaya Zvezda*, the newspaper of the Soviet Armed Forces, denounced Todenhöfer as the spiritual heir of Hitler, Goebbels, and John Foster Dulles!

What has Todenhöfer done to merit such an extraordinary outpouring of rhetoric? Quite a bit: He is one of the key obstacles in the Federal Republic to Soviet plans to "decouple" Western Europe from the United States and to install a government of the Social Democrats and the Greens that would "demilitarize" the country. A vigorous supporter of the U.S. Strategic Defense Initiative (SDI), Todenhöfer is also an outspoken opponent of the Green Party and a critic of the Soviet occupation of Afghanistan.

Todenhöfer, who is chairman of the Disarmament Committee of the Bundestag (parliament), is a staunch advocate of the idea that Bonn should sign a government agreement on SDI cooperation with Washington—an agreement which has so far been successfully opposed by the Bonn foreign ministry. Todenhöfer contributed a policy paper to this effect to the June

15-16, 1985 Krafft A. Ehrlicke Memorial Conference of the Schiller Institute in Reston, Virginia, titled "SDI—With the Europeans."

In a recent interview with *Die Welt* newspaper, published on Jan. 9, Todenhöfer warned, "If the primary issue of the negotiations is economic questions, and the security interests of the Federal Republic are not taken up, then that turns the priorities of German interests on their head, and I do not think that is acceptable."

The second reason for the Russians' wrath is that Todenhöfer has insistently pointed the finger at the Red Army's cruelties against the population of Afghanistan. In a statement on Dec. 27, 1985, for example, he called the Soviet conduct "cynical and merciless," saying that the world must no longer tolerate such "genocide." But "the sad truth," he added, is that "many Western political figures have responded mildly to the Afghan tragedy, only so as not to endanger their good contacts to the Soviet Union."

Todenhöfer has visited Afghanistan several times, and stayed with the resistance fighters to get a first-hand impression of the genocidal policies of the Soviets in that country. About one year ago, the Kremlin's official spokesman Leonid Zamyatin threatened, "We'll kill that guy Todenhoefer the next time he shows up again in Afghanistan." Zamyatin's threat coincided with news that, when Todenhöfer stayed in Afghanistan over the Christmas 1984 period, he barely escaped a Soviet ambush.

The Afghanistan issue drew the particular fire of *Krasnaya Zvezda* (*Red Star*) in several recent issues dedicated to attacks against Todenhöfer. Major-General Korsun charged, in an article dated Jan. 10, "Some evil-minded anti-Soviets close to the Bundestag deputy Todenhöfer, Bundeswehr Major Kotny, and some others, as well as West German journalists, repeatedly and illegally penetrated Afghanistan" to gather intelligence on the "brutality" of the Soviet forces against the Afghan population. "The jesuitical calculation here is that somebody might believe such a colossal lie. . . .

"Not only Hitler and Goebbels are their spiritual forerunners. . . . But also the former Secretary of State John Foster Dulles, one of the organizers and backers of the Cold War."

Radio Moscow had previously charged Todenhöfer with the backing of "broader reactionary circles in Bonn," conspiring with "armed bandits" (meaning the Afghan resistance fighters) for the "overthrow of the legal government of Afghanistan" (meaning Moscow's puppet Babrak Karmal).

It was Todenhöfer's opposition to the Soviet-backed Greens which drew the particular fire of *Pravda*, the Soviet Communist Party newspaper. In a Jan. 7 commentary, it called him "one of the extremists of the CDU/CSU right-wing bloc." What incensed *Pravda* was that Todenhöfer had requested dossiers from the Bonn interior ministry on the links of the Greens to terrorism.

Evidently it was not in the Kremlin's interest to have a debate on the Greens surface in Germany, just days after the terrorist attacks on the airports of Vienna and Rome—perpetrated by terrorists backed by Qaddafi, who also boasts of financing the Green Party.

International Intelligence

Peruvian President calls for Ibero-American unity

President Alan García has called for the creation of a "Latin American executive," the first step toward which must be a summit of the continent's heads of state.

Speaking at the opening of the Latin American Parliament in Lima on Jan. 16, García said: "If America already has its parliament, it now needs a meeting of Presidents which can take on the substantive problems, the first of these being the foreign debt, and the second being disarmament. . . ."

"It is impossible for us to continue looking at one another in enmity, in rivalry, remaining a continent in which consciousness of its own unity has not yet been born. . . . As long as we are not united, each day that passes is one more day of treason against the people of Latin America."

García insisted that through the unequal exchange of Ibero-America's raw material exports for capital goods, the debt "has already been paid many times over," and the continent's foreign debt today "reflects and encompasses the subordinate, dependent, and colonial history of Latin America. Without a total, absolute, and final response to the problem of the foreign debt, democracy is mere appearance, mere formality."

Jerusalem magazine: Qaddafi is a Jew

Libya's virulently anti-Semitic dictator Muammar Qaddafi is, by strict interpretation of Jewish rabbinical law, a Jew. So claims the Jerusalem Orthodox Jewish magazine, *Erev Schabbat*, according to a news release from Agence France-Presse published in the Jan. 11 edition of West German daily *Frankfurter Allgemeine Zeitung*.

Erev Schabbat, in its "Leaks" column, published the story of an Israeli woman born in Libya, Shulamit Bormeli, who claims she was told by her mother: "In Libya, there were two young and beautiful Jewish wom-

en, Zemirada and Razellalah, whose father had died young. One day, Sheikh Ibn Lind-schi came to their village and kidnapped Zemirada. He brought her into an oasis near the Tunisian border, where both lived and raised children. The son of Zemirada, is none other than Col. Muammar Qaddafi."

Erev Schabbat cites Shulamit Bormeli: "The declared enemy of Israel is, according to rabbinical law, himself a Jew."

Whatever his origins, the dictator and anti-semitic is indisputably unhinged. France's *Le Matin* newspaper published an account in January, of a visit made by Qaddafi to Vienna in March 1982, to meet with then-Chancellor Bruno Kreisky. Qaddafi used the occasion to consult an Austrian expert in neurological problems and psychiatric disorders, Dr. Karl Gerstenbrand.

Le Matin quoted another Austrian doctor, a psychiatrist, saying that "Qaddafi has been suffering for more than 10 years from schizophrenia," and has never been cured.

Bavaria's Strauss demands full backing for SDI

Franz Josef Strauss, the West German political kingpin who heads the Christian Social Union party and is governor of the state of Bavaria, called on Chancellor Helmut Kohl to give unequivocal backing to German cooperation with the U.S. Strategic Defense Initiative. In a radio interview with Deutschlandfunk on Jan. 13, Strauss demanded "a clear commitment to the SDI without any ifs and buts."

Under pressure from the Bonn foreign ministry, the German government has avoided a government-to-government cooperation agreement with the United States on the SDI.

Strauss said that another cabinet meeting on the issue would be necessary soon, because a verbal agreement between him and Chancellor Helmut Kohl on Dec. 13 to sign an SDI agreement with the United States had been broken "by a coup in the cabinet" on Dec. 15.

The "coup" Strauss referred to was car-

ried out by Foreign Minister Hans-Dietrich Genscher, who buried the SDI issue in a general mandate for "talks" on technology transfer with the United States.

Strauss said that the mandate which Economics Minister Martin Bangemann received to negotiate with the U.S. administration, was "not the right mandate." He announced that he would meet with Chancellor Kohl again soon, to reverse this situation.

A call for an SDI cooperation agreement on the government was also issued by the president of the German Industry Association (BDI), Joachim Langmann, on Jan. 11.

Shortly thereafter, on Jan. 14, Bangemann conferred with U.S. Secretary of State George Shultz and said he expected an agreement on West German participation in the SDI to be ready in March or April.

U.S. official: Soviets testing new missiles

Ambassador H. Allen Holmes, the U.S. State Department's director of political and military affairs, told a news conference on Jan. 14 that the Soviets are conducting tests "of an improved version of the SS-20" and are developing new cruise missiles.

According to Holmes, the Soviets "have been conducting quite a few tests and they seem to be making progress" on the SS-20, which promises to be "more accurate." Holmes described two types of cruise missiles the Soviets are working on: "The smaller one has a sea-launched variant that can be launched from a submarine, as well as a ground-launched variant. The larger one is also sea-based and probably also has a ground-launched model."

Colombian Supreme Court justices threatened

Slightly more than two months after the M-19 terrorist assault on the Colombian Judicial Palace, which left almost 100 dead, in-

cluding the Supreme Court justices, Dope, Inc. is now threatening to murder the 12 new justices, the chief justice charged in a radio interview on Jan. 14. "The new judges are receiving death threats from persons who seem to be tied to drug trafficking," he said. "In each case, the anonymous caller insists we should declare the extradition treaty to be illegal."

Colombian Justice Minister Enrique Parejo González responded on Jan. 14 that the government would protect the judges with a special police force with 1,000 men.

The threats came from the MAJ "Death to Judges," group which recently held the customs judge of Medellin hostage for 24 hours.

German Supreme Court: 'Greens can't be trusted'

The Supreme Federal Court of West Germany ruled on Jan. 14 that the refusal of Christian Democrats and Free Democrats to give the representatives of the Green Party a seat on the secret-service control commission of the Parliament 15 months ago was justified, because there "were reasons to believe the Greens would not keep state secrets."

The Court rejected a law suit filed by the Soviet-supported Greens, backed by the Social Democrats, against this parliamentary decision.

Apart from potentially jeopardizing the current coalition talks between the Greens and Social Democrats, the ruling raises the question—as the daily *Die Welt* pointed out—why should a party be seated in Parliament at all, if the Supreme Court considers its loyalty to the state so questionable?

Lesotho appeals for aid to U.S., Great Britain

The African nation of Lesotho has appealed to President Ronald Reagan and British Prime Minister Margaret Thatcher to intervene in a border dispute with South Africa,

a Lesotho government spokesman announced on Jan. 14.

South Africa, which Lesotho says harbors guerrillas fighting white domination in South Africa, has been clamping down on Lesotho nationals entering the country since the beginning of the year.

Lesotho says that South Africa is also blocking supplies of essential goods. The mountainous, land-locked kingdom is surrounded by South Africa and is economically dependent on its giant neighbor.

The spokesman added that measures to inform the international community about Pretoria's moves would be taken shortly, but did not elaborate. State-run Radio Lesotho reported on Jan. 14 that South Africa had declared a "total embargo" on Lesotho, and goods destined for that nation were halted on the South Africa side of the border.

Indian opposition groups form new alliance

Several opposition leaders in India formed a new alliance on Jan. 4, aimed at taking joint action on major political issues, according to the Press Trust of India.

The group, which includes officials of 13 regional and opposition political parties, met in the southern city of Hyderabad and decided to establish a common forum "to preserve the country's unity and integrity."

The meeting was called by film star-politician N. T. Rama Rao, whose Telugu Desam Party has ruled the state of Andhra Pradesh for the past three years. Meeting participants included Surjit Singh Barnala, heads of the Sikh Akali Dal government in Punjab state, and leaders of the Assam People's Front, which won power in Assam state last month.

Prime Minister Rajiv Gandhi, who has identified "regionalism" and "localism" as one of the primary threats to the Indian nation, attacked the group sharply: "Their ideological roots are shallow, their political outlook circumscribed by region, caste, and religion. Wherever they have come to power, they have retarded progress."

Briefly

● **RICHARD BURT** seems to be working on a new career. At West Berlin's Federal Press Dance and Show the weekend of Jan. 11-12, U.S. Ambassador Burt joined a rock group called Subtones to sing 1960s rock songs. Burt invited the group to perform soon at the U.S. embassy in Bonn, and confessed his love for the songs of Mick Jagger, the Doors, Jimmy Hendrix, and other rock idols.

● **RIOS MONTT**, former dictator of Guatemala, was overthrown to get him off TV, Guatemalan President Gen. Oscar Mejia declared in an interview published on Jan. 12 in *El Grafico*. Mejia explained that the army commanders felt Montt's gnostic TV messages were "like some cult, which harmed the image of the government . . . and the army."

● **FRANCE'S SUPERPHENIX**, the world's largest breeder reactor, went on-line on Jan. 14. The 1,200-megawatt Superphenix was completed in less than eight years—half the time it takes the United States to put a light-water reactor on line.

● **ECUADORIAN** President Leon Febres Cordero told the Organization of American States in Washington D.C. on Jan. 12 that the "Baker plan" was a promising initiative "to help indebted nations" by increasing capital flows. A State Department official said Febres "has really done the kind of thing that we were thinking about in the Baker Plan."

● **SENDERO LUMINOSO**, the Peruvian terrorist organization, sent two of its leaders to Libya to receive further training in terrorism, *Frankfurter Allgemeine Zeitung* of Jan. 10 reported. The two leaders are Maximiliano Durand Araujo, former professor of the University of Ayacucho, and Hildebrando Perez Huaranca, a.k.a. Commander Casselli, who is responsible for Sendero's organization and planning.

Weinberger: American system can be exported

by Leo Scanlon

A two-day "Conference on Low Intensity Warfare," sponsored by Defense Secretary Caspar Weinberger, and held in the facilities of the National War College at Fort McNair in Washington D.C., was the occasion for the gathering of 275 of the top-ranking active duty and retired U.S. military officers to develop a U.S. strategy to counter the present phase on ongoing global confrontation being conducted by the Soviet Union. Many months of planning went into the conference, a unique event designed to bring together a "who's who" of counterinsurgency specialists, and feature a broad spectrum of current thinking focused on the strategic problems posed by the advanced stage of Soviet political, military, and cultural offensive against the West.

Not surprisingly, the conference did not yield any immediate prescriptions for action, but was useful precisely to the extent that it highlighted, for the perceptive observer, two distinct trends of thinking which now coexist in the policy shaping arena, each of which draws upon very different conceptions of the nature and purpose of the American republic.

The conference was opened by an address delivered by Secretary Weinberger (printed below), which situated the classical dimensions of the problem "from Augustine to Aquinas to Grotius"—the struggle to establish republican nation states as the vehicle to defend human dignity. To do that, and do it with no concession to the expediency of adopting policies which "make of craven survival the ultimate value," is the task outlined by Mr. Weinberger. "The question, then, is what forms of government, what kinds of economic systems, are most in accord with human realities and conduce to the betterment of mankind? On our own terms, we can compete with shovels and win. Our adversaries require guns," Weinberger stated.

The first panel of the conference opened with a paper presented by U.S. Gen. Paul Gorman (ret.), former head of the U.S. Southern Command, containing broadside attacks on many features of what is called "the Weinberger Doctrine." General Gorman began with a frank declaration of his premises: "I believe that the U.S. value system and experience is essentially unique and non-exportable. . . ." This statement should surprise few who have followed the general's repeated and contentious demands for U.S. military intervention into Central America. Arguing from this premise, Gorman asserted that use of limited force is an essential aspect of U.S. policy, and to make limited force effective we "need incalculability."

The respondents to his paper included Gen. John Galvin, commander-in-chief of the U.S. Southern Command. General Galvin posed the problem quite differently. Speaking as the senior military man representing the United States in Ibero-America, he pointed out that the practical problem confronting the nations of the region, is how to maintain and nurture viable mechanisms of national sovereignty when the threats from terrorists and insurgents give an immediacy to strict military considerations which can overwhelm the process of self-rule in a targeted nation. Galvin asserted that there does exist a model which can serve to shape the republican relationship between the military and a civilian government, and it is an American model—the nation-building role played by the U.S. military in building the railroads, canals, and river systems which secured the viability of our nation, without respect to particular factional political concerns.

The limitations of this observation, valuable as it is, were brought out by Gen. Adolfo Blandon, chief of staff of the Salvadoran Army, who was in the audience. "There is some-

thing I must say. . . . I must report to you that I have just returned from a tour of Latin America, and it is my sad duty to report that the perception of the United States among the peoples of Latin America is one of disillusionment. . . . [The problem facing our countries] is that U.S. policy forces decisions to be made by our leaders, which undermine the foundations upon which they rule . . . decisions are made daily which turn the population into a rabble. . . . They become a rabble because they feel hunger, they feel the elements, they feel the lack of education, and they feel the lack of many things they need, and feeling these things, they no longer think . . . and when they can't think they cannot govern themselves, yet these decisions are made as a result of U.S. policies. . . ." The remarks had a sobering impact, and elicited the observation by General Galvin: "We need a large effort to overcome the problem of debt."

Former U.N. ambassador Jeanne Kirkpatrick next took the stage, and picked up the philosophical trail begun by Gorman. Her admirers are quick to champion her as an educated, profound thinker. Her remarks, on this and other occasions, betray a deep cynicism with respect to the viability of the principles of our republic, a cynicism which has led her to champion the hated Sparta as the model to follow in this crisis. Her demoralized musings included extensive quotes from the noted "philosopher" Saul Bellow and began with the assertion: ". . . We are engaged in a struggle for which we are ill-suited. . . . The Soviet Union, in 1917, staked a total claim on the future . . . we have become internally weak with our own uncertainty. . . . The problem is ourselves." (One can agree with the last statement precisely to the extent that demoralized positivists like Kirkpatrick enjoy such a wide following!).

She then got to the base of her conceptions: "We are a 'Benthamite people' . . . we want to pursue private benefits, private lives . . . we are not suited to 'collective effort' in the pursuit of 'collective goods' . . . War is the ultimate in collective efforts. . . ."

"Politics is a power process, it determines who gets what when and where in the world. . . . [We must be prepared to use] *force as an instrument of public policy*—total war is no longer a credible threat, and to go to the source [of the problem] is too dangerous."

These remarks directly captured the outlook which leads General Gorman, and his co-thinkers, to reject the American system as an "exportable model." Fundamentally pessimistic, they are unable to find the universal nobility of the ideals of the American revolution. Finding themselves worshipping at the altar of "power" and "force," they suffer some discomfort upon discovering "the enemy" in the pew next to them, but for expedient reasons, nevertheless demand that we pursue policies which ultimately work to the benefit of an enemy whose premise is "force as an instrument of public policy"!

Secretary of State George Shultz provided the luncheon address, and true to his theme, "The Challenge of Ambiguity," unambiguously stated his commitment to "prudent, lim-

ited, proportionate uses of our military power . . . as a means of crisis management, power projection . . . localized military action . . . and to coordinate our power with our political and diplomatic objectives. . . ." Unlike Mrs. Kirkpatrick, Mr. Shultz does not bother to probe the origins of his conceptions, but simply attempts to develop his theme: "The United States needs an active strategy for dealing with ambiguous warfare. We must be better prepared intellectually and psychologically as a nation; we must be better prepared organizationally as a government. Many important steps have been taken. But more needs to be done. First of all, our policy against ambiguous warfare must be unambiguous." What is he talking about?

Shultz's remarks, indeed the entire conference, occurred at a point when Soviet-backed forces in the Mediterranean had maneuvered a "showdown" between the mad Colonel Qaddafi and the Reagan administration. Ariel Sharon and his cohorts in Israel, in coordination with these Soviet maneuvers, were orchestrating a frenzied demand that the United States shed Arab blood in the Middle East. Shultz's speech, like Kirkpatrick's dramatic confession that she "for the first time ever in public" would advocate force as an instrument of policy, was geared to play to the "mob" demanding immediate action.

Shultz's remarks were provocative enough that Fred Iklé of the State Department felt the need, in his conference summary, to say that the secretary of state had "perhaps been carried away" in his demands for action!

The afternoon panel, chaired by Brian Jenkins, and featuring Sir Robert Thompson, El Salvador's ambassador-at-large Rivas-Gallont, and a spokesman of AIFLD (American Institute for Free Labor Development), tried to deal with the practical problems being faced in places such as Central America today. The panel fell far short of the morning discussion; the most interesting contribution came from Lt. Gen. Phillip C. Gast USAF, director of the Defense Security Assistance Agency, who provided a history of the formidable legal barriers to civic action programs which were created by Congress, during the post-Vietnam years, when all authority for shaping military aid policies to our allies was removed from the Pentagon and placed in the control of Congress and the State Department. This unusual arrangement is one of the major problems facing military planners today.

General Blandon once again re-focused the conference with a final intervention from the floor. He summarized his perceptions with a remark which drew cheers and applause from the assembled military brass: "It is clear to me that the United States still has no plan or strategy to deal with the crisis which has been discussed here today." He continued, with an eloquent refutation of General Gorman's opening thesis: "Latin America represents a great opportunity for the United States. We look to the U.S. as a model, the *only* model for the future . . . if you cannot take this into account, and do it quickly, then you better begin to run now, and don't look back, because you will not get a second chance."

'From Augustine to Grotius': Weinberger on the just war

Remarks prepared for delivery by the Honorable Caspar W. Weinberger, Secretary of Defense, at the Conference on Low-Intensity Warfare, Fort McNair, Washington, D.C., Jan. 14, 1986.

Tonight, one out of every four countries around the globe is at war. In virtually every case, there is a mask on the face of war. In virtually every case, behind the mask is the Soviet Union and those who do its bidding.

Much has been written about low-intensity warfare, but it remains an open question how much is understood. Of greater certainty is the fact that little of what is understood has been applied effectively in the effort to contain the slow erosion of human liberty and self-determination around the globe.

We may see the protean nature of this phenomenon in the welter of descriptions attached to it: low-intensity warfare, low-intensity conflict, insurgency, guerrilla war, and others. What we can agree on, I think, is that the least accurate term is the one popularized by the Soviet Union, and that is "war of national liberation."

We in this land take special exception to so Orwellian a corruption of language, for we are ourselves the children of revolution, and we well know what liberty means. It has nothing to do with guns and searchlights and barbed wire and censorship and labor camps. In fact the object of their activities is not liberation at all, but subjugation. . . .

When the Second World War was ended, those of us who served in it and the families of those who were lost believed, and had a right to do, that we had seen the last of the great wars of conquest, and that our children might live in a better world, at peace. We were not complacent that such a hope would consummate itself through some mystical mutation driven by the numbers sacrificed, the pain suffered, or the hardships endured. Rather, we were prepared, even anxious, to work to assure that what had been achieved should be nourished and sustained. . . .

Yet even as compassion and faith and common sense worked to keep the better world we fought to build, another power sought to go another way. As the lights went on again in the Pacific and Western Europe, they flickered out, one by one, in Eastern Europe. As old colonies became new nations, old nations—Poland, Hungary, Czechoslovakia, Bulgaria,

Romania, and half of Germany—became new colonies.

We were witnessing, though we did not know it, a new kind of warfare. At length we called it the cold war, but it was hotter than we knew, and insidious.

In the pre-industrial age, the object of those at war was to destroy the opponent's army. In the industrial era, it was to destroy not only armies but that economic infrastructure by which armies were fed, armed, transported, and supplied. And this we called total war, so brutal in its exigencies that we believed the art and science of war could not go further, but must impress itself and its dangers so profoundly upon the minds of men that they would turn away from it, and seek some other means to resolve their differences.

The opportunity was there. The mechanisms were there. God knows the need was there. Yet in the face of it all, we were presented with a further step in the evolution of a phenomenon we prayed had run its course. Where once it was the goal of aggression to destroy armies, and later to destroy the fruits of men's labors, now we saw a form of warfare directed at the destruction of hope itself.

As the Soviet Union, unhindered, was consolidating its hold over its neighbors, the emergence of new nations in the aftermath of colonialism created a new international political phenomenon, which we came to call the Third World. And as it emerged, so too did the opportunity for the extension of a strategy proven in the takeover of Russia herself, and refined in the enslavement of Eastern Europe.

It was a strategy which benefitted from the confluence of a number of new circumstances and old realities. On one hand, the expectations of communist dogma for the collapse of capitalism and the automatic "economically-determined" spread of communism had itself long since collapsed. Thus, the justification for the very existence of the ruling party of the Soviet Union had no force. Against this backdrop, there could certainly be no pretense that communism would expand through some inevitable, dialectical process. If it were to expand, it must expand by aggression.

On the other hand, the advent of nuclear power, and the means to deliver it, gravely increased the risks of open aggression. While the West monopolized that power, it presented no threat to world peace, and certainly no monopolized that power, it presented no threat to world peace, and certainly no threat to legitimate Soviet interests. It did, how-

ever, present a threat to Soviet expansionism. Thus if the Soviets were to expand, they would have to do so below thresholds that would trigger a free world response. Not to expand meant for them to sit in a global backwater, among the dust and ashes of a governing theory without political dynamism or historical validity. . . .

Taken whole, the situation offered constraints and opportunities. Poor and ill-prepared peoples were reaching for nationhood. Within them, men and women avid for power, and willing to pursue it with violence and keep it by force, could be co-opted at bargain basement prices. And the process could be represented to the industrialized democracies as the liberation of nations—a process not merely of no threat to us, but one congruent with our values. So we saw the exploitation by brute force of the efforts of others to free themselves from oppression. It is not necessary here to recount each event. A cruel consistency links the betrayal of the Russian Revolution and the betrayal of the Nicaraguan Revolution.

Nowhere have communist governments acquired and maintained power through the freely expressed will of the governed.

The world today is at war. It is not global war, though it goes on around the globe. It is not war between fully mobilized armies, though it is no less destructive for all that. It is not war by the laws of war and, indeed, law itself, as an instrument of civilization, is a target of this peculiar variety of aggression. It benefits from the pernicious sophistries of those who wish to construe these wars as the efforts of sovereign people to pursue their own destinies and, as such, no business of our own.

Yet, in a world as small as our own, the destruction of human liberty anywhere resonates everywhere, and affects all of us. So it matters that we understand the means by which such destruction comes, and that we trouble ourselves to discover not merely how to end the destruction of liberty, but how to reverse it, and to recover and restore what has been destroyed. Because if it is proper and just that we should help those who wish to remain free, then we can hardly turn our backs on those who have lost their freedom and want it back. It is certain that we cannot co-exist with the so-called Brezhnev Doctrine—an impudent diktat that argues like a bullying child cheating at marbles: "Whatever I can get, I get to keep." Nothing is brought to life with bullets and bombs, least of all an absurd doctrine dead before the dictator who proclaimed it, and buried by the brave people of Afghanistan, Angola, Nicaragua, Kampuchea and others who look to us to look to our heritage. We cannot ignore their aspirations without betraying our own. . . .

This is the work in which we are now engaged, and the purpose that brings us to this occasion. It is no small task. From Augustine to Aquinas to Grotius, and coming forward to successive efforts of various conventions at Geneva and elsewhere, men have labored to contain war, to limit its ferocity, to hold harmless the innocent, to mitigate destruc-

tion, to infuse mercy. We share in, and are instructed by these civilizing impulses. Every American officer, soldier, sailor, airman and marine is indoctrinated in the principles flowing from them, and is held accountable for the most rigid adherence to them.

The conflict we face today violates, by design, these principles.

'Wars of national liberation'

In those depredations known as wars of national liberation, any effort to improve the lot of peoples is a target. A nation's stability is a bar to its capture; its stability is a product of its prosperity and the means of broadening access to its prosperity; as is the educating of its people, and their health, and their conveniences, their progress and their hope. Therefore, in these obscenely misnamed "wars of national liberation," it is not a nation's military forces that are attacked. Instead, agricultural assistance teams are murdered, as are medical assistance teams, teachers, judges, union leaders, editors, and priests.

It is not a nation's military structures that are targeted, but its clinics and classrooms, its power and transportation systems, its livelihood, its possibilities, its hopes for a better future. . . .

The social and economic dimensions of these conflicts are of paramount importance. For the sake of their own lives, people are intimidated into a mute tolerance of subversion in their midst. Among the means to this end are disinformation and propaganda—including what is euphemistically known as "propaganda of the deed." Such deeds may include assembling an entire village to watch the village headman disemboweled, proving thereby that the established government cannot assure anyone's physical safety, and that the better part of wisdom consists of resignation to the will of the insurgents, be they ever so small in number, brutal in behavior, or unrepresentative in their goals. The object is to instill fear, to institutionalize anxiety, to rob men of their manhood, and make of craven survival the ultimate value.

On the economic front, people are coerced into paying taxes to support their alleged liberation; crops are burned, marketing systems destroyed, and people living on the economic margin are further impoverished. So the burden on the established government grows, the presumption that it cannot provide for the security of its people grows; people move into the urban areas for greater security or better economic circumstances, the land is abandoned and the cities become more and more crowded, with more pressure on the urban infrastructure and, withal, the creation of better targets for urban attacks.

In its early stages, much of this activity is like nothing so much as garden-variety crime—vandalism, arson, kidnapping, extortion, murder, thuggery flying under the specious legitimacy of "political liberation."

Against such actions, well-integrated societies interpose police forces. But targeted nations are not well-integrated

societies, and their police are rarely equal to the threat. We *should* be able to assist in improving the police capabilities of threatened nations, but we are now prohibited by law from doing so. And so long as this prohibition stands, the threats to others will be permitted to grow unimpeded until the violence is sufficiently great and sufficiently well organized that the use of overt military assistance finally can be justified. This gives to aggression an advantage we should not give it, and virtually assures a more protracted violence and greater bloodshed. . . .

What is the role of the U.S. military in all this? The question has existed and propounded itself in varying configurations, most especially during the Vietnam War and since. It has given rise to disagreements ranging from the philosophical to the visceral, and has generated criticism of our military, and its willingness and capacity to confront the conflict before us.

Let me say, on behalf of the most self-less segment of America's public servants that, contrary to what some have said, it is not pre-eminently the role or the object of our military to preserve hallowed doctrine, nor to preserve honored traditions, nor to preserve budgets. It is to preserve freedom. And they need no instruction as to that obligation. . . .

On another occasion, I expressed my thoughts on the general question of those criteria which ought to govern the use of military force. Some have questioned whether the assurance of support is a reasonable criterion. But the assurance of support is a function of the national will in the area of low-intensity conflict, far more than it is the capacity of our adversaries to prevail in that arena. And the strength of the national will depends, as it always has, on how far our cause is just, and seen to be; on how vital it is to our interests for us to be engaged, and, on how far our efforts in such endeavors are conducted in accordance with our national values.

It will readily be seen, in the framework of a conflict which is prosecuted in such a way as to erode and destroy the values of civilization itself, that we have a special obligation to act so as to uphold those values. The strategy of low-intensity conflict is such as to make a liability of that obligation. Yet we dare not, for the sake of expediency, abandon it. For example, to pursue terrorism we cannot commit acts of blind revenge that may kill innocent people who had nothing to do with the terrorism. This necessity complicates our task, as it is intended to do. So we must think carefully, and in certain respects re-think entirely, what are the imperatives and exigencies of this war, as it now reveals itself to us.

It is among the highest skills of the medical profession to be able to diagnose an illness in its earliest stages, and then to act to cure it before it becomes dangerous. Low-intensity conflict presents a similar challenge to our skills at diagnosing political and geo-strategic ills at their incipient stages. Such troubles do not begin in advanced, educated, stable, and

The strength of the national will depends on how far our cause is just, and seen to be; on how vital it is to our interests for us to be engaged, and, on how far our efforts are conducted in accordance with our national values.

prosperous nations which are well-led and which, even if badly led, have the means, peacefully, to change their leadership. Nor do they begin in nations of little or no geo-strategic significance. . . .

Analyzing the situation at even so elementary a level, we will have little difficulty determining prospective targets for communist subversion through low-intensity conflict. Superimpose over this matrix other indicators: weapons thefts, assassinations of police and other officials, attacks on critical infrastructural nodes, and further, more refined, conclusions may be drawn. It is at the critical point at which these conclusions can be drawn that some basic decisions must be made, and not years later when whole populations are polarized, and countrysides set aflame.

We must decide if our interests justify intervention. We must decide if the leadership of the country threatened is capable of using our assistance to proper effect, which is to say for the security and well-being of the nation, rather than merely to sustain itself in power, and to reinforce those abuses which may have contributed to the nation's difficulties from the beginning. We must decide whether an existing leadership is better or worse for its people and our interests than possible alternatives. We cannot permit our disdain for some imperfect regimes to bring forth far worse alternatives. We must decide what form intervention should take, if we are to intervene, and by what means, and through which agencies it should come. If our involvement is warranted, we must be prepared to act alone.

We have had at times an unfortunate tendency to believe it is essential to multilateralize every exertion on behalf of freedom in the international arena, as though our judgment must be validated by others before we could trust it ourselves. Yet it remains a fact that for the most part, where freedom is in jeopardy, it is to us that the world looks for leadership.

We are belabored in some quarters with being too "interventionist." And yet we remember, and those who belabor us remember too, other times and other places in which our earlier intervention must have saved the world from monstrous crimes and profligate destruction and bloodshed.

Finally, as a pacific people, we cling fiercely to the hope that solutions to international aggression may be found short

of the use of power, and by this tendency delay in the recognition of aggression for what it is, and of our duties for what they are.

There is a place for power in responding to low-intensity conflict. What is important is to understand the role of military force, and the role of other responses and how these fit together.

Those particular skills and supporting capabilities which the military offers to the prosecution of low-intensity conflict are chiefly to be found in our special operations forces. . . .

As one looks at the strategy of low-intensity conflict, however, in all its multiple dimensions, it is clear that defending the nation is only one part of the required response, and a highly problematical part at that. For this conflict strategy is one of destruction, and it is always easier to destroy than to build up, and easier too, to destroy than to defend against destruction. So we must assist in the business of building and, by doing so, of providing the nation's people with a stake in their future—a stake they themselves will choose to protect in the face of all efforts at destruction.

Our special operations forces play a role here as well, through civic action: the construction and restoration of infrastructure, the assisting of others in the improvement of their own lives, whether by restoring land, building roads, digging wells, or helping to provide medical and educational services. In the past, such work was not thought to be the work of the military. This is the popular wisdom, at any rate. But here popular wisdom fails, for it divorces us from our own history—from the memory of the Minuteman, standing by his plow, with his musket in his hand; and the pioneer defending what he built even as he built it.

The need for nation-building

There is, in short, no gainsaying the argument that we know something about nation-building, having built one ourselves. Nor is it deniable that the larger conflict—or, the competition, for those who prefer it—has everything to do with those political and economic constructs which form the skeletons of nations. The question then is what forms of government, what kinds of economic systems, are most in accord with human realities and conduce to the betterment of mankind? On our own terms, we can compete with shovels and win. Our adversaries require guns. It is an instructive difference. The greater share of our assistance to the lesser developed nations is in economic aid and, of our security assistance, in non-lethal aid. The Soviets offer relatively little in foreign economic assistance; virtually all of their subventions go to the provision of weapons.

So our military can help with the contemporary equivalent of the use of plows and muskets. But that help must be designed into a strategy which involves diplomacy, and economic leverage, and the proper management of our technological riches, and the proper, unashamed and unremitting willingness to make our case at the bar of public opinion

abroad and at home. Absent such a strategy, the use of military assets alone will be reckless, wasteful, and unfair.

The private sector that is the wellspring of our power and prosperity must see the greater long-term economic advantage of access to marketing opportunities in a broad and stable world market, rather than in the short-term benefits to be derived from those whose aim it is to prevent the emergence of a broad and stable world market. The self-serving notion of tempering Soviet aggressiveness through trade is the most fraudulent excuse for making a quick dollar that can be imagined; Lenin himself recognized that that proclivity would help the Soviets survive the ravages of their own self-imposed economic incapacity. He said that

The capitalists will supply us with the materials and technology which we lack and will restore our military industry which we need for our future victorious attacks upon our suppliers. In other words, they will work hard in order to prepare their own suicides.

We must not gratify that expectation, or fulfill that prediction. . . .

Those who mold public opinion in America, and who should refresh our convictions and thus save us from a smug complacency and the slow unwitting betrayal of our founding values, must see the failing in a fatuous objectivity which affects to judge the ambitions of the wolf and the lamb by an equal measure. There is still the obligation to distinguish right from wrong, and as we have no reluctance to judge ourselves by standards we set for ourselves, we should not, out of a misplaced sense of fairness, refuse to judge others merely because they have no standards. We know what are criminal means to the acquisition of power, and we know, with Burke, that "criminal means, once tolerated, are soon preferred." To be tolerant for the sake of an intellectual fastidiousness is to be an accessory to the behavior at issue.

The servants of public opinion and founding conviction, by which we are admirably governed for more than two centuries, must see the fragility of our freedom, and that national longevity is not divinely assigned but is a product of alertness and selflessness, which selflessness must extend even to the sacrifice of political advantage from time to time. "It wonders me," as the old Pennsylvania Dutchman said, when I hear the defense budget attacked on the basis of what the attackers are pleased to call a "fairness doctrine," as though our security is merely one of a competing set of national priorities. When nations place their comfort before their security, they end with neither.

These are some of the concerns we must take into account and the adjustments and sacrifices we must be prepared to make, as we consider the role to the military in the very real conflict we face today. What is important is that we never lose sight of the fact that the military is an instrument of the national will, and not a substitute for it.

The constitutional challenge to the Gramm-Rudman bill

by Sanford Roberts and John Chambless

The first challenge to the constitutionality of the Gramm-Rudman budget-cutting bill took place on Jan. 10, as a special three-judge panel heard motions for dismissal and summary judgment in the consolidated actions of *Synar v. United States* and *National Treasury Employees Union v. United States*. The panel consisted of Circuit Judge Antonin Scalia, District Judge Oliver Gasch, and District Judge Norma Holloway Johnson.

Immediately following the passage of Gramm-Rudman, three suits were filed challenging the constitutionality of certain portions of the bill, one by a group of 11 congressmen led by Mike Synar (D-Okla.), the second by the National Association of Retired Federal Employees, and the third by the National Treasury Employees Union.

In all cases, what is being challenged is the constitutionality of mechanisms established in the bill, but not the bill's underlying concept: that the federal budget must be balanced—and debt-service payments to the banks be guaranteed—by savage cuts in defense and in the standard of living of the U.S. population. The idea that a balanced budget could instead be achieved through expanding the tax base, by increasing industrial and agricultural production, putting the unemployed and underemployed back to work at productive jobs, and gearing up a defense buildup to match that which the Soviet Union has under way, has somehow not suggested itself in Washington.

The mechanisms in question in these constitutional challenges, are those invoked by the bill in the event that the "automatic cuts" provision is triggered by a failure of the Congress to balance the budget. According to this provision, the Congress has mandated both the Office of Management and Budget and the Congressional Budget Office to prepare projections on the receipts and expenditures of the federal government. These are then presented to the comptroller general; if the two sets of projections do not agree, he takes a statistical average of the two, making that the basis for a report submitted to the President, who is then authorized to make the specified cuts. "There is no legislative, judicial, or administrative recourse or appeal against the methods or assumptions in making the projections," the bill specifies.

Two constitutional issues were raised at the hearings by Alan Morrison, attorney for the congressional plaintiffs, who carried the brunt of the argumentation: Gramm-Rudman involves an unconstitutional delegation of powers on the part of Congress, and it involves a violation of the constitutional principle of the separation of powers.

Congress throws in the towel

Morrison began by attacking Congress for its cowardice, in abdicating responsibility for the function allotted it under the Constitution. "Never before in the history of our Congress," he said, "has Congress said that it would not make the decisions that it is supposed to make and put the budget on automatic pilot. This is not what the Founding Fathers had in mind." Congress, he said, has found a way of cutting the budget without having to take the responsibility for the cuts when faced by angry constituents back home.

Morrison argued there are certain powers which are "quintessentially legislative in nature," and that this is a "core function" under the Constitution. The idea, he reported, derives from Chief Justice John Marshall, in the case of *Wayman v. Southward*. Marshall was the third chief justice of the United States, who did more than any other individual to shape the republican concepts of constitutional law. It was he who enforced a vigorous interpretation of the Constitution, against the efforts of Thomas Jefferson and others to weaken the federal union. Marshall proclaimed that certain powers are so essential to the legislature, that they cannot be delegated.

Under Gramm-Rudman, Congress can pass an appropriation bill, and then that bill can be changed without the passage of another law. This, said Morrison, is a violation of Article 1, Section 7 of the Constitution, which defines the lawmaking procedure of Congress. For a law to be changed, another law must be passed, as was decided by the Supreme Court in 1983 in *Chadha v. INS*. The *Chadha* decision concerned the issue of a "legislative veto" that, the Court ruled, would have given Congress an unconstitutional power over the President.

Morrison further argued that Congress is also delegating

its power to make appropriations, and is thus violating Article 1, Sections 7 and 8. In response to a question from Judge Scalia concerning cases in which executive agencies make the decisions, Morrison answered that Congress is not, in this case, passing mere regulations that are then enforced by executive action. In Gramm-Rudman, as Morrison pointed out, there is not a word concerning standards to be used by those making the decisions, and the people who will make the actual decisions are not part of the legislative body.

Morrison's presentation was interrupted numerous times by the panel, primarily Judge Scalia, whose questions and remarks were extremely negative toward Morrison's arguments, indicating that a positive decision on this particular issue is unlikely.

The separation of powers

The second point raised by Morrison is that Gramm-Rudman violates the constitutional principle of separation of powers. The Gramm-Rudman process is one of "shared administration" of the law, and such sharing is unconstitutional. He argued that the real power in this legislation lies with the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO), and that the General Accounting Office (GAO), headed by the comptroller general, performs a mere "umpire" role in case of disagreement. But regardless of the GAO's specific role, it is a legislative office which will be performing an executive function. Morrison suggested that it was concern about the OMB which prompted Congress to bring in the CBO and GAO, in an attempt to have some say in how the act will be administered. This, he argued, violates the separation of powers.

The other lawyer for the plaintiffs was Lois Williams, representing the National Treasury Employees Union. To the surprise of all, the court challenged the standing of the NTEU, that is, the right of the union to sue, even though it had not previously been challenged by the Justice Department. Williams was given five days to prepare a new brief arguing why NTEU should be given standing. Williams argued that the primary issue was the "automatic pilot" provision of Gramm-Rudman. She argued that the President will be empowered by the bill to make legislative decisions, another form of violation of separation of powers.

The Justice Department was represented by Assistant Attorney General Richard Willard, and took the curious position of defending Gramm-Rudman against the attacks from the plaintiffs, while maintaining that the bill is unconstitutional on other grounds. The DoJ's attack on the bill centers on the role of the comptroller general, a legislative officer who, it claims, will be given executive powers and will be able to "give orders to the President," and become "the President's boss." President Reagan himself questioned the bill's constitutionality on this basis when he signed it—but he signed it anyway!

Representing the comptroller general's office was attorney Lloyd Cutler, the Trilateral Commission member who has made a career of subverting the U.S. Constitution and replacing our form of government with the British parliamentary system. Cutler argued that the comptroller general is the historical successor of the comptroller of the treasury, and is thus an independent office and not an agent of the legislative branch. Judge Scalia pointed out in response that, since the comptroller general can be removed from office by a joint resolution of Congress, he is therefore an agent of the Congress, and again raised what he referred to as the "Chadha problem"—that is, a legislative official performing an executive act.

The next round

The consensus among observers was that Judge Scalia will make the decision and the other two judges will merely ratify what he decides. Scalia, in the words of one reporter, mounted "an aggressive defense of the statute." Judge Scalia, who is frequently mentioned as President Reagan's possible next appointee to the U.S. Supreme Court, is a short, burly man in his forties. His manner is aggressive and rather jesuitical, and it is clear that he is the dominant force on the panel.

The options open to Scalia are twofold: He can deny standing to the plaintiffs and throw out the case altogether, putting the entire question on hold until March 1, when the bill's so-called sequestration orders go into effect (freezing government funds until the computers produce a solution), at which time it is arguable that every man, woman, and child in the United States will have "standing" to challenge the law. In this case, there will probably be no appeal, since, by the time an appeal could be reviewed, heard, and decided, March 1 would have been long past.

The second option is to pass over the standing issue and decide the case on its merits. It seems likely that Judge Scalia will decide against the plaintiffs' arguments that the delegation of authority is unconstitutional, but may strike the statute on the issue of the separation of powers. The key question for Scalia seems to be, not the constitutionality of locking the budget into "automatic pilot," but rather, who is sitting in the pilot's seat. Any decision on merits will be appealed, and will be afforded an expedited appeal to the Supreme Court.

Whatever the results of these deliberations, the more fundamental issue of Gramm-Rudman will remain untouched. It is not merely the Gramm-Rudman mechanisms that are unconstitutional, but the bill itself—including the "fallback" version proposed by Synar et al. The Constitution established as the purposes of government, "to promote the general warfare," to promote "the progress of science and the useful arts," and to "provide for the common defense." Gramm-Rudman dictates the dismantling of any and all government activity directed toward those ends, to provide for usurious debt payments to the banks.

Gramm, Rudman in their former lives

Anton Chaitkin, the author of Treason in America, traces the historical roots of today's American budget maniacs.

Here they are again. Senators "Phil Gramm" and "Warren Rudman" they call them this time. Previously they were called "Albert Gallatin," "Roger Taney," "Franklin Pierce," "James Buchanan"—and even worse names.

In each life they would appear, often in two or more bodies simultaneously, preaching radical budget-cutting, the destruction of national defense and government operations, to pay off the national debt. Each time their doctrines would cause some savage collapse of national life. Then they would disappear, only to be reborn later, unnoticed, and do it all again.

Medical science has not yet determined if these creatures are of earthly, or of British origin. But we should map and be keenly aware of the record of their vandalism in American history, to aid in their capture and interdiction this time around.

The United States government began operations in 1789, unable to pay, on the original schedule, our national and state debts incurred in the war against Britain. The first treasury secretary, Alexander Hamilton, made a deal to pay these debts later and at a lower rate of interest—the kind of deal that must now be made with all the presently underdeveloped countries.

Rather than limit government operations, Hamilton proposed to found a thriving nation with government-sponsored canals and roads, protective tariffs, a national bank to war with speculators, and a strong, growing defense capability. Under this program the national debt grew from \$75 million in 1791 to \$83 million in 1801.

'Gramm-Rudman' No. 1

Swiss aristocrat **Albert Gallatin** served as U.S. treasury secretary from 1801 to 1813. Upon his arrival on these shores in 1780, Gallatin had termed the Revolution "unfortunate." He now announced that all governmental operations, especially national defense, must be sacrificed in order to rapidly pay off the public debt.

By 1812, America's army and navy had been virtually dissolved, even in the face of British terrorism and kidnapping on the high seas; but Gallatin had successfully reduced the debt to \$45 million.

At this point, a second war commencing with the British, enemy forces invaded and burned Washington D.C. to the ground. We had to borrow so much to fight the War of 1812 that the national debt rose to \$127 million in 1816.

President John Quincy Adams and his allies reinstated the Hamiltonian policies during the 1820s, sponsoring higher tariffs, canals, roads to the western frontier, and the new railroads, fighting the speculators, and championing Latin American independence against European usurers. The national debt was even somewhat reduced because of economic growth, to \$67 million in 1828.

'Gramm-Rudman' No. 2

President **Andrew Jackson**, convinced by free traders ("radical free enterprisers" today) such as Albert Gallatin that the U.S. should not interfere in its own economy, attempted to destroy the Bank of the United States. Hiring one treasury secretary after another, each of whom refused to remove the government deposits from the Bank, Jackson finally came up with **Roger B. Taney**, who pulled the plug for him beginning in 1833; the Bank's charter was allowed to expire in 1836.

The government ceased interfering in the economy, and in 1835 and 1836 the U.S.A. had *zero* national debt!

With our country thus disarmed economically, the Bank of England called in its loans internationally, setting off an American collapse and depression in 1837 with mass bankruptcy, and hunger. From the United States, the depression spread worldwide.

The chaos was partially repaired by Whig Party dirigism in the 1840s. The nation and its industries grew again.

'Gramm-Rudman' No. 3

British interests chose New Hampshire politico **Franklin Pierce** for the presidency in 1853-57. Pierce was a radical free enterpriser, content to stop all nationally sponsored development.

The carefully worked out territorial compromise between north and south was abruptly terminated, and slave-grown cotton became the leading American enterprise.

In 1857, the economy collapsed in the biggest depression

up to that time. Businesses closed. Americans went hungry.

President **James Buchanan** (1857-61) continued to renounce American governmental interference in America. National life became utterly demoralized.

In 1858, Supreme Court Justice Roger Taney, who had earlier pulled the plug on the Bank of the United States, delivered the Dred Scott decision, declaring black people private property, and property the supreme consideration of the government.

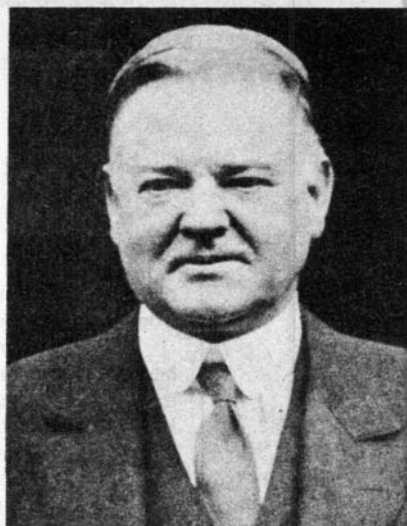
President Buchanan's cabinet officers transferred government weapons and millions of dollars to insurrectionists, but he philosophized that government spending for infrastructure was a great evil.

When southern states seceded from the Union,

Buchanan declared that he had no power to interfere with their decision. It was the triumph of British economics, and "Gramm-Rudman" morality.

President Abraham Lincoln, taking office in 1861, found the government to be bankrupt, and the armed forces disarmed and dissolved. He mobilized the totality of national power for war, and simultaneously engineered a program of national development that changed the face of the world.

The government created five corporations to build railways from the Atlantic to the Pacific; gave away free land for farms and schools and industry; create the American steel industry from scratch overnight by a massive tariff structure;



President Herbert Hoover, budget-cutter.

and built the largest army in the world.

To finance all this, Lincoln created a new national banking system, in which bankers had to follow the rules of the nation, not vice versa. And he printed money, hundreds of millions of the new greenbacks.

As a result of all this, the national debt rose from \$88 million in 1861 to \$2.7 billion in 1865, and the prosperity of the nation was assured for the next 35 years. Lincoln's economic legacy maintained such productivity and inventiveness that, for the rest of the century, price levels continued to drop during economic expansion.

U.S. national debt, selected years, 1791 to 1919

Year	Debt (millions)	Per capita	
1791	\$75	\$18	Hamilton launches American growth
1801	\$83	\$15	Gallatin
1805	\$82	\$13	era—
1808	\$65	\$10	budget
1811	\$49	\$6.40	cutting—
1812	\$45	\$5.90	War of 1812
1816	\$127	\$15	
1820	\$91	\$9	
1828	\$67	\$6	J.Q. Adams/Henry Clay dirigistic growth
1832	\$24	\$2	Jackson
1835	\$0	\$0	era—
1836	\$0	\$0	U.S. Bank closed, collapse follows
1842	\$14	\$0.70	
1860	\$65	\$2	
1861	\$88	\$3	Lincoln
1865	\$2,675	\$77	dirigism
1871	\$2,247	\$56	industrializes nation
1915	\$1,027	\$10	J.P. Morgan era
1919	\$24,479	\$231	—stagnation, inflation, collapse

'Gramm' and 'Rudman' in the 20th century

The present manifestation of the Gramm-Rudman madness was actually initiated in the regimes of Presidents **Theodore Roosevelt** (1901-09), and **Woodrow Wilson** (1913-21), when the power of British- and Swiss-allied bankers over our economy was secured.

By 1915, the national debt had been reduced to \$1.0 billion, and the economy was completely stagnant. With the disaster of World War I, the debt in the United States zoomed to \$24 billion, and to astronomical levels in Europe, without any corresponding investment in development. Naturally this house of cards collapsed in the Great Depression of the 1930s—despite President **Herbert Hoover's** effort's to cut the budget to stop it!

In the 1950s, economists told Americans that we had learned from the errors of Herbert Hoover, that we had such built-in anti-depression safeguards that America had a *permanent* position as a booming industrial power.

Yet, in the 1980s, economists assure us that "Gramm" and "Rudman" are quite right in their radical adventure, because the United States can *never again* be an industrial power, that we must learn to lower our expectations, to think video toys and "new lifestyles."

We would be better off to think in terms of the proverbial Silver Bullet for "Gramm" and "Rudman."

National News

State Department defends Moscow's honor

In an attempt to counter the efforts of Secretary of Defense Caspar Weinberger to expose Soviet arms treaty violations, private congressional testimony by State Department officials has been made public, claiming that the Soviets have in fact honored their treaty obligations.

According to press leaks, Lt.-Gen. John Chain, then director of Politico-Military Affairs at the State Department, told a closed session of the Senate Armed Services Committee in February 1985, that Moscow has complied with the vast majority of important arms-control provisions. Chain warned that the United States would risk starting an arms race that it might lose, if it responds to "purported" violations by breaking out of SALT II's restraints.

In his report, "U.S. Response to Soviet Treaty Violations," leaked to the press the week of Jan. 6, Weinberger urged Reagan to do just that. Chain claimed that if the United States abandoned even some treaty limits, it could be at a severe disadvantage, since the Soviets do not need public support for a military buildup.

Weinberger attacks Gramm-Rudman law

Defense Secretary Caspar Weinberger blasted the Gramm-Rudman law during a news conference on Jan. 15, saying that sweeping cutbacks forced on the Pentagon by the budget-balancing law will have an adverse impact on the military buildup and the nation's security. Although the Pentagon exempted the Strategic Defense Initiative and military personnel from the cuts, Weinberger said, "My worry is that everything else will have a loss of momentum, will be slowed down, will be managed less effectively and will cost more in the long run. We'll be less ready now, less ready in the future. It [the cuts] will have an adverse effect on national security. We have to be

ready . . . for contingencies that come up from day to day."

"Literally every aspect of the defense budget has been affected by Gramm-Rudman," said Pentagon comptroller Robert Helm. "The practical effect of the reductions under Gramm-Rudman is that we have underfunded the budget that Congress approved." Military cuts of \$13.3 billion under Gramm-Rudman translate into down payments for ships, planes and other items authorized this year and spent later. The mandated reductions of at least 4.9% cut across all the branches of the service and major weapons programs, including the MX missiles, the Trident missile submarine, and the B-1B bomber.

Gov. Lamm sneers at U.S. traditions

Gov. Richard Lamm of Colorado, who attracted national revulsion in 1984 by calling for the old and sick to die as a cost-cutting measure, showed up at Georgetown University Law School in Washington, D.C. on Jan. 13 to boost his latest book, *The Immigration Time Bomb*. The book deals with the issues underlying the debate on the Simpson-Mazzoli immigration law.

Lamm said he agreed with bill's premise—that the U.S. must end its historic role as a "temple of liberty and beacon of hope" for mankind. Limited resources, limited jobs, but first and foremost, the Gramm-Rudman budget-slashing amendment, will now force the United States to close its doors, according to Lamm.

In the question period, a man in the audience pointed out that each of the statistics Lamm used to support the contention that we are in an age of scarcity is false, and the real purpose Lamm has in citing them is to support his attack on the American ideal. He asked Lamm "if, in fact, it is not *your* ideas which are the oldest of all, ideas which our country was created to correct?"

Losing his grip on himself (and also on his audience) a bit, Governor Lamm answered such charges: "Hey, I've been named Humanitarian of the Year by the Colorado Civil Rights Association. . . . You can't get

me for not being humanitarian. . . ."

Members of the National Democratic Policy Committee (NDPC), who called for Lamm to be tried under the Nuremberg statutes for promoting Nazi euthanasia, were shoved out of the room by the Dean of the Law School, who made the surprising admission that he would "rather defend Adolf Hitler than Lyndon LaRouche," a leading NDPC supporter.

Post-Mondale Dems are going broke

Fundraising for key national Democratic Party entities "has been bleak as hell" this year, a top party fundraiser has admitted. Roger Craver, whose firm Craver, Matthew and Smith, handles direct-mail fundraising for the Democratic Congressional and Senate campaign committees, and, until recently, the Democratic National Committee, moaned to to the *Washington Post* on Jan. 15 that "I have never seen that much drop-off after an election," as he has in the post-1984 election period.

Episcopalians get a new head

Bishop Edmond Lee Browning, 56, was named the 24th presiding bishop of the U.S. branch of the Episcopal church, and immediately promised to adopt a "pastoral" and compassionate attitude towards homosexuals in the church, and to make the church "more of a multicultural body."

As head of the worldwide Anglican Communion, he declared: "There will be no outcasts. The hopes and convictions of all will be listened to and respected and honored. Do not ask me to honor one set of views and disregard the other."

Browning was the spiritual leader of the Episcopal Diocese of Hawaii from 1975, and will serve a 12-year term as presiding bishop.

This spring Browning will meet the church leaders in Canada and will push for

women bishops. The Episcopalians, who have always had a high percentage of American "blue-bloods" and political and corporate elite among their ranks, now plan to move into the poor, southern, black regions.

The cost of AIDS to the United States

AIDS has cost America \$6 billion so far, according to the Centers for Disease Control (CDC), speaking of the first 10,000 deceased victims.

The San Francisco Department of Public Health and the CDC estimate of the national financial burden includes hospital expenses and lost work time. CDC expert Ann Hardy said, "We as a society should be concerned about potential losses from disability and premature death."

So far 1,677,900 hospital patient days at an average total cost of \$147,000 per patient have been expended, although the San Francisco hospital reported an average cost of \$23,000. (The inflated figure may be an effort to justify euthanasia, since it came from the insurance companies.)

Average patient survival time is 56 weeks, with one month in the hospital. The financial burden for all infectious diseases is \$10 to \$20 billion a year nationwide; AIDS could increase this by half.

Corrupt court upholds LaRouche v. NBC ruling

The case of *LaRouche v. NBC* will go into a new phase of appeal following another corrupt ruling, this time by the Fourth Circuit Court of Appeals.

On Jan. 9, a three-judge panel for the Fourth Circuit Court of Appeals ignored the weighty constitutional issues in the case, and affirmed the rulings of Judge James Cacheris in *LaRouche v. NBC*, the suit initiated by presidential candidate Lyndon LaRouche in 1984 after he was libeled by the network. The case will be appealed either as an *en banc* appeal to the entire Fourth

Circuit or, a more likely possibility, to the United States Supreme Court.

On whether NBC's unnamed confidential sources could be accepted as evidence in court, the panel skirted the issue, adopting the lying arguments of NBC, that there was no need for the court to order disclosure, since an article in a LaRouche-associated newspaper, which NBC entered into evidence, claimed that these sources were already known to the plaintiff. In fact, the article in question said no such thing.

On the issue of the mistrial due to prejudicial articles in the *Washington Post*, the panel claimed that the district court followed the correct procedure for interrogating jurors, and that it was satisfied that the jury had not been tainted. This point is an incredible assertion of procedure over substance, since the scandalous *Washington Post* articles in question clearly tainted the entire jury, not just the two individual jurors who were questioned.

On the issue of NBC's counterclaim, the panel acknowledged that while the "harm" (allegedly created by the cancellation of an interview with Daniel Patrick Moynihan) to NBC was "slight," the jury could "have found some injury." On the basis of this trivial and speculative evidence, the court upheld a quarter-million-dollar judgment against LaRouche.

U.S. airport security said inadequate

Security at many U.S. airports is inadequate and a "sure invitation for trouble," Rep. Mario Biaggi (D-NY) said on Jan. 14, in calling for immediate changes in existing airport security procedures. Biaggi said he would push to have airport security operations exempt from deep budget cuts required by Gramm-Rudman, which he said would slash FY86 spending at the Federal Aviation Administration by \$55 million and threaten FAA plans to hire additional security inspectors. A new congressional report released on Jan. 14 found the FAA police force at National and Dulles airports are understaffed, inexperienced and suffering severe morale problems.

Briefly

● **JEWISH COMMUNITY** Council President Barry Ungar of Philadelphia denounced radical Zionist Meir Kahane's most recent demand that all Arabs be thrown out of Israel. Ungar said Kahane's proposal is "a dangerously short step" away from the Nazis' efforts to rid Germany of Jews.

● **CARTER-ERA CIA** chief Stansfield Turner has called for dismantling the Navy, Army, Air Force, and Marine Corps intelligence organizations and centralizing their functions in the Defense Intelligence Agency (DIA), created by Robert S. McNamara.

● **MASSACHUSETTS** Gov. Michael Dukakis signed legislation in January to curb acid rain, citing a state study of 400 damaged lakes, based on water samples from any lake mailed in by anybody who cared to do so. None of the sources were checked by the government, and no questions raised about possible tampering.

● **AIDS** will be contracted by many more people exposed to the disease than originally thought, according to Dr. Harold Jaffe of the Centers for Disease Control (CDC). Jaffe told a conference in Martinique in mid-January among the CDC's 1982 test group of 80 people, "more than six years after the start of follow-up, those exposed are still coming down with AIDS."

● **GEORGE SHULTZ** for President? Zbigniew Brzezinski is predicting that Secretary of State Shultz is preparing to run for President. As evidence, Brzezinski cites Shultz's objections to the polygraph test, his "strong stand against terrorism," and his recent conversion to the use of a prompting device to improve his speaking style.

Editorial

A simple little test

Here's a little test for anyone in a position of influence who welcomed the Jan. 15 "new disarmament initiative" of Soviet strongman Mikhail Gorbachov as a step toward peace: Such a person should either be investigated as a Soviet agent, or should produce evidence proving that he or she is mentally incompetent, and therefore can be exempted from such suspicions.

The surprise of Gorbachov's move has tended to mask the fact that there is nothing new in the Soviet offer: The pundits of the U.S. capital had not expected any new moves from Moscow until after Gorbachov consolidated his power at the 23rd Party Congress, upcoming in February. Once again, the Soviets demand that any arms reduction be linked to a ban on the West's proceeding with the SDI program.

One of the influentials who should take the above-mentioned test, is former Central Intelligence Agency director William Colby. Colby spoke at a news conference convened Jan. 17 by anti-SDI groups, including the Bertrand Russell-founded "SANE," the Nuclear Weapons Freeze Campaign, the Committee for National Security, and Citizens Against Nuclear War—an aromatic array of assets of the Russian intelligence services, which as *EIR* has documented, steer the "nuclear freeze" movement. Colby applauded the Gorbachov offer, adding candidly that "the price is Star Wars [the SDI] . . . we're not giving up anything but the President's dream."

Another candidate for the test is the *New York Times*, whose Leslie Gelb, on Jan. 17, drooled over the Soviet arms offer as "an innovative package of tantalizing proposals for complete nuclear disarmament." Gelb opined that Moscow is trying to offer a face-saving way out of the SDI for Reagan, by drawing "a line in negotiations between research on the one hand and development on the other."

The real intention of the Gorbachov "surprise," obvious to anyone but an idiot (or a Soviet agent) is to drive a wedge between the United States and its Western European allies over the Strategic Defense Initiative. Take a look at the following developments in Europe, *coinciding* with the Jan. 15 arms offer:

- In Britain, a government crisis has broken out which threatens to bring down Prime Minister Maggie

Thatcher. The content of this crisis, set off over an apparently trivial issue, is the Liberal Establishment's desire to replace the Anglo-American oriented Thatcher with an "Anglo-European" creature more able to carry out strategic decoupling from the United States.

- Spain, the western pivot of NATO's southern flank, is facing a popular referendum perhaps as early as March, which is being shaped to stir up anti-American sentiment and either take Spain out of NATO, or, more likely, restructure NATO as a weaker, "Europeanized" entity with a much-reduced U.S. presence.

- The Russians have just massively reinforced their presence in the Mediterranean, according to a Jan. 16 report in the Italian paper *Il Giornale*, which reports that total Soviet naval strength in the Mediterranean now stands at between 25 and 33 naval vessels. In addition, according to military sources, the Soviet SA-5 300 km range SAM batteries, brought into Libya, will be operational "any day now."

- West Germany, the key NATO member, continues to be under fierce pressure to forego partnership in the SDI, even as a delegation from Bonn visits Washington to discuss cooperation. The day after the Gorbachov offer, the Soviets deployed a team of their Bonn embassy personnel to meet with defense and arms control experts of the Social Democratic opposition parliamentary group. After the meeting, Social Democratic Party chairman Hans-Jochen Vogel denounced the SDI as leading "to a new arms race in space and on earth"; Soviet Bonn embassy chief Tereshov then gave a press conference denouncing the SDI as a "major obstacle to progress at the Geneva talks," warning the Bonn government not to join the SDI project.

The Soviet propaganda ploy comes at precisely the moment when budget-cutting hysteria is escalating in the United States over the deadly, self-inflicted wound known as the Gramm-Rudman amendment. Hence, the Gorbachov "disarmament offer" plays right into the demands of the international banking fraternity that the SDI be abandoned for budgetary reasons. This can only heighten European fears about how Europe could defend itself in event of a Soviet attack. No wonder the Soviets are feeling smug, after Gorbachov's Jan. 15 "surprise."

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