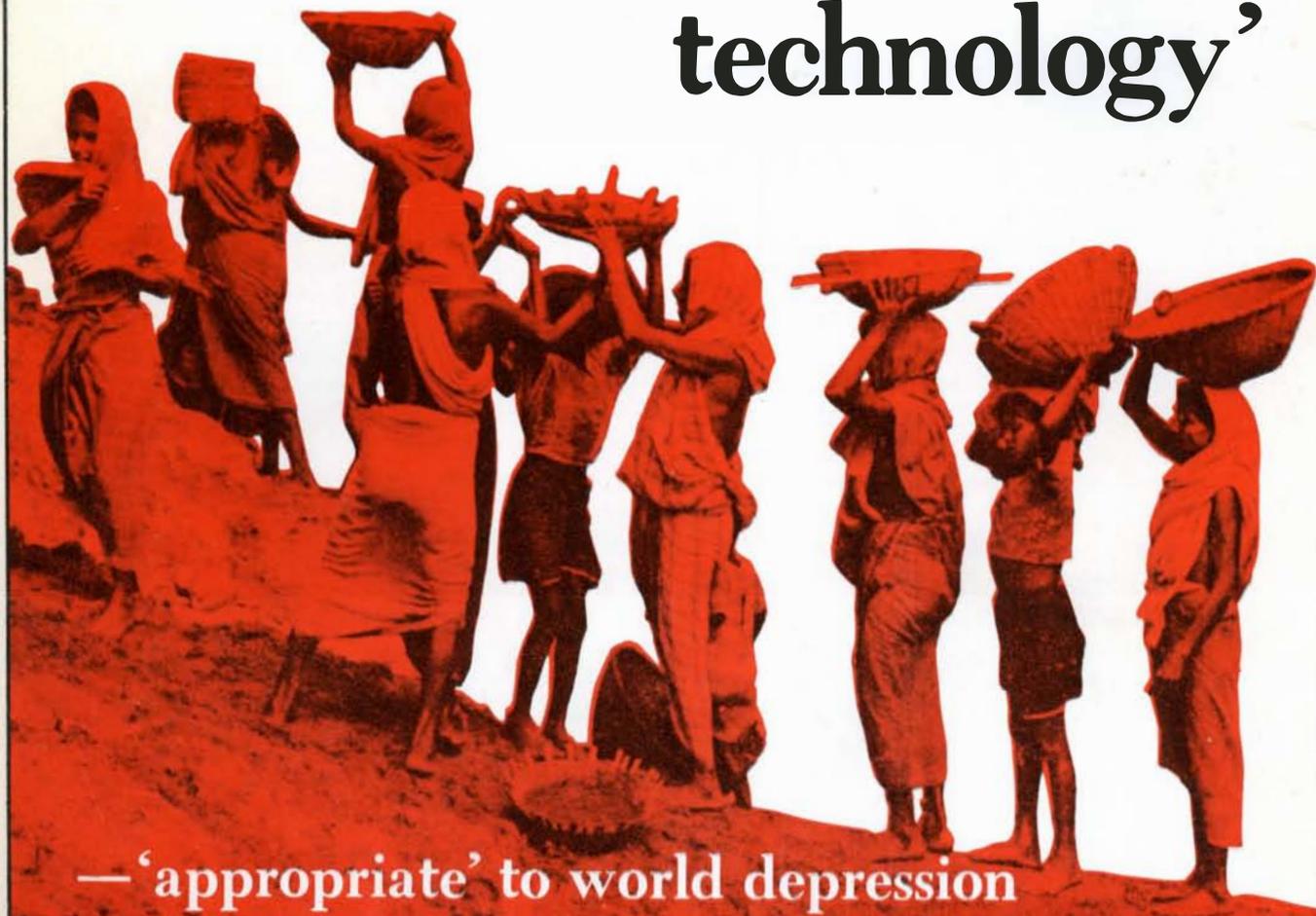


# EXECUTIVE INTELLIGENCE REVIEW

October 10-16, 1978

Inside: How Zionists  
control KKK terror

## Henry Kissinger's 'appropriate technology'



— 'appropriate' to world depression  
and Third World genocide

New Solidarity International Press Service

[ THIS PAGE IS INTENTIONALLY BLANK ]

**Editor-in-chief**  
Fernando Quijano  
**Managing Editor**  
Tessa DeCarlo  
**Contributing Editors**  
Lyndon H. LaRouche Jr.  
Nancy Spannaus  
Criton Zoakos  
Christopher White

**International**  
Nora Hamerman

**U.S. Report**  
Stephen Pepper  
Konstantin George

**Economics**  
David Goldman

**Counterintelligence**  
Jeffrey Steinberg

**Military Intelligence**  
Paul Goldstein

**Europe**  
Vivian Zoakos

**Science & Technology**  
Morris Levitt

**Soviet Sector**  
Rachel Berthoff

**Middle East**  
Robert Dreyfuss

**Asia**  
Daniel Sneider

**Africa**  
Douglas DeGroot

**Latin America**  
Robyn Quijano  
Dennis Small

**Law**  
Felice Gelman

**Press**  
Fay Sober

**Energy**  
William Engdahl

**Production Editor**  
Deborah Asch

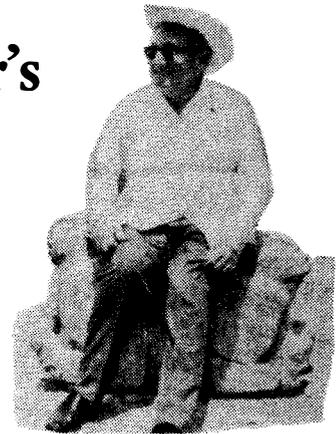
**Executive Intelligence Review**  
is published by New Solidarity  
International Press Service  
P.O. Box 1922, GPO,  
New York City, N.Y. 10001

Subscriptions by mail  
for the U.S.:  
3 months—\$125,  
6 months—\$225,  
1 year—\$400.

ISSN 0 146-9614

# EXECUTIVE INTELLIGENCE REVIEW

## Henry Kissinger's “appropriate technology”



Although he is hated around the world for many things, Henry Kissinger is not commonly identified as an environmentalist. But as this week's cover story demonstrates, Kissinger is using his continued grip on U.S. and world development policy to enforce the most hideous “greenie” backwardness on the entire developing sector. The results are quite literally genocidal.

In **THIRD WORLD**, Asia desk chief Daniel Sneider and Science and Technology analyst Cynthia Parsons have joined forces to present an examination of the political roots of Kissinger's appropriate technology policy, its disastrous effects on individual developing nations and the world economy, and its scientific refutation. Ranging from documentary reports on the most influential Kissingerian policy proposals on the subject, to an Indian weekly's angry exposé of the sabotage of effective development planning by Kissinger, the Brandt Commission, and the World Bank, our coverage pulls together a full intelligence briefing on one of the most crucial issues in the world today.

On our cover: “appropriate” earth-moving technology at work in Bangladesh, from a Bengali government pamphlet extolling the country's World Bank-inspired “Food-for-Work” programs.

## IN THIS ISSUE

### **Revealed: Zionist control over Ku Klux Klan**

In our **TERRORISM** report, the story that will rock the right and make the Zionist lobby scream: how the political and financial power of Zionism is covertly aiding the far-right terrorism of the Ku Klux Klan, the Minutemen, and allied operations.

Contributing editor Lyndon H. LaRouche, Jr. analyzes the recent "turn" in the Bircher press that signals an imminent terror activation. Paul Goldstein dredges up the hidden story of the Klan's creation by the B'nai B'rith conduits of the British-Canadian intelligence services. And, Scott Thompson provides a shocking report on how those same networks are organizing Klan terror today. **page 48**

### **Soviets: Camp David is 'another Munich'**

Two issues ago our cover story charged that the Camp David "peace settlement" was a replay of the Munich pact of 1938. Now the Soviets' Novosti Press Agency has provided three exclusive reports, presented in **SOVIET SECTOR**, on the "Microbes of Munich," the racist parallels between Maoism and Zionism, and the real basis for Mideast peace. Also: Soviet Sector correspondent Susan Welsh's survey of how the Soviet perception of world events has developed over the last year. **page 35**

# EXECUTIVE INTELLIGENCE REVIEW

---

## THIS WEEK

|   |   |
|---|---|
| <b>U.S. Policy: From Disneyland to Halloween?</b> ..... | 5 |
| <b>On The Death of Pope John Paul I.</b> .....          | 5 |
| <b>High Score for Terror Foes in Europe</b> .....       | 6 |
| <b>President Henry A. Kissinger?</b> .....              | 7 |

## THIRD WORLD

|   |    |
|---|----|
| <b>Henry Kissinger's 'Appropriate Technology'</b> .....   | 8  |
| 1. <b>The Kissingerians Plan U.S. Policy</b> .....  | 10 |
| 2. <b>Why Appropriate Technology Can't Work</b> .....   | 13 |
| <i>The real science of development, explained<br/>by the Fusion Energy Foundation</i>                   |    |
| 3. <b>The Genocidal Results in Bangladesh</b> .....   | 15 |
| 4. <b>Kissinger and the Brandt Commission</b> .....   | 16 |
| <i>An exposé from the Indian weekly New Wave</i>  |    |
| 5. <b>From the U.S. Debate on Development</b> .....   | 18 |
| <i>Including excerpts from the Brookings Institution<br/>proposal and the Humphrey foreign aid bill</i> |    |

## INTERNATIONAL

|  |    |
|--|----|
| <b>After Camp David, War Over Lebanon?</b> .....   | 21 |
| <i>Syrian leader: Kissinger killed Faisal</i>  |    |
| <b>U.S. Business Joins Administration<br/>In Disneyland</b> .....  | 24 |
| <i>Including an exclusive interview with top<br/>Chicago banker Robert Abboud and a report<br/>from the American Productivity Conference</i> |    |

## ECONOMICS

|   |    |
|---|----|
| <b>Arabs, Japan, Soviets Link Up With EMS</b> .....                                     | 27 |
| <i>The new monetary order seeks war-avoidance —<br/>but where is the United States?</i> |    |
| <b>Europe: A Shock Treatment for Brzezinski</b> .....                                   | 27 |
| <b>OPEC: Direct Oil for Direct Technology</b> .....                                     | 29 |
| <b>Japan: Building up 'Bremen East'</b> .....   | 31 |

## SOVIET SECTOR

- Soviets: Camp David is 'Another Munich' . . . . . 35**  
*Highlights: the Soviets on Britain and Zionism*
- Exclusive: Three Commentaries From Novosti. . . . . 36**  
*Tiger's paws a'la Peking*  
*The microbes of Munich*  
*When the illusions of Camp David fade away*

## COUNTERINTELLIGENCE

- The CIA — Only a Caretaker Force . . . . . 41**  
*U.S. Labor Party Chairman Lyndon H. LaRouche*  
*looks at who's responsible for the Agency's collapse*

## U.S. REPORT

- Drug and Gambling Czars Tied to Vote Theft . . . . . 43**  
*How Bronfman, mobsters fix U.S. elections*
- Drugs and War: Edgar Bronfman Views the World. . . . 46**  
*A wide-ranging interview with the Seagram's boss*

## TERRORISM

- How Zionists Orchestrate KKK Terrorism . . . . . 48**  
*An introduction by the U.S. Labor Party's*  
*LaRouche on the preparations for a terror activation*
- The Rothschild Roots of the Ku Klux Klan . . . . . 50**
- How Klan-Zionist Terror Operates Today . . . . . 55**

## The underworld is stealing your vote

The same men who run drugs, gambling, and other illegal operations are involved up to their necks in the mechanisms of vote fraud. The details of the scandal, in U.S. REPORT, show how the "respectable" political activities of Zionist lobby heavyweights like Edgar Bronfman interface with the doings of the criminal underworld.

Included in our coverage: a wide-ranging interview with Edgar Bronfman, provided exclusively to the *Executive Intelligence Review*.

page 43

## NEXT ISSUE

\*The plot to take over the Vatican by Europe's "black nobility" — a report from our European correspondents that includes an exclusive interview with one of the most prominent black nobles, Otto von Hapsburg.

\* A hard look at the current battle between Safeway and the Teamsters, using a different sort of corporate profile of the supermarket giant to explain the international politics of what's at stake in the dispute.

\* A report on why the drug issue is becoming the hottest in U.S. politics, that will investigate some of the financial and political powers arrayed on the side of "decriminalization" and document the growing but largely unreported opposition from around the country to the plans to turn America over to the dope-pushers.

# EXECUTIVE INTELLIGENCE REVIEW

## ... GIVES YOU

the intelligence you need to be making policy whether your responsibilities are in government, the labor movement, business, education, or elsewhere.

## ... COVERED WHAT WAS

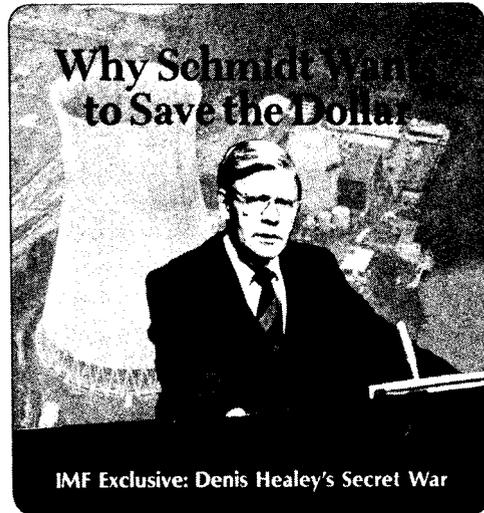
really negotiated at the July 1978 Bremen and Bonn summits of industrialized countries . . . and how the European Monetary System launched at Bremen was *modeled* on a 1975 proposal by the American political economist Lyndon H. LaRouche, Jr. as the "seed-crystal" of a new, development-oriented world monetary system . . . how the United States can get into this system and out of the depression . . .

## ... REPORTED HOW

fusion energy researchers in the United States achieved the milestone breakthroughs reported in August, 1978 from Princeton, and what other advances are coming in this clean, cheap and virtually unlimited solution to the world energy crisis . . . how and why there was a massive sabotage attempt against the U.S. fusion program, and who's backing fusion now . . . what were Japan's and the Soviet Union's offers in 1978 to the USA for joint fusion R&D.

## EXECUTIVE INTELLIGENCE REVIEW

October 1-9, 1978



New Solidarity International Press Service

\$10

## ... DOCUMENTED

what's behind the world outbreak of terrorism . . . the names of the global networks that deployed both "left" and "right" terrorism to kill Juergen Ponto, Hanns-Martin Schleyer, and Aldo Moro—and plan an even bigger terror wave for the United States . . . Executive Intelligence Review provides the first-hand documentation from the world's press, including accurate translations from non-English sources, showing how continental Europe, Japan, the East bloc, the Arabs and developing sector countries are seeing and acting on events.

### PRICE CHART

| Area   | 3 months | 6 months | 1 year |
|--|----------|----------|--------|
| U.S., Canada & Mexico                                    | \$125    | \$225    | \$400  |
| Central America, West Indies, Venezuela & Colombia       | \$135    | \$245    | \$450  |
| West Europe, South America, Mediterranean & North Africa | \$140    | \$255    | \$470  |
| All other countries plus South Africa                    | \$145    | \$265    | \$490  |

3 months       6 months       1 year

Name .....

Address .....

City ..... State ..... Zip .....

Signature .....

amount enclosed .....

Make checks payable to:  
New Solidarity International Press Service  
G.P.O. Box 1922, New York, N.Y. 10001

# From Disneyland to Halloween?

*Though the EMS moves forward, insanity rules in Washington*

Political metaphor became all-too-sensuous reality last week when the President of the United States used Disneyworld as the forum from which to tell 2,500 leaders of American business that Camp David was a roaring success. All the evidence indicates that the unchallenged hegemony of Zbigniew Brzezinski, Henry Kissinger, and through them the City of London, over the Carter Administration's foreign, monetary, and domestic policy has plunged not only the U.S. leadership but, apparently, leading corporate, financial, and other business circles into a mass-psychosis Fantasyland.

Camp David brought "peace in our time," says the Administration, and as we go to press, the fighting in Lebanon is quickly approaching all-out Mideast war, with the imminence of a U.S.-Soviet showdown not far behind (see INTERNATIONAL).

The way to "defend the dollar" is to throw the U.S. into recession and strangle development of the Third World altogether, say the White House and various business spokesmen — while the European, Japanese, and Arab proponents of the "Grand Design" world development strategy come under fire from Washington as "antidollar" for their efforts to provide the U.S. currency and the U.S. economy with a real way out of the crisis. The dollar's continued plunge on

the world markets only confirms the lunacy of current U.S. monetary policy.

The psychology of the process now in force in the White House is all too clear. A clinically psychotic policy-making doctrine has been imposed top-down on all aspects of the Administration, and any facts that betray the insanity of the Brzezinski policy line are being deliberately, obsessively ignored. With Disneyland already here, the obvious next stop is Halloween.

## What's going on out there?

Fortunately the fate of the world does not rest entirely in the hands of Jimmy Carter. West German Chancellor Schmidt, French President Giscard d'Estaing, Japanese Premier Fukuda, and their allies in the Arab countries, the Third World, and the Soviet sector are racing ahead to effect full implementation of the new European Monetary System and the associated program of global high-technology-based economic expansion (See ECONOMICS). They are also moving directly to intervene into the Middle East, with a combination of public initiatives and private diplomatic moves for a Geneva solution to the Camp David mess.

So dramatic has this motion become that Great Britain, the policy motherland of the psychosis dominating Washington, is howling with rage and terror. Fascist

Enoch Powell has declared that the European Monetary System threatens to win the "war of conquest they (France and West Germany) are waging against the United Kingdom," while, from the opposite bench, the Labour Party has issued its own rejection of the EMS, on the grounds, according to East German radio reports, that it is an "imperialist scheme."

Less publicly, the strategists of London are even now deciding whether to deploy their Israeli puppet into open war on Lebanon to stop the reportedly effective, Soviet-backed Syrian actions against the Israeli- and London-run Falange. They may indeed be desperate enough to go for a full-scale East-West confrontation, as the "lesser evil" compared to the political and economic obliteration of City of London power that the European Monetary System drive portends.

That London and its allies are indeed fully that insane should not be doubted — look at what that outlook has already wrought on the mental processes of America's leadership. But as long as the power of the United States remains in their grip, the future of the world remains in grave doubt.

The efforts of Schmidt, Giscard, and the rest could well be for naught unless the U.S. Administration is quickly dragged back into reality.

# On the death of Pope John Paul

The Italian press has revealed that prior to his untimely death last week, Pope John Paul I was planning a personal intervention into the Mideast crisis as well as the full and rapid reunification of the Roman Catholic and Russian Orthodox Churches. In light of John Paul's plans to undertake such a crucial diplomatic role, the immediate response to his death from his self-appointed critics, Archbishop Lefebvre and the radical Berrigan brothers — that his sudden passing was "God's will" — is more than offensive. An associate of Lefebvre's cheered the Pope's passing by telling the press "if God withdrew him after one month, it is because he didn't want him to reign. . . ."

## Behind Archbishop Lefebvre

In a statement released Oct. 1, U.S. Labor Party Chairman Lyndon H. LaRouche noted that the predictions of John Paul I's death

by soothsayers like Jeanne Dixon, as well as the schismatic Lefebvre force's immediate comments, are a "trick" of political intelligence operatives that has been handed down through the ages among Europe's black aristocracy.

"Although the titular leadership and center of gravity of the 'Black Maltese' networks internationally is the British monarchy, the hard core of the Cult of Isis down through the millennia is a group of ancient Roman families, some tracing their ancestry accurately to the family of Julius Caesar," LaRouche said in his statement. "It is that 'black nobility' which has often murdered Popes by poisoning in the past, and which is the leading sponsor of Archbishop Lefebvre.

"The Agnelli family is an integral political component of a 'black nobility' faction in Italy, which is principally situated within the Fanfani wing of the Christian

Democracy and the Italian fascist organizations, but which is also represented politically under other covers by the Lombardi-Craxi faction of the Socialist Party and by Ugo LaMalfa of the Italian Republican Party."

LaRouche pointed out that the same method of "predicting" calamitous events was employed in the first Nixon Administration, by Henry Kissinger, in his effort to undercut the influence of then Secretary of State William P. Rogers and his Mideast peace-through-development policy.

Not surprisingly, Lefebvre is a creation of the black nobility, his prime backing coming from Princess Pallavicini, the reigning monarch who controls black fascist networks from the Atlantic to Latin America as well as the Middle East. The Princess comes from the Lebanese Sursok family, which not only shares in the control of the Nazi Lebanese Falange, but has a history of collaboration with oligarchic forces dating back a thousand years, including the ancient Egyptian cults of Isis and Osiris.

# High score for terror foes in Europe

In a swift response to a series of murders and bombings claimed by the Red Brigades since mid-September, Italian antiterror authorities carried out a successful sweep of safehouses in Milan and made at least nine arrests of suspected terrorists by Oct. 3. This brings the European-wide cleanup of key terrorists to 15 arrests in three weeks.

In West Germany, recent Baader-Meinhof arrests resulted largely from a national poster campaign by police which identified wanted gang members and made their public movement difficult.

The effective moves by European law enforcement

authorities have followed widespread exposures, including statements by Italian carabinieri (national police) Gen. Dalla Chiesa, pointing to Israeli and British intelligence control of international terrorism. As we reported in our Aug. 29-Sept. 4 cover story, Dalla Chiesa, whom Premier Andreotti put in charge of Special Operations against the Red Brigades after the kidnapping and death of Aldo Moro last spring, identified Baader-Meinhof terrorist Joachim Klein as a protégé of the Israeli intelligence service Mossad.

Included in the Milan arrests were two of the original members of the Red Brigades, one of them

Nadia Mantovani, who was on the most-wanted list. She has been identified as the coordinator of logistics between the West German Baader-Meinhof gang and the Red Brigades operating from bases in Switzerland.

But Dalla Chiesa may have uncovered something even more important in last week's Milan dragnet, which could lead up to high levels of collusion with international terrorism inside the government that have been charged ever since former Prime Minister Moro's death by several Italian sources, including the Communist Party. The Italian press reports that police found the transcripts of Moro's 55-day

imprisonment in one of the Red Brigades covens. Divulging nothing of the contents of these documents, Dalla Chiesa hurried off to Rome with the announcement that he will investigate *within* the Italian Justice and Interior Ministries.

Partly because of these successes, and partly in an effort to hit the leadership and potential leadership of the emerging European Monetary System, the City of London has put out predictions that terrorism will strike West Germany and spread to new targets in Denmark and the United States.

British intelligence has even made a (somewhat ludicrous, under the circumstances) attempt at discrediting Gen. Dalla Chiesa. The Italian weekly *L'Espresso*, which is close to the London-run Italian Socialist Party, came out with an article purportedly by Joachim Klein "refuting" his Israeli intelligence links. Klein cited such authorities as Jean-Paul Sartre and Daniel Cohn-Bendit — both noted members of the West German terrorist-support infrastructure!

Great Britain is also the source of new threats against the West German government of Helmut Schmidt. On Oct. 1 the *Sunday Observer* cited the anniversary of the suicides of three Baader-Meinhof convicts and scheduled Schmidt campaign appearances in Hessen state to "predict" a terrorist attack on the chancellor before the end of October.

Antiterror efforts in West Germany are complicated by the report of increased British intelligence and security operatives there after the bombing of British Army on the Rhine bases last August. In the past, such deployments have served as a cover for protecting terrorism; in 1971 German police discovered that a person who had leases on six terrorist safe-houses in the Stuttgart area was a British intelligence operative. According to Interior Minister Gerhart Baum, "there are signs

that new people have been recruited — people who until lately seemed to be leading a normal life and have now gone underground."

In related British intelligence initiatives, terrorism "experts" Gen. Richard Clutterbuck and Brooks McClure warned industrial executives in Copenhagen and Chicago last week that an outbreak of terrorism is "inevitable." Clutterbuck, a member of the Royal Institute for International Affairs who operates as a lecturer on Police Violence at Britain's University of Exeter, gave this message to a conference of leading Danish businessmen in Copenhagen. Clutterbuck is working with British insurance groups which sell "antiterror" coverage to top executives; he told

his audience, many of them active in linking Denmark into the European Monetary System, that industrial and business leaders, rather than diplomats, would be the main new targets of terrorism.

A similar theme was struck by Brooks McClure, a British-linked U.S. terrorism expert who gathered profiles of leading corporations and executives on their susceptibilities to terror attack for a recent Commerce Department project run out of the National Security Council. McClure told more than 200 representatives of Midwest industrial firms gathered at a Sept. 27 conference in Chicago to "prepare" for an "inevitable" outbreak of terrorism in the United States.

## President Henry A. Kissinger?

The crimes of Henry Kissinger, the subject of several items in the *Executive Intelligence Review* this week, have long been a cause for anger and dismay from America's allies around the world. Recently many of them have expressed, publicly and more often privately, their extreme concern over his "unofficial" — and disastrous — power over U.S. policy-making.

But things could get worse.

About a month ago the Venezuelan newspaper *El Universal* ran an Agence France Presse wire report of a speech Kissinger gave in Albany Sept. 6, in which Kissinger described his political future as "imperial." He explained that as a naturalized citizen, he is prevented by the U.S. Constitution from attaining "the post that most interests me," the presidency. But, he added, "Nothing in the Constitution stops me from becoming Emperor..."

Merely a podium witticism? *Washington Post* columnist David Broder thinks otherwise.

Kissinger, says Broder in his Oct. 4 column, "has a star quality that is conspicuously lacking in most others in the political circuit." And now Kissinger "does not disguise the fact that this year's fund-raising" for a variety of Republican candidates "is also a way of making a transition from his old world of diplomacy to what he hopes will be his new world of elective politics. The job he has his eye on is that of senator from New York," possibly opposing Jacob Javits.

Broder continues, "The only question some people ask about Kissinger's candidacy is whether he will be satisfied for long to be a mere senator. Already such journalistic admirers as *Time* magazine's Hugh Sidey are raising the question of amending the Constitution to allow a naturalized American citizen like Kissinger to be elected president."

Kissinger, Broder concludes, "ought to be a senator — at the very least."

# Henry Kissinger's 'appropriate technology'

## *Environmentalism versus developing and industrial nations*

In August of next year the United Nations will convene a special conference in Vienna on "Science and Technology for Development," a major international event which is already a factor in the policy planning of governments across the globe. Preliminary statements on science and technology policy, particularly as regards the task of development for and of the mass of humanity in what is called the developing sector, have already been submitted to the United Nations Secretariat charged with preparation of the conference.

While none of these documents are yet public, our sources reveal that the dominant emerging theme is a cry for "appropriate" (or in the language of the developing agencies, "intermediate") technology. This is not surprising — as we reveal in this report, an effort was mounted from the moment the UN General Assembly first decided on holding the conference to make sure that the transfer of *real* science and *real* technology to the developing sector never takes place.

The "appropriate technology" mafia that has moved to dominate all international discussion of development is led in this effort by none other than former U.S. Secretary of State Henry Kissinger. While still officially holding that post (as opposed to his informal maintenance of that position in the present Administration), Kissinger organized to channel U.S. participation in and control over this conference and the events leading up to it along appropriate technology lines. Simultaneous to Kissinger's efforts within the government, a gaggle of Senators and Congressmen, with the late Senator Humphrey in the lead, began moving for a revision of our foreign aid legislation which dictated that all American aid be channeled into the same format.

The import of this fight on Capitol Hill should not be underestimated — at stake is whether the United States will be known as an industrial leader, the center

of science and technology in the world, or whether we will now say to the rest of the world that science, like God, is dead and our industrial progress is only a model for the environmentalist bogeys of pollution, waste, and technocracy.

Kissinger, Humphrey, and the rest in the U.S. here are merely the domestic wings of an international gang of "limits to growth" austerity advocates. The castle keep of these latter-day feudalists is the International Monetary Fund and the World Bank (otherwise known as the International Bank for Reconstruction and Development), headed up by Robert McNamara. Last year, the World Bank and McNamara created an "independent" commission of individuals under the direction of West German former Chancellor Willy Brandt to oversee their attempt to determine the content of relations between the developed and developing worlds, the "North-South dialogue."

The Brandt Commission, whose background and history is also examined below, is the most prominent agency of the deindustrialization strategy of the appropriate technology mafia. Just recently the Commission held a closed meeting in Tarrytown, N.Y. which was graced with a special presentation by Henry Kissinger, a *de facto* member of the group, described by Brandt as the man best qualified to know "how we can sell our proposals to the rest of the world."

### **The threat to the industrial nations**

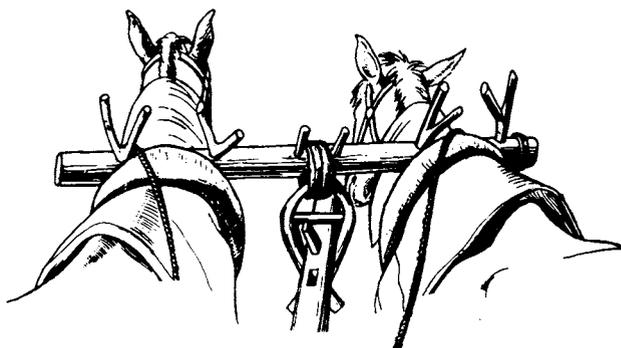
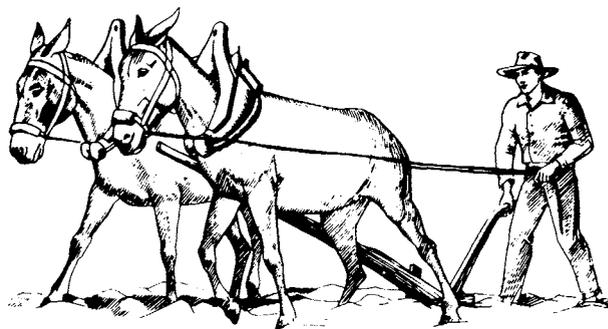
The efforts of the IMF, the World Bank, Kissinger, the Brandt Commission, and so on to force appropriate technology down the throats of the developing *and* the developed sectors are a necessary complement to their drive to halt European-centered moves to restore stability to the international monetary system.

The recent Brandt Commission meeting itself focused on this subject.

The new European Monetary System agreed on this summer in Bremen has a much greater aim than mere currency stabilization. What terrifies the Kissinger crowd and its political home base, Great Britain, is that the EMS strategy is the core of an international effort, to which the Saudis and other Arabs and the Japanese are linked, to create a credit market to fund long-term development projects in the Third World and to expand world trade with an emphasis on real technology-transfer to the developing sector. Expansion of East-West economic cooperation is also a primary aim.

The IMF and the friends of the IMF in London, New York, and the Grand Cayman Islands are determined to halt the EMS at all cost. The reason is simple: the EMS pulls the rug out from under the speculative money markets run by the Eurodollar financiers in London and elsewhere, the same financiers who have been running the campaign against the dollar. These mercantilists run the IMF as their debt-collection agency in both the developed and developing sectors. A Third World country desiring credit for the kind of industrial expansion that provides the markets for industrial producers in the U.S. and Europe is told by the IMF, on behalf of itself and the Eurodollar lenders, that such development is simply "not appropriate" to the higher requirements of debt servicing.

Therefore these barons of finance have funded and built up an immense propaganda campaign over the past decade or so with the Malthusian theme song of "limits to growth." In the interests of their austerity plans, the developing sector has been told it must seek only "labor-intensive" means of economic development, that it must abandon any hope of ever achieving advanced-sector levels of technology and what might be termed energy intensiveness. The



These diagrams are from a manual for developing nations published by the UN's Food and Agriculture Organization in 1969. The introduction to the manual, titled "Farm Implements for Arid and tropical Regions," notes that "the use of power machinery can only be afforded where the farming system provides sufficient cash income to pay for it ...." Animal-drawn plows are the highest-technology implements offered in the booklet.



basic argument — that “fixed limits to resources” determine that the developing nations can’t develop (and we can’t expand world trade) — has been supplemented with the importation of the more spiritual” types of environmentalist antisience into the Third World.

### Appropriate technology’s British godfather

The godfather of this new spiritual awakening is a (now thankfully deceased) British “economist” by the name of E.F. Schumacher, whose book *Small is Beautiful* is the bible of our environmentalists at home and the appropriate technology crowd worldwide. Schumacher was no wild-eyed hippy, but a top-level insider of British policymaking circles and the British Colonial Office (now known as the Overseas “Development” Ministry). This Oxford grad began in the 1940s with the Fabian Society, through which he involved himself with the planning for the creation of the postwar international monetary system. In his written wartime commentary on the IMF proposals of Lord Keynes and the U.S.’s Dexter White, he criticized even the British proposal for not going far enough in creating a transnational agency that would be outside the control of any sovereign government.

His concerns were centered on the U.S. He viewed the Keynes proposal as a compromise, what the U.S. could be manipulated into agreeing to given that (as he explicitly stated) the U.S. would never agree to the kind of grand raid on the U.S. Treasury that bankrupt Britain wanted to carry out at the end of the war. But Schumacher confidently predicted that within 25 years the system would collapse anyway, and then the British could again get what they wanted — control over the international monetary system.

This gentleman’s subsequent career carried

through many agencies, including involvement in the British occupation of Germany, but he dedicated the last 15 years or more of his life to eradicating America’s “edge” over Britain — namely science and technology. The author of the term “intermediate technology,” he was the founder of the “Intermediate Technologies Group” in England in the early 1960s, which together with the International Development Service, a Colonial Office institution based at Sussex University, was the initiating force behind the appropriate technologies crusade.

Its spread since has been wide and effective. Remember the *Whole Earth Catalogue*, that do-it-yourself guide for the rock-drug counterculture which would have us all building our own outhouses in the spirit of “getting it on with nature”?

In this report we also feature an extremely competent statement by the scientific authorities of the Fusion Energy Foundation on why appropriate technology simply doesn’t work, except as a method of mass murder. We leave it to the men and women of the American business community and labor movement to imagine for a moment what their economic future will look like in an appropriate technology world.

The vast markets for American capital goods, science, and technology that are potentially represented by a massive effort at the full-scale development of the developing nations is virtually unlimited — and the EMS and the efforts associated with it promise to provide the monetary and credit system to make that possible. What has been appropriate for America’s growth and development — the highest level of science and technology known in human history — is no less appropriate for the billions in the developing nations of the world.

— Daniel Snieder

## 1. The Kissingerians plan U.S. policy

In November 1976 Henry Kissinger, then Secretary of State, called together some 800 business, labor, and other private-sector leaders for a meeting to plan the U.S. role in developing the Third World, and to prepare for the 1979 UN “Science and Technology” Conference. The gathering took place only months after the Non-Aligned movement’s historic Colombo resolution calling for debt moratorium and high-technology development, which promised the final defeat of Kissinger’s International Resources Bank scheme to mortgage all developing nation’s economies for debt repayment, unless the Colombo current could be stamped out.

Among those at Kissinger’s meeting were a number of his most loyal cothinkers: Sterling Wortman of the Rockefeller Foundation, infamous for its disastrous Green Revolution policy; Orville Freeman, president

of Business International Corporation and, during his tenure as Secretary of Agriculture in the Kennedy Administration, responsible for shutting down U.S. food exports to the underdeveloped sector; G. William Miller, the asset-stripper head of Textron, who has since been installed as the head of the Federal Reserve; James P. Grant, president of the Overseas Development Council, which purveys the Kissinger-World Bank line among businessmen; and Frank Pace, Jr., president of International Executive Service Corporation.

Pace led off the meeting with a statement of purpose designed to make even “appropriate technology” sound good. “It is important to establish goals,” he said, “not for the purpose of intermediate or appropriate technology in the developing countries, not for the purpose of developing new high-level technology,

## The AT mafia: 'Back to 3,500 BC'

*While the environmentalists have not yet been able to force windmills, human dung for fertilizer, and other Stone-Age naturalisms on any significant portion of the population in the advanced sector, the peoples of the Third World are seen as a more tractable target. A sample of appropriate technologies at work is offered by a recent issue of the magazine Mazingira: The world forum for environment and development (No. 5, 1978), which is published "with the support of" the UN's Environment Programme. (The same UN environmental umbrella also shelters the Friends of the Earth and other environmentalist-lapping-over-into-terrorist operations.) The magazine's masthead notes that "Mazingira means environment in Swahili," and adds that it is printed on partly recycled paper.*

"Six developing countries are now in the process of testing and modifying a wind powered water pump which has been developed by the Intermediate Technology Group with financial support from Christian Aid . . . .

"The prototype was developed with help and hospitality from the Engineering Department of Reading University, UK.

"It is specifically intended for local production in workshops of light engineering plants.

"The wind machine has a 6-metre diameter and

is capable of driving a variety of reciprocating piston, diaphragm, or inertia pumps. Output varies from 0.5 to 7.5 kW depending on wind speed. Different rotor and pump options allow it to be used either for low lifts with high volume or high lifts with low volume, for irrigation and borehole pumping respectively."

*But even more "appropriate" is this plan for "Reviving Babylon's bricks" in the starving Sudan:*

"An ancient brick-making process — first used in Babylon in 3,500 BC — is being revived in the Sudan in an attempt to find a local cheap source of bricks. In the Sudan, as in many developing countries, concrete blocks are expensive and local sun-dried bricks have low life expectancy and encourage the breeding of insects and fungi in their porous structure. Burnt bricks are of better quality, but are relatively expensive and make catastrophic demands on limited timber supplies.

*Perhaps the most telling statement of purpose in the magazine appears in a caption to a picture. Below a photograph of an Oriental man carrying a heavy burden on a yoke is the comment:*

"Age-old technology — perhaps painful, certainly appropriate."

but to arrange for present technology to be adapted to the needs and requirements of the small business and small farmers."

G. William Miller, for his part, proclaimed that it was obviously impossible to raise the Third World to: the same standard of living that exists in the United States . . . I don't believe that we have the resources in the world in terms of human managerial resources or labor resources, nor do we have the material resources to accomplish this in a short time.

Nor would it necessarily be desirable to establish the American standard of living as it now exists, in many ways wasteful, in many ways perhaps less rewarding than alternate cultural opportunities, as the norm for the world. I don't suppose that any of us would propose, in thinking of the use of technology to create development in the world, that we try to close that gap instantly.

Another important speaker at Kissinger's meeting was H. Guyford Stever of the National Research Council. "Technology transfer, unless carefully grafted to local values and conditions, may be rejected," he said. "While technology is at the heart of the development process, a new and more mature

attitude toward the application of technology has emerged." This more mature attitude, he explained, included the recognition that development could no longer be thought of in terms of "the reaching of a specific goal at a specific time," and that the "prevailing belief or hope for many years that development such as that achieved in industrialized nations could be transplanted to an LDC" (less developed country) was chimerical.

"Agricultural self-sufficiency" through appropriate technologies is the best the Third World can hope for, he concluded, and called on the private sector and international aid agencies to persuade the Third World to accept this as inalterable fact.

—Cynthia Parsons

### The Stever report

*Stever was chosen to prepare a report to help define the official U.S. stance at the United Nations conference. His paper was issued in April 1978. Titled "U.S. Science and Technology for Development: A Contribution to the 1979 UN Conference," it was put together with the help of the Brookings Institution as well as the National Academy of Sciences, which*

*Stever formerly headed, and declared itself in its introduction to be a "policy-shaping report."*

*Here are excerpts:*

**The goals of development.** "The experience of the past quarter century has shown the limitations of equating growth with development. . . . The scarcity of petroleum, minerals, and usable resources, for example, affects world agricultural and industrial production and demands on the world's ability to produce food, jobs, and services."

**Agriculture.** "Increased crop production to feed the world's growing population can be achieved either by expanding the land area cultivated or by increasing average annual yields per hectare. The latter may be accomplished by applying more labor per hectare, (in the form of fertilizers, equipment, irrigation ditches, etc.) improving the biological factors that affect crop productivity, or making other technological improvements.

"Problems abound in this area. The costs of bringing land into production continue to rise, and the expense and environmental damage associated with production inputs constrain their use. People are beginning to question the wisdom of building ever more irrigation dams and using ever greater amounts of chemical fertilizers to grow crops. . . .

"Irrigation projects have frequently failed to meet expectations because the delivery, distribution, and drainage of water on farmers' fields are uneven, wasteful, poorly timed, and conducive to waterlogging and salinity."

**Industry.** "While there is no assurance of success, there is little doubt that their prospects for industrialization will be enhanced if developing nations evolve indigenous capabilities in research and development. . . . (but) the determinants of industrial growth in a developing economy including the role of technology as an input into industrialization are not well understood."

(The report proposes:)

"—creation of an international foundation with a multinational board and diverse international funding to manage a program of grants and contracts to existing research institutions around the world;

"—creation of a private international research center, with financing support from governments and private sources, governed by a distinguished multinational board of directors and shielded as much as possible from political influences;

"—creation of a research center or expansion of existing research capabilities within an existing international institution such as the World Bank."

**Energy.** "Unexploited energy resources exist in every country — nonrenewable fossil fuels such as petroleum, coal, natural gas and peat; nuclear and geothermal resources; or renewable resources based

directly or indirectly on the sun. . . . we recommend that the United States indicate its intent to lend major new support for public and private research and development activities related to energy problems in developing countries. . . . using renewable energy sources . . . The work would have two objectives: conservation through energy-efficient designs and replacement of costly imports with indigenous energy sources. . . .

"Developing countries must continue to seek and exploit their own reserves of fossil fuels, but the greatest long-term prospects for increased energy supplies lie in exploiting renewable resources. Especially important are decentralized technologies which may provide energy to rural areas without the need to develop far-flung electric power grids such as those on which the United States has come to depend . . . Some promising technologies have been developed and others are on the drawing boards based on solar energy used directly (e.g., heating, distillation, photo-voltaic conversion) or indirectly (e.g., wind, biomass, hydropower) . . . .

"(The U.S.) could help universities or private sector institutions in developing countries to complement policy analysis by government agencies. Much constructive review of U.S. policy is done outside the government; organizations like the Brookings Institution, the American Enterprise Institute for Public Policy Research, Resources for the Future, Inc. . . . The U.S. might explore potential contributions to encouraging the development of such institutions in developing countries."

**Appropriate technologies.** "The 1979 Conference is certain to address the question of whether sound industrialization in the developing countries requires the availability of special technology . . . (because) economic conditions in developing nations differ in a number of respects from those of the industrialized nations. Typically, developing nations have rather large proportions of general skilled craftsmen and relatively fewer persons with highly specialized technical skill . . . (and) a low rate of capital formation so that they are characteristically capital-poor when compared with industrialized nations.

" 'Appropriate technology' " as used in this chapter means technology that is optimal for a particular situation in a particular developing nation, given that nation's economic and social conditions and goals. For example, if a nation's overriding goal is to maximize national income, the technologies used should be those that are most efficient, given relative factor costs within the nation. If, on the other hand, a nation's goals stress creating jobs over maximizing national income, more labor-intensive technologies might be chosen. Indeed, for many nations this would imply technologies that are capital-saving and-or labor-intensive compared to corresponding technologies used by industrialized nations. It would also imply technologies that are relatively easily learned by

workers with no prior industrial training or experience and technologies to produce goods that are less specialized, simpler to use, and more versatile than similar products made in the industrialized nations.”

**Negotiation on technology imports.** “. . . The U.S. should sponsor workshops to develop negotiating skills. Such workshops are currently offered at Georgetown University and Harvard University, for example. The UN also sponsors such programs . . . It might be desirable to hold some of these workshops directly under the auspices of an international organization such as the World Bank or UN agency. . . . Technology transfers may have negative impacts on the United States as a whole or on certain geographical regions, economical sectors and income groups.”

**Health.** “We propose that the United States encourage expanded international support for efforts to

demonstrate effective approaches to providing these services widely and at low cost . . . would emphasize preventative services (including nutrition, family planning, and environmental sanitation), relatively simple technology, and extensive use of community health workers and other paraprofessionals, along with intensified training for physicians in delivery of primary health services. Many small-scale programs along these lines have worked well, but with such notable exceptions as those in the People’s Republic of China and Cuba, few have been effective on a large scale.

“Given the nature of the needs in the fields of health, nutrition, and population, the initiatives recommended are somewhat more concerned with ‘soft technology’ (methods of management, organization, education, information, research, and evaluation) than with equipment. We suggest the need to develop new technologies, but, in general, we are more concerned with adapting and transferring existing technologies . . . .”

## 2. Why appropriate technology can’t work

*One of the most authoritative voices against environmentalism in general and appropriate technology in particular is that of the Fusion Energy Foundation, a nonprofit organization devoted to the encouragement of the most advanced technologies. The August 1978 issue of the Foundation’s journal, Fusion, carried a statement on appropriate technology and its antidote, titled “World Development Requires the Most Advanced Technologies,” portions of which we excerpt here:*

The primary goal of development is to increase the standard of living and educational level of the population. The only possible way of increasing per capita consumption is to increase per capita production — the productivity of labor. In turn, the productivity of labor can be increased only by the application of new technologies that substitute inanimate energy and machinery for human labor. By increasing productivity, such new technology increases the standard of living directly. At the same time, by reducing the time the society as a whole must work to maintain the current level of consumption and the existing means of production, increased productivity generates a surplus that is available for expanding the economy as a whole. The combination of increased consumption levels and increased leisure time available for education makes possible the production of a more highly skilled workforce, which, in turn, allows the implementation of still more productive technologies, continuing the cycle of growth and development. Such is the process by which the most developed economies

in the advanced and the developing sectors actually achieved their current success.

From this description of the goals and methods of development, it follows that the criterion for development strategy is the maximization of the rate of development. Our aim must be to maximize the rate of increase of labor power or productivity, and thus the rate of increase of the overall social surplus.

From these very elementary considerations it can be seen that the strategy of appropriate technologies is not one that encourages development. The very basis of this approach is to maximize the labor intensiveness of the technologies employed in the developing countries; in other words, to minimize labor productivity. By attacking the very motive force of development — increases in labor productivity — Such a strategy necessarily preserves existing backwardness . . . .

### **The failure of appropriate technology**

What, in fact, will be the consequences of widespread implementation of a policy of labor-intensive development? What is proposed is the mere extension of the present low levels of productivity to a wider proportion of the existing population—an increase in the intensiveness of labor by the population as a whole. At the very best such a process can result in only very modest increases in production in proportion to the additional labor employed, increases barely sufficient to cover the increased consumption necessitated by productive output. No added surplus is generated, and thus no basis for continued growth produced. In fact,

the real situation is considerably worse, since any fixed level of technology tends to exhaust the resources available to it. For example, existing supplies of low-technology fuels such as firewood are already nearing exhaustion. Such limitations rapidly force upwards the cost of a fixed technology, leading to increasingly rapid declines in overall productivity and, therefore, in the standard of living. We conclude that even very modest "basic needs" cannot be met by the use of low-productivity technology for any length of time. Furthermore, the extension of labor time at current wholly inadequate levels of productivity and consumption must lead to the actual destruction of present labor power on a large scale.

How, then, can such a policy appear to be economical in terms of the low cost of labor? It is clear that this argument is premised on the preservation of the very conditions of misery that development aims to alleviate. Only if the cost of labor is calculated at the present grossly depressed wage levels can labor-intensive methods compete with more productive, capital-intensive ones. But precisely these grossly depressed levels are the principal hindrance to development. By the accurate measure of the resulting growth rate, capital-intensive methods are far more economically effective than labor-intensive ones.

In other words, appropriate technologies are only appropriate to the existing level of backwardness; they are wholly inappropriate to the task of development....

### Capital-intensive development

Capital-intensive development is premised today on two interrelated policies. First, to provide the energy supplies necessary to sustain development, we must accelerate the implementation of existing nuclear energy technologies and put the development of the breeder and of thermonuclear fusion on a priority basis. Second, in the developing sector regionwide centers of industrial development must be created to act as the focus for high-technology industrialization.

It is clear that without the development of nuclear energy, insufficient resources exist to power capital-intensive development for any length of time. However, existing fission technologies can sufficiently expand and supplement energy supplies to ensure adequate energy growth for the next decade and a half. By the end of that period, liquid metal breeders and fission-fusion hybrid reactors must be on-line, and controlled thermonuclear fusion reactors could begin to be introduced, assuring a virtually unlimited supply of cheap energy for the future. An international program to develop fusion power within the next decade, a technically feasible objective, therefore, is a necessary aspect of any sound development strategy.

In the developing sector itself, capital-intensive

industry must be introduced by a concentric-circles process that upgrades the entire workforce. The core of such a process will be regional industrial centers, using combinations of nuclear and fossil fuel and hydroelectric energy to drive advanced-technology heavy industry (for example, primary processing industries). These centers will utilize the available skilled workforces in parts of the developing sector. Surrounding these centers will be secondary centers of light industry, more closely linked to rural areas (such as food processing). Around these secondary urban hubs, in turn, must be regions of advanced agricultural development.

In this manner, a relatively low-skilled population can be progressively drawn into industries requiring a higher and higher level of skill. While each industry maintains the highest possible level of productivity and capital intensiveness, the combination of industries of relatively lower and higher skill levels provides the basis for a continuous upgrading of the total population.

The combination of nuclear energy development and regional industrialization can provide the basis for rapid rates of development in the developing sector, as similar policies led to the industrialization of the advanced sector. It should be noted that such a policy is ideally and uniquely suited to reenergize the currently depressed industries of the advanced sector (such as steel) and to generally achieve a high rate of exports from this sector to the lesser developed countries.

### Appropriate financing

Capital-intensive development is not only technically practical but also financially practical. The objection that large-scale importation of capital is impossible is based on the assumption of the current high-interest, short-term financing. Since capital-intensive development, although relatively rapid, begins to pay for itself only over a period of 15 to 20 years, such short-term financing precludes large-scale capital imports. If such financing is assumed, then indeed only technologies involving few imports — in other words, labor-intensive — are possible.

In fact, this is the real reasoning behind the appropriate technologies strategy — such technologies are those appropriate to existing financing schemes! Indeed, it was only in the early 1970s, when interest rates on loans to lesser developed countries rose rapidly and payment terms shortened, that the idea of appropriate technologies received widespread attention. However, if the primary aim is *rapid development*, then it is necessary to create *appropriate financing* — the provision of very long-term, very low-interest loans and credit arrangements that are suitable to capital-intensive development.

### 3. The genocidal results in Bangladesh

Victims of the severe floods that struck Bangladesh in late 1974 have unwillingly become human guinea pigs for one of the largest-scale and cruelest experiments in labor-intensive "appropriate technologies."

Initially, impoverished Bangladesh attempted to cope with the flood relief chore by setting up 6,000 gruel kitchens throughout the country, to help with the daily feeding of some 4.5 million people who were homeless or had had their crops destroyed. But 1974 was a year of international austerity, and Bangladesh, one of the poorest of the developing sector countries, was soon unable to find the foreign exchange to sustain even this miserable level of relief.

Bangladesh turned for help with its food problems to a United Nations operation spawned out of the Kissingerian 1973 World Food Conference, called the World Food Programme.

The World Food Programme's solution: a massive "Food-for-Work" program. Accordingly, the relief programs were condemned as demeaning, and, in the words of a Bengali government report, "the gruel kitchens were, therefore, closed down, alms and doles in all forms were discouraged and Food-for-Work programme was initiated (sic), bringing radical change in the scope of relief."

Under the conditions of the program, which is now administered jointly by Bangladesh, the World Food Programme, and CARE on behalf of U.S. AID, Bengalis earn approximately 6 pounds of wheat for excavating over a ton of earth — by hand. Noting that one of the goals of the program is "to check inflation," the government boasts that "one of the major factors in the success of Food-for-Work Programme in Bangladesh" has been "paying food wage at less than half the rate of normal wage."

If the government or one of the agencies participating in running the program has made studies of the nutrition levels or living standards of workers in the program, the results are a closely guarded secret. But the average caloric intake for *all* Bengalis is already down to 1700-2000 calories per day — half what an active laborer needs and well below acceptable minimum nutritional levels.

Projects carried out under the program center around road-building, construction of flood embankments, and rebuilding of canals. All work is carried out by mass coolie labor using the most minimal equipment: primitive hoes for digging and wicker baskets for earth-moving. From January to

June 1975, according to the government, an unspecified number of Bengalis were paid 31,000 tons of wheat for 11.43 million man-days of work to repair 871 miles of embankment, 1,091 miles of canals, and 2,376 miles of road.

From January to June 1976, man-days spent in work-for-food projects were increased to 75.27 million, involving efforts by 2 million workers on 2164.15 miles of flood embankments, 2166.43 miles of canals, and 900 miles of roads. For 1977, the government projected a further increase to "3 million job opportunities" involving 94.52 man-days of work.

Women have also been impressed into the program. States a 1976 government report: "In Bangladesh women do not traditionally work outdoors. But the practice is fast changing both due to social development and economic compulsions. In April-May, 1975, up to 30 percent of labour force in some Food-for-Work projects in Bangladesh were women. Schemes have been worked out for greater opportunities for women to participate in food-for-work during 1976-77 season. Besides, Day Care Centres would be set up at different projects to take care of the children while their mothers work in the field."

One of the more grisly aspects of the program is that "family planning stalls" set up on the work-for-food sites are used to perform surgical sterilization procedures on the Bengali workers.

All this, says the government, "has instilled a sense of pride and dignity of labour among the poor who would otherwise have to depend on charity. They now welcome the opportunity to work hard for a living — and hard work it is indeed — excavation of 70 cft. of earth which weights over a ton — for only 2.8 kg. of wheat."

More candidly, Lewis Simons reported in a March 29, 1976 article in the *Washington Post*: "As always in projects of this magnitude, the overall figures are far more impressive than the benefits to individuals. Even as the digging goes on, workers complain about being cheated of their full rations, of poor quality food and other inequities."

But most disastrous for Bangladesh, "Food-for-Work" and similar programs are destroying the potential for the country to industrialize, and break the cycle of poverty and labor intensive technology which led to the flood and famine disaster in the first place.

## 4. Kissinger and the Brandt Commission

*The Brandt Commission's role as the enforcer of Henry Kissinger's "development policies" is well known in the Third World. We reprint here portions of the profile of the Commission published by the influential Indian weekly New Wave. The article, by Leela Narayan, appeared in New Wave's Sept. 17, 1978 issue.*

Under flimsy cover of a so-called Independent Commission on International Development Issues, World Bank President McNamara and Social Democrat Willy Brandt of West Germany are working hard to find the "final solution" to the debt and development crises facing the developing nations this decade. Brandt wanted to finish the job Henry Kissinger began in the earlier phase of the "North-South" dialogue between the developed and developing nations. The job is to force the third world to accept "case-by-case" deindustrialization and the imposition of World Bank-International Monetary Fund fascist dictatorship over both the advanced and developing nations.

The Brandt Commission, as it is known, was ostensibly constituted to promote a revived "North-South" dialogue. It is touted as a group of "well meaning independent" individuals who wish to bridge the gap between the demands of the Third World for a new international economic order and the position of the advanced capitalist countries.

Brandt, operating from Commission headquarters at Gymnich Castle in Geneva, and Kissinger, working from the offices of Aspen Institute in the U.S., closely coordinate the Commission's operations. The Commission members, who include Katherine Graham, publisher of the *Washington Post*, Peter Peterson of Wall Street's Kuhn Loeb banking house, Edward Heath of the British Conservative Party, and a hand-picked group of Third World leaders, have been deployed to divide developing nations and thus scuttle their just demands. Weakening the popular base of those Third World leaders as are committed to industrial and technological development figures high on the priority of their tasks. Brandt and Kissinger, who once trained their gun on India's Indira Gandhi, Pakistan's Zulfikar Ali Bhutto, Guyana's Fred Willis and others, are determined in converting the Third World into so many replicas of Chile.

The proposal for the formation of the Brandt Commission, mooted by Robert McNamara, coincided with the collapse of the North-South dialogue in Paris, and the failure of the Conference on International Economic Cooperation (CIEC), in the spring of 1977 to reach an agreement on any substantial issue. As France's late President Pompidou and Mexico's former President Luis Echeverria had conceived it, the Paris dialogue was to be a forum to finalise plans

for transfer of technology from the advanced sector to the developing sector — the basis for new North-South cooperation to replace the looting relationships of the past. Henry Kissinger was and is dead set against the establishment of a new international economic order.

### 'Talking to death'

Kissinger's game, as the *New York Times* admitted in an unusual love for truth in June 1977, was to "talk them to death." The Brandt Commission now intends to talk the Third World into the grave. The spade-work Kissinger did is being expanded in two respects. Kissinger combined a strategy of dividing the developing nations into groups of "radicals," "moderates," and "conservatives" as a prelude to manipulating them and to formalising these synthetic divisions with proposals for "case-by-case" treatment of the issues that were then and are now at the centre of the North-South controversy: trade, raw materials and the massive accumulation of debt by developing nations to the World Bank and the private Eurodollar banks of London and New York.

Kissinger's genocide plan was embodied in two proposals — the formation of an International Resources Bank (IRB) and the so-called Common Fund for Commodities. The IRB was an unabashed proposal for multinational looting of Third World raw materials, designed to ensure repayment of the huge debt. It linked World Bank development funds and International Monetary Fund credits for rapid development of Third World nations' resources in primary metals and commodities. The Common Fund was a "Third World" version of the Kissinger-sponsored IRB scheme, sanitized through the United Nations Conference on Trade and Development (UNCTAD) after loudly proclaiming it as a grand cartel of Third World producer nations to get protected prices for their commodities. While the Third World was left to haggle over which raw materials would take it onto the Common Fund list, the World Bank and Kissinger shoved their anti-industrial debt collecting policies through an open door . . . .

Kissinger's evil influence over the policy-making for the Third World is clear again here. Each one of the formulas propagated through newspapers as a basis for North-South relations bears the imprint of his IRB scheme. Calls for a "basic-needs" or "minimum-needs" approach to Third World development are thinly disguised proposals for genocidal cuts in essential imports to the developing sector. In Kissinger's scheme, the advanced sector would maintain "orderly growth" while supplying the developing sector's "basic needs." This is a euphemism for the de-industrialisation and decapitalisation of Japan, the US and Western Europe. . . .

### 'Sudpolitik'

Based on this understanding of the Third World, the Commission's blueprint, due to be released next month, can be expected to stridently sell the following lines to the developing sector.

**The World Bank's version of the interdependence of the North and the South.** According to Brandt himself, who unashamedly uses straight World Bank terminology, this means "fulfilling the basic needs of all Third World countries, within the framework of orderly growth in both developing and industrialised countries . . . after *Ostpolitik* now *Sudpolitik*." The "basic needs" formula is mouthed by many Third World social democrats in terms of "appropriate technologies" and "orderly growth" in the developed nations. This is a frontal attack on all advanced nations, such as Japan, which are oriented towards

expanding world trade in a developing economy. To sell this fraud, Yugoslav commodities expert at the World Bank, Dragoslav Avramovic, has joined the Commission.

**An anti-technology pro-disarmament stance.** This attempt is to be heavily focussed with the UN special session on disarmament held in New York in May. Informed sources indicate that there is considerable pressure on key developing countries, such as India and Cuba, to take a "moral" position on disarmament by reducing their conventional arms.

**Alternate energy development.** The Brandt Commission will try to scuttle nuclear energy development programme in favour of solar energy, the first tied to a growing world economy, and the latter to the backward energy needs of village economies.

## Appropriate technology at work A survey of seven villages

| TASK           | Dominican Republic             | Ethiopia                | Micronesia   | Nepal                             | Niger              |
|----------------|--------------------------------|-------------------------|--|-----------------------------------|--------------------|
| Planting       | hand                           | hand                    | hand   | hand                              | hand               |
| Irrigating     | electric pump                  | occasionally by gravity | none   | none                              | hand (with scoops) |
| Harvesting     | hand                           | hand                    | hand   | hand                              | hand               |
| Preserving     | none                           | sun dry                 | copra in sun; fish salted or smoked; breadfruit buried | sun dry                           | sun dry            |
| Drinking water | town pipes, water trucks       | well, stream            | run-off, well with bucket or pump                      | stream nearby                     | well               |
| Lighting       | electric, mainly kerosene lamp | kerosene, straw         | kerosene, flashlight                                   | pitch pine, rarely kerosene       | kerosene           |
| Hauling        | cart, ox tractor               | women, animals          | hand, boat, hand-cart                                  | porters                           | hand, animals      |
| Fertilizing    | N.A.*                          | none                    | N.A.*  | manure, compost; chemical by hand | none               |

\* Not available

Source: Overseas Development Council

## 5. From the U.S. debate on development

That the appropriate technologies strategy is murderous for the developing sector and economically (and otherwise) suicidal for the industrial nations is recognized by many in America's government, even by some long-time "development bureaucrats" in the State Department, AID, and other agencies. Therefore much of the organizing effort around the UN conference in particular and appropriate technologies in general has been devoted to pushing aside any opposition forces, or even those who may not go for these policies quickly enough.

A milestone in the campaign to make the Administration safe for appropriate technology was the November 1977 "Interim Report on U.S. Development Assistance Strategies" issued by the Brookings Institution. Author Lester Gordon, of the Harvard Institute for International Development, spelled out two primary goals:

**First**, all development policy should be removed from the hands of the State Department, the Congress, and any other bodies that might fail to be appropriately tough on the Third World, and put into the hands of a new Development Cooperation Agency,

responsible only to the President. Gordon explained in congressional testimony that "there is a tension in American aid agencies which goes back many years, between officials committed to quick results, and those concerned about our lack of knowledge for achieving such results." Taking development policy out of the hands of the former is necessary to open the field to innovative strategies emphasizing "quality of life," not technology and economic growth.

**Second**, development aid is to go only to the poorest countries. The "RLDCs" — relatively less developed countries — that might be within shouting distance of real development are to be left to existing institutions like the World Bank, Brookings advises. Moreover, the aid to the truly poor nations must be kept small ("rationed," in Gordon's phrase), because "if it becomes substantial, it is likely to discourage the kind of economic policies which would enable it to survive on its own."

### A counterproposal from industrialists

In contrast to both State Department muddling and "appropriate technologies" superagency proposals,

---

### From proposal to policy: the Humphrey bill

*The principles laid out in the Stever and Brookings reports were given legislative form by one of the giants of British-brand "social consciousness" in the U.S., Hubert Humphrey, and introduced after his death as the International Development Assistance Act of 1978 by Senators Sparkman and Case in January. Now part of the foreign aid bill, it is awaiting Carter's signature, and he is expected to sign it this month. However, the provisions calling for an organization bypass of the State Department were not passed; hence Carter's move to accomplish this without Congress by expanding AID head Gilligan's powers.*

*Here are excerpts from the text of the bill as it was originally introduced:*

**Sec. 102. Development Assistance Policy.** ....Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills....

Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity. The Congress declares that the principal purpose of United States bilateral development assistance is

to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work, and to influence decisions that shape their lives...

Activities shall be emphasized that effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts....

**Sec. 201. Bilateral Development Assistance.** ...Assistance from the United States shall be used in

there is another plan on the table. The industrialist faction in the U.S. is trying to secure government-private cooperation for high-technology exports.

Illinois Democrat Senator Adlai Stevenson III and Delaware Republican Congressman William Roth are supporting the creation of a new cabinet-level department to promote high technology exports to be called something like the Department of International Trade and Investment (DITI). The new department would be consciously modeled on Japan's Ministry of International Trade and Industry, MITI. Hearings were held on this proposal several months ago, before Stevenson's International Finance subcommittee of the Senate Banking Committee. Only last week, Roth introduced legislation to set up a foundation to promote high-technology exports, while Stevenson promised to submit similar legislation to the Senate.

The Stevenson-Roth momentum directly attacks the "appropriate technology" mentality. As Stevenson told the *Chicago Daily Defender*, Sept. 12, "That concept — appropriate technology — is a very demeaning one to the less developed countries."

Behind Stevenson-Roth and their congressional allies lie the industrialists of the Midwest and mid-Atlantic regions. Last year, at a time when Treasury Secretary Blumenthal was pushing protectionism against Japan and Europe and talking down the dollar, the Chicago International Trade Club, a group

of prominent industrialists, proposed a high-technology export drive. Their report pointed out that this would not simply take away existing markets from, for example, Japan, but expand world markets for exports, and would help stabilize the dollar. In response, and with prodding from trade Ambassador Robert Strauss, the Administration set up an export task force. But due to sabotage from the Treasury Department, the task force never amounted to very much.

The proposed "appropriate technology" super-agency is, among other things, an attempt to divert the industrialists' effort for a cabinet-level export department. The latest statements and proposed legislation of Stevenson and Roth indicates that the industrialist faction has not fallen for the gambit.

### **Brookings: no technology for the Third World**

Indeed, like most appropriate technology tracts, the Brookings report is fairly direct in expressing its opposition to industry in general and U.S. industry exports in particular. In his congressional testimony, Brookings's Gordon explained that the purpose of the Brookings plan was to keep technology, as it is generally understood in the advanced sector, out of the Third World's hands. Even machinery and equipment cast-offs from the U.S. are too "technical" for the RLDCs, let alone the LDCs, he said. And anyway,

---

support of, rather than substitution for, the self-help efforts that are essential for successful development programs, and shall be concentrated in those countries that take positive steps to help themselves...

United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development. . . .

**Sec. 205. Selected Development Programs.** ...Programs to help developing countries alleviate their energy problems by

increasing their production and conservation of energy, through such means as research and development of suitable energy sources including relatively small scale, decentralized renewable energy sources, conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new or unconventional methods of production of conservation of energy, with due priority to be accorded to earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain...

Programs in cooperation with developing countries to promote the development and dissemination of intermediate and other tech-

nologies appropriate for developing countries.

**Sec. 701. Establishment: Principle Officers.** The Administration shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate...

**Sec. 703. Administrative Provisions.** ...Subject to the provisions of this section, the President, for a period of four years after the date of enactment of this Act, may transfer to the Administration any function (including powers, duties, activities, facilities, and parts of functions) or any other department or agency of the United States, or of any officer or organizational entity thereof, which relate primarily to the functions, powers, and duties of the Administration as prescribed by this Act....

why indulge in capital investment when we need the kinds of technologies that will keep hundreds of poor natives employed? In the LDCs "the endowment of labor as compared to capital is more abundant," he explained:

so it really does not make much sense, in strict economic efficiency terms, for these countries to adopt highly capital-intensive activity when it has so much cheap labor.

Since a lot of our technology essentially is so capital-intensive, so much of it is inappropriate for these countries . . . The inappropriateness of a lot of our technology shows up particularly on the farm, where tractorization tends to lead to higher-priced products and to a great deal of unemployment.

But the report itself makes it a point to say that, despite appearances, it does not oppose economic growth per se:

While growth has been reasonably well served (in the Third World!—ed.), basic human needs have not. It should now be possible, without sacrificing growth, to serve the needs of the poor majority better than in the past . . . (There is a) tendency to equate these new and legitimate imperatives with an 'anti-growth' policy. We believe that economic growth remains the underlying means by which satisfaction of human needs is made possible. Simply put, the problem is how large can and should assistance be for the direct provision of social services. We believe that the size should be limited by each country's capacity in the long run to generate the revenues needed to sustain them. That capacity will be largely the result of the productive activities that are initiated . . . we urge that priority be given to the expansion of employment opportunities and the redirection of health, education, and other social programs away from a high technology, urban, and elite orientation towards low-cost services to the rural masses.

In his testimony, Gordon went on to explain that in the case of a nation that insists on inappropriate capital-intensive methods, or is not sufficiently committed to the Brookings version of "growth with equity," "we should lay back" — that is, refuse funds and assistance.

The report continues:

Expansion of the kinds of education, health, and other social programs now underway in the developing countries is likely to help the poor only marginally. Health programs which emphasize

urban, high-technology curative services are unlikely to help the masses of people in rural areas, or even the poor in the cities, whose dominant health problems are largely environmental in origin. . . .

Similarly, expansion of university education, which is typically free in poor countries, deserves deemphasis in comparison with rural literacy or out-of-school programs. The high-cost, urban-centered, high-technology programs are what international assistance has tended to emphasize because that is how Western technology is more easily transferred. The challenge is to develop low-cost delivery systems that will meet the needs of substantially more people with any given amount of funds. . . .

It should also be remembered that U.S. foreign aid strategy should reflect the fact that its capacity to help is limited by factors within the developing nations themselves. Explicit recognition of this fact should mute excessive expectations and ensure that highest priority in allocating assistance funds goes to nations following sound growth with equity policies.

The Brookings report recommends that the Agency for International Development (AID) be dissolved into the new Development Cooperation Agency, a step that would require congressional approval. In mid-May President Carter went a good part of the way by naming John Gilligan, the head of AID, as chief coordinator of all assistance and related economic policies supervised by federal departments ranging from the State Department to the Office of Science and Technology — a move requiring no congressional okay. Gilligan will be Carter's leading advisor on development affairs and the Administration's chief development spokesman to Congress.

In his testimony, Gordon had stressed, however, that a thorough clean-out of the old-line development men in AID and other agencies — those responsible for the Nixon Administration's "Rogers plan" and other relatively sane development initiatives in the past — was necessary if Brookings's proposals were to come into their own. The change to a DCA structure, he said, has to be more than "playing musical chairs." "Unless the change makes possible a substantial increase in flexibility for hiring and getting rid of personnel, then I see not much point to it." Perhaps, he suggested, real autonomy could be guaranteed by making the DCA a "Department of Development" with its own Secretary.

# After Camp David, war over Lebanon?

*The grim fruits of the Carter Administration's failure*

The worst fighting in Lebanon since the 1975 civil war has plunged that country into total chaos. Backed by Israel, Christian warlord Camille Chamoun and his roving bands of fascist militiamen have triggered the current crisis, by far the most dangerous in Lebanon's beleaguered history.

The deadly situation in Lebanon has arisen from the deliberate failure of the Camp David summit, and in particular of the Carter Administration, to push through a formulation for a comprehensive settlement of the Middle East dilemma. In the absence of such an overall approach, the Lebanon situation has remained dangerously unresolved, a cocked trigger for an Israel-Syria confrontation that threatens to rapidly escalate into a full-blown Middle East war.

Henry Kissinger, the architect of Camp David and the driving force behind the Carter Administration's suicidal confrontationist course, is looking to a war over Lebanon to help stem the accelerating motion toward the consolidation of a new world monetary system to replace the bankrupt International Monetary Fund. Moreover, a Lebanon confrontation would also thwart ongoing Arab diplomatic efforts to unify the Arab world against Camp David and isolate Egyptian President Sadat.

In obstructing Arab unity and the European Monetary System, Kissinger and his cohorts hope to maintain enough leverage in the Middle East to reshape the region into an anti-Soviet, NATO-style Middle East Treaty Organization that would politically ensure the continued economic domination of the region by the IMF and allied financial institutions. Kissinger's strategy would also clear the way to "balkanizing" each country into feuding sectarian camps to weaken various central governments and thus maintain top-down control over the region.

## Horror in Lebanon

Chamoun and his Israeli patrons are going for broke.

"We are determined to continue the war until the withdrawal of the last Syrian soldier from our territory," ranted self-avowed Nazi worshipper Chamoun. "If there is no intervention from the civilized world, chiefly the U.S., the fighting will go on."

According to *As Safir*, a Lebanon daily, Chamoun and his henchmen are "trying to accelerate the

announced Carter initiative (for a "new charter" for Lebanon, without Soviet and Palestinian participation — ed.) through the greater deterioration of the situation."

The current Lebanon explosion was ignited by Falange-Chamoun attempts to prevent Syria from carrying out certain tactical evacuations in Beirut buildings, evacuations that, according to Cuba's *Prensa Latina*, would have "prevented a pretext for new (Falange) provocations."

The Chamounists then launched what they called "a fight to the death," carrying out "suicidal

## Syrian leader: Kissinger killed Faisal

In 1975, Saudi Arabian King Faisal was assassinated. A leading spokesman for an Atoms For Peace development approach to the Mideast crisis, Faisal had consistently thwarted then U.S. Secretary of State Henry Kissinger's plans to separate Egypt from the rest of the Arab world and move towards the partition of Lebanon.

Now Syrian Defense Minister Mustapha Tlass has charged that King Faisal's death was carried out under direct orders from Henry Kissinger.

Then as now, Kissinger was the architect of a separate Egypt-Israel peace and the destruction of the Palestinian population of Lebanon.

The following are excerpts from a statement Tlass made before Syrian military cadets, as reported by the Portuguese daily *O Diario* Sept. 29, 1978:

"Tlass affirmed that the assassination was carried out by orders of ex-State Secretary of the U.S. Henry Kissinger.

"After praising the late monarch for his comprehension of the Syrian nationalistic position,' Tlass then turned to Egyptian President Anwar Sadat asking: "'Do you want me to remind you who killed him? He was killed by the American secret services under orders of his friend Kissinger.' "

provocations" against Syrian peacekeeping forces stationed in Lebanon.

The Syrian response, in the face of this onslaught, was swift and overwhelming, reflecting a strategic decision on the part of the Syrian government to no longer tolerate Chamounist Israeli provocations and to eliminate the rightists' sources of political and military power.

After only three days of intense fighting, the Syrians had dealt the Chamounists a heavy blow. The two bridges linking East Beirut to the port of Junieh, the source of supplies for the rightist forces, were taken by the Syrian troops. The Christian stronghold of Ashrafiyeh in East Beirut was bombarded by Syrian shells, while the Syrian navy shelled Falangist-Chamounist coastal positions.

While the Kissinger-allied press is running commentaries about "Syrian genocide against the Christians," Chamoun and his allies are responsible for the murder of Lebanon's Christian population. The Oct. 3 *Washington Post* quoted a Chamounist militiaman, who had admitted to receiving two years of military training in Israel. "It's them (the Syrians) or us," he said. "We want the Syrians to try to come to get us, but they won't. They're scared they'll be killed."

This astonishing admission that the Chamounists want thousands murdered to further their own feudal-warlord aims was confirmed by Chamoun himself. Following an appeal to the Lebanese nation by Lebanese President Elias Sarkis to stop the fighting and to cooperate with him in putting together a peace plan, Chamoun declared, "The only thing left for Sarkis now is to resign." All of Chamoun's actions are tailored to force Sarkis's resignation, and to bring about the "internationalization" of the situation through Israel and/or U.S. intervention.

The insistence of the diehard Chamounists to wage war has all but destroyed what still remained of Beirut after the civil war. One-third of the capital city lies in ruins, and thousands are dead. Water, electricity, and telephones are all cut off. Hospitals, packed full with the wounded and dying, are turning away patients.

The city, once the jewel of the Middle East, is gone.

### **Arabs reject Camp David**

Spurring the Chamounists on is the refusal of the entire Arab world to buy the Camp David deal worked out at the summit last month. All hopes that Jordan or Saudi Arabia will get involved in the Camp David "step-by-step" approach have been shattered. Despite U.S. diplomatic efforts through Secretary of State Cyrus Vance and his understudy Alfred Atherton to convince them otherwise, both Jordan and Saudi Arabia have made it clear that Camp David was and is not the framework for a Middle East peace.

Similarly, West Bank Palestinians have refused to be wooed into supporting the Camp David accords. Following a meeting in Jerusalem, 100 leading West Bank Palestinian mayors, civil administrators, pro-

fessionals, and intellectuals announced "total opposition" to the Camp David agreements, declaring them to be in "blatant" contradiction with the will of the world and the national rights of the Palestinians." None of the leaders will participate in the local governing councils that the Camp David accords call for. The leaders reiterated that only the Palestine Liberation Organization can be considered the legitimate representative of the Palestinians.

### **Franco-Arab diplomatic offensive**

A double-pronged offensive led by France, Saudi Arabia, and Iraq is currently underway to stabilize the Lebanese powderkeg and at the same time pull Sadat and Egypt out of the Camp David quagmire. This coordinated Franco-Arab strategy is aiming at the nullification of the Camp David separate peace agreement between Egypt and Israel as the immediate precondition for a resolution of the Lebanese crisis.

The manner in which the Arab world has chosen to resolve the Mideast crisis is based on a war-avoidance perspective of economic development. This approach is somewhat mirrored in the latest call from the Iraqi government — a proposal which is supported by Saudi Arabia — to offer the Egyptian government a whopping \$5 billion yearly for a period of five years, if Sadat renounces Camp David. Calling for massive Egyptian development programs, Iraq and Saudi Arabia are presently organizing an Arab summit around such a development outlook. So far Saudi Arabia, Jordan, and Bahrain have officially supported the Iraqi summit initiative.

The transformation in Iraq's Mideast strategy is key in this light. Shedding its ideological isolation, Iraq is moving back into the Arab fold, and calling for joint action to unify Arab ranks. At a meeting of the Arab Economic and Social Council, the Iraqi Trade Minister along with Arab League head Mahmoud Riad stressed the need for joint Arab action in fighting underdevelopment in the region. Linking the struggle against backwardness to the Palestinian question, the Trade Minister said, "Economists combatting backwardness in Mauritania and Sudan are fighting for the liberation of the Palestinian people."

Iraq is also focusing on mending fences with its traditional enemy — Syria. At the above-mentioned Arab Economic Council meeting, the Iraqi spokesman declared that Israel has for too long fanned rivalries in the Arab world as a lever of control. On October 4, the Iraqi News Agency (INA) announced that Iraqi President Bakr sent a message to his Syrian counterpart, Assad, praising his "positive stance on confronting the common danger in Lebanon," i.e., Israel and the Falange.

In the last 48 hours the French government of Giscard d'Estaing has moved decisively to intervene into the Lebanon bloodbath. Seen within the overall context of a UN initiated peacemaking role, France's initiative has received the support of UN Secretary General Kurt Waldheim. The French plan, which calls

for an immediate ceasefire and the expansion of the Syrian-dominated Arab Deterrent Force with Saudi and Sudanese troops, also provides for a mixed Christian-Muslim Lebanese army unit to act as a buffer between Falangists and Syrians in East Beirut. Already Radio Israel is reporting the French plan as the "Franco-Saudi" proposal, because of d'Estaing's meeting with Saudi Foreign Minister Prince Saudi in Paris on Oct. 4.

In an interview on CBS on October 5, U.S. Secretary of State Cyrus Vance warned that it was increasingly difficult to restrain Israeli intervention into Lebanon and called for an immediate implementation of the French plan. In addition, Vance called for an Arab summit of the Arab members of the Arab Deterrent Force (United Arab Emirates, Sudan, Saudi Arabia and Syria) to discuss the French strategy.

## France criticizes Camp David, proposes its own plan

*In an editorial published in Le Figaro Oct. 3, foreign affairs analyst Paul-Marie de la Gorce places the current events in Lebanon in the context of the separate deal worked out at Camp David:*

Let us take things as they now stand. The fact is that the Syrian army will not tolerate on its rear flank the existence of Maronite militias, whose leaders — no one ignores — have been in contact with Israel since the civil war began. . . . They are pressed into action to the extent that President Sadat's policy has brought about the near-disappearance of the "southern front" of the Israel-Arab theater and that Syria remains almost isolated on the "northern front."

It was thus predictable that they would want to put an end to the existence of the Maronite militias, suspected of links with Israel. This is what's happening. . . . But what the patriarchs — Maronite, Greek Catholic, Greek Orthodox — fear is that the fate of the Christian communities as a whole will be linked to that of the troops of Camille Chamoun and the Gemayel family. . . .

President Carter — perhaps made over-confident by his experience at Camp David — thinks that a general conference on Lebanon could settle the affair. The truth is that it could not, without taking into account the context in which it takes place: either the Lebanese will agree together to organize coexistence between their different communities and with the Palestinians, who will inevitably stay on their territory until their problem has been settled; or Lebanon will remain a closed camp of forces confronting each other in the interminable Israeli-Arab conflict.

*In an interview with French radio correspondents at the United Nations Oct. 3, French Foreign Minister Louis de Guiringaud outlined his proposal for a cease-fire arrangement in Lebanon in the following terms:*

On the basis of the conversations that I have had with officials (from Kuwait, Lebanon, Saudi Arabia, Syria and others — ed.), I suggested last night a process to try to reach a cease-fire in Beirut, an effective and lasting cease-fire. Because, before trying to deal with the problem of Lebanon, we have to stop the fighting, stop the massacre. And this process would be the following: it would consist of a redeployment of the Arab deterrence forces in Beirut, and the interposition between this Arab force and the Christian militias of elements of the Lebanese army made up equally by Christians and Muslims in the hope that this would permit an end to the fighting.

I have even proposed that the French Ambassador in Lebanon and some of his collaborators take part, as witnesses, in the talks between military commanders in order to guarantee that there be no future disagreement over the interpretation of what would be decided. . . . This (proposal) was immediately accepted by the Lebanese authorities. . . . Before being able to talk about a conference which would discuss the future of Lebanon (President Carter's proposal for a conference — ed.), we must first stop the fighting, this is what we are committed to for the moment. . . . What I am proposing is a French initiative, which would not involve United Nations intervention. . . .

# U.S. business joins Administration in Disneyland

Cinderella's Castle provided a fitting backdrop to the year's most prestigious annual business conference, the International Chamber of Commerce, who gathered last week at Disneyworld in Orlando, Florida. Posing for photographers on the fourth-floor balcony of the Castle of the Magic Kingdom, President Jimmy Carter told the 2,500 business leaders attending the conference that he had achieved peace in our time.

The International Chamber of Commerce meeting was the largest of several major conferences over the past week drawing business leaders into the fantasy-world of the Carter Administration. Before the ICC, Henry Kissinger sprinkled "free enterprise" fairy-dust, while Lehman Brothers-Kuhn Loeb chief executive Peter Peterson proposed to throw out the North-South dialogue in favor of a global Proposition 13 program. Many ICC participants spent last week at the International Monetary Fund annual event in Washington, a mass debauch of dollar-dumping.

Since the capture of the Administration by the pro-British faction around Zbigniew Brzezinski, Walter Mondale, and so forth, through the Camp David fiasco, Carter has been straying farther away from the path of a sane economic policy laid down for him by President Giscard of France and Chancellor Helmut Schmidt of West Germany at the Bonn Summit last July, and deeper into the "fiscal austerity" trap which London has carefully set for the U.S. economy.

This week, two highly placed Administration officials reported privately that the United States will oppose the European Monetary Fund . . . if it helps the dollar! The Administration hasn't taken an official stand on the EMF, said one official, "but we would have a major problem if it supported the dollar. We are also concerned that the arrangements are consistent with doing away with gold in the world economic system . . . There can be no fixed rates. There must not be an attempt to determine the rate of the dollar."

With this psychotic attitude, it should come as no surprise that, despite Carter's pledges at the Disneyworld ICC meeting to defend the dollar vigorously, this past week, the U.S. currency went into its worst tailspin in months this past week.

## Back in the real world

Following the precise and unmistakable demands of British officials at last week's IMF meeting, the dollar fell to all-time record low levels against the West German mark and the Japanese yen. The fact that the

dollar collapse occurred despite central bank support operations totaling several billion dollars in the first days of October shows that the British scenario is in operation: American banks and multinational corporations are unloading dollars en masse, and British-influenced Third World country central banks are "diversifying" their reserves out of U.S. dollars.

At the close Oct. 4, the dollar stood at barely 1.90 West German marks, a 5 percent drop over the previous two weeks. The dollar is down for the count. Without drastic countermeasures, that is, a change in Administration policy or a European assault against the City of London, the dollar could be out, precisely as the British have been demanding.

Carter's decision to veto the public works bill because it funds allegedly "unnecessary" water projects is an indication that he is retreating further into the magical belief that cutting government spending will *ipso facto* cure inflation. As Senate Majority Leader Robert Byrd angrily noted Oct. 3, in announcing that he will organize a Senate override of the President's veto, the public works bill funds projects which enhance overall real economic growth.

American business morality has deteriorated to the point that a British banking delegation can appear in the heartland of American industry, Chicago, and officially propose to wipe the dollar out as a reserve currency. Speaking before an audience of Chicago bankers at the Mid-America Club, a luncheon sponsored by Continental Illinois Chairman Roger Anderson, Bank of England official C.W. McMahon gloated that the recent IMF meeting showed that the dollar would have to follow the pound sterling down the drain "sooner or later." McMahon said, "As an official, I have to say later. But we all know when bankers get together and talk about sooner or later, it means sooner." The Chicago banks are wary, and know exactly what the British are up to, but they see the British calling the shots in Washington, and therefore are hedging their bets in that direction.

If the IMF meeting and various sideshows such as the British banking tour in Chicago succeeded in setting the dollar up for last week's butchery, Henry Kissinger and his friends used the ICC event at Disneyworld to portray the post-dollar future. Harvard professor John Dunlop, the ex-Labor Secretary, told the gathering that the postwar era of slow growth was finished, and at best, the world could look forward to a long period of slow growth internationally.

The "slow growth" argument is the rubric for the austerity program that Britain and the International

Monetary Fund openly demand for the United States.

Lehman Brothers-Kuhn Loeb chief Peter Peterson informed the ICC that the "strident rhetoric" of the Third World had sabotaged the Third World, and, consequently, the North-South dialogue was finished. (After the full elaboration of Western Europe's Third World development policy in the context of the European Monetary Fund, which includes the potential for doubling of American exports, the fact that a business audience even permitted Peterson to finish his speech is shocking.)

Bluntly, Peterson was asking the U.S. business community to abandon its best chances of avoiding a dollar collapse, the Third World's capacity to profitably absorb American capital goods exports, in favor of an international confrontation! But the ICC tolerated Peterson, because the U.S. delegation at the United Nations torpedoed a joint European-Soviet-Third World plan to re-initiate the North-South dialogue under UN auspices. The order to likewise torpedo the rest of the world's agreement came directly from Secretary of State Cyrus "Pinocchio" Vance, who has been reportedly "brown-nosing" Brzezinski since the Camp David summit.

Lazard Freres' partner, Ian MacGregor, picked up the theme of confrontation with the Third World, demanding that the hated World Bank assume sovereign authority over multinational companies' contracts with Third World governments.

### London cheers Carter debacle

The British press couldn't suppress delight over the

humiliation of the American Administration. Helmut Schmidt, the London *Financial Times* noted Oct. 3, "decided in the end not to attend this week's conclave, probably because of pressing business at home, but possibly because he was concerned at the potentially adverse consequences for both his aesthetic sense and his public image. After all, it takes a man like Jimmy Carter, feeling on top of the world just now, not to mind being seen in the company of Mickey Mouse and Donald Duck."

Virtually the same antidollar speeches were delivered in New York at a conference of the American Productivity Center. General Motors Chairman Thomas Aquinas Murphy stated, "Government spending must be reduced," echoing the current view of the Administration, which threatens to veto additional funding for fast breeder reactor and fusion power development, the greatest possible contributions to American productivity!

Ambassador Robert Strauss spoke at length on the President's Export Program, announced last week. The plan will spend \$500 million over several years (against current export volume of \$120 billion) a program one senior Commerce Department staffer described as "like landing a single division at Normandy."

Since the U.S. hasn't had any increase in exports at all, Walt Disney's Mad Hatter would have said, the President's program must mean *more*, because there couldn't possibly be less.

### First National's Abboud Terms EMF "Prodollar"

*An important indication that not all U.S. businessmen and bankers have swallowed the line that the EMF is "antidollar" came this week from Robert Abboud, chairman of the board of the First National Bank of Chicago. In an exclusive interview given to Executive Intelligence Review while in New York for the American Productivity Center-Business Week conference on "Inflation and Unemployment: the Productivity Solution," Mr. Abboud made the following comments:*

*Q: What do you think of the European Monetary Fund?*

*A: I believe it will work.*

*Q: Then you don't think it is directed against the dollar?*

*A: Absolutely not. On the contrary, I think it will*

boost the dollar. I think the dollar is terribly undervalued. I guess I'm old-fashioned, but I believe in a strong dollar. . . .

*Q: How do you think the Administration's new export enhancement program measures up?*

*A: We need a stronger export thrust. The Administration is still too committed to ideological considerations: human rights, environmentalism, etc. For instance, the Japanese are beginning to view the U.S. as an unreliable trading partner because of the Administration's nuclear nonproliferation program. We got the Japanese into the nuclear energy field, and now we won't even guarantee them a secure supply of uranium. Because of this, they're being forced to look elsewhere, for instance to the Soviet Union, for uranium. This situation has got to be turned around.*

## American productivity conference: a 'Proposition 13 for productivity'

The hoary ghost of Adam Smith could be heard clanking down the halls of the New York Hilton October 3-4, as 400 businessmen gathered to hear government and corporate leaders blame rising inflation on declining productivity and urge a nationwide Proposition 13-type movement to boost productivity by ending "government interference in the free market" and slashing government spending.

The occasion was a conference on "Inflation and Unemployment: The Productivity Solution," co-sponsored by the business-supported American Productivity Center and *Business Week* magazine. Featured speakers included Federal Reserve Chairman G. W. Miller; Barry Bosworth, director of the Council on Wage and Price Stability; Labor Secretary Ray Marshall; former Deputy Secretary of State and Ambassador to Japan, Robert Ingersoll; General Motors chairman Thomas Aquinas Murphy; Special Advisor to the President on Inflation, Robert Strauss; I. W. Abel, former president of the United Steelworkers Union; and Robert Abboud, chairman of the board of The First National Bank of Chicago.

The conference is one in a series of seminars and lectures to which the U.S. business community has been subjected over the past few months as part of an effort by London-centered financial networks to prevent U.S. participation in the ready-and-waiting European Monetary System (EMS).

To bury the concept of government responsibility for industrial and technological advance, a concept central to the new EMS, London networks, through Kissinger, are manipulating the justifiable anger of businessmen strangled by environmentalism and tax policies into an undifferentiated assault against "Big Government."

This antidirigist, "free enterprise" sentiment dominated the New York productivity conference. The keynote, presented by C. Jackson Grayson, chairman of the American Productivity Center and former chairman of the U.S. Price Commission, set the tone.

Ignoring completely the cause of worldwide inflation—namely, the inherent inability of the IMF-World Bank dominated international monetary system to support real economic growth and world trade — Grayson instead called for a "national productivity effort which, in my opinion, is the single most effective thing that this nation can do."

"The prime source of growth is productivity," said Grayson. "If we are to have growth, reduce inflation, and create jobs, then there must be an increase in productivity. . . . I propose a productivity solution. . . . Call it, if you will, Proposition 14: Productivity. . . ."

Grayson's theme was echoed by Thomas Murphy of General Motors, who blamed "government spending as the greatest single cause of this year's inflationary spurt" and called for the country to emulate the "miraculous Mr. Jarvis (the sponsor of Proposition 13) by embarking on an anti-government binge.

Likewise, Thomas Raleigh, senior vice president of Lockheed Corp., maintained that "the Jarvis sentiment is the national voice of the people. The theme of Proposition 13 is that the American people have had enough of Big Brotherism. . . . We need a Jarvis-Gann initiative on productivity, unemployment and inflation, a labor-industry coalition to boost productivity."

Government regulation was hit by nearly every speaker as a prime cause of declining productivity, including by Fed Chairman Miller. Miller, who has repeatedly insisted that the American economy would benefit from a recession, put on his best probusiness face and called for an "extensive reform of Federal regulatory activities" and for devoting "a larger share of GNP to capital investment."

Miller hasn't reformed overnight; he is just clever enough to know that the deregulation issue is not only one of the easiest ways of diverting the business community's attention from the real solutions to the current economic mess, but it can be a very effective weapon against industry, as the havoc wreaked on the airlines by rate deregulation amply testifies.

While the speakers took pains to insist that productivity is not antilabor and does not mean speed-up or wage cuts, the ruthless gouging of labor's living standards is the bottom line of any productivity program that operates within the antigrowth confines of the current world monetary system.

—Kathleen Murphy

# Arabs, Japan, Soviets link up with EMS

*New monetary order seeks war-avoidance—but where's the U.S.?*

The French, West Germans, and Soviets are now closely coordinating their diplomatic and economic activities to put into action the new European Monetary System and its policy of joint East-West development of the Third World. These countries and their allies in Japan, the Arab nations, and the Third World are trying to exert the leadership necessary to avert war and economic collapse — the kind of leadership for which for so many years the world looked to the United States.

The following three-part report details how those efforts took shape last week around the world.

It is now clear from reports of the just-concluded Franco-Soviet trade commission meeting in Paris that the French, West German, and Comecon sector economies are being integrated at the highest levels. The fact that the Soviets used the Paris meeting as the site of their announcement of a major nuclear deal with Libya signals that joint development of the Third World is a major component of the East-West

integration. The first part of this report describes in depth the wide range of Europe's activities to that end.

Japan's government has come out with its own EMF-type arrangement, as the third article in this section details, urging tight collaboration with continental European forces, developing Third World countries, and the OPEC states of the Mideast.

And Japanese Prime Minister Takeo Fukuda's trip to the Mideast pointed to the other part of the Japanese-European "Grand Design," when Sheik Yamani offered direct shipment of oil to Japan, bypassing the multinationals, in return for direct technology transfers. But Yamani's offer is by no means restricted to Japan, as the OPEC portion of our coverage shows.

Forty years ago the Munich agreement was signed as the inevitable climax to the British-run economic insanity of the 1920s and 1930s. Today the Western Europeans, Japanese, Soviets, and OPEC nations are providing the leadership, where the U.S. has so far failed, to make sure there is never another Munich.

## Europe: a shock treatment for Brzezinski

American National Security Advisor Zbigniew Brzezinski arrived in Europe on Oct. 2 for a tour of Western capitals, including Paris, Bonn and London, expecting to arm-twist Germany and France. He was looking for support of a separate peace between Egypt and Israel, abandonment of Franco-German determination to implement the new European Monetary System and Fund, and a halt to expanded cooperation with the Soviet Union under the threat that West Germany's "self-Finlandization" might have to be halted forcefully.

But instead, Brzezinski was treated to some of the most determined language from the German and French governments to date. Excepting London, which has already officially endorsed the Carter Administration's proposal for a Lebanese "peace conference" excluding the Palestinians, Europe's leaders

are now united around Chancellor Schmidt and President Giscard D'Estaing to resist the march of Brzezinski's oligarchical faction into economic depression and war.

From Brzezinski's standpoint, the trip could not have been more ill-timed. It coincided with the Thirteenth Session of the Franco-Soviet Grand Commission in Paris, and the "notification" by the West German Bundestag of the 25-year German-Soviet economic cooperation agreement. Brzezinski's worst nightmares about so-called Finlandization rolled on all week.

In an interview with the newspaper *Europäische Zeitung*, Chancellor Schmidt stressed a "Europe from the Atlantic to the Urals" concept:

France and the Federal Republic of Germany form a close partnership which will maintain

France and the Federal Republic of Germany form a close partnership which will maintain continuity of EEC policies for the next year. Europe is now able to raise its united voice in international affairs, and a large part of the European Community's policy is cooperation with the East bloc nations and the Third World. As Europe is a greater Europe, because both Western and Eastern Europe originated in common cultural, but also economic roots, negotiations with the Comecon are of key importance.

Several days later, as reported in *Die Welt* Oct. 5, Schmidt addressed a congress of historians in Hamburg, warning against Christian-Social Union leader Franz-Josef Strauss's belligerent use of the theme of German reunification:

I want to warn against sentimental use of the issue of German reunification. . . . Europe cannot be limited to the area of the present European Community . . . but has to be seen and understood in its manifold unity. . . . We (must) contribute to the next chapters of history and thereby shape our own future. We must also make history, and not just conserve the past..

But while Brzezinski and his Kissingerian allies are using their hold over the Carter Administration to

### The EMF versus the IMF

*On Sept. 26 the Italian financial daily Il Fiorino published a pointed comparison of the European Monetary Fund and the British-backed International Monetary Fund. Here are excerpts from the article entitled "EMF versus IMF," which was written by Antonio Lovato and datelined Paris.*

President Giscard d'Estaing and Chancellor Helmut Schmidt are determined, cost what it will . . . to implement the plan for a "European zone of monetary stability" before the year's end . . . Italy has committed itself . . .

The EMF will end up being the alternative to the IMF with the following characteristics: the EMF is in favor of fixed parities, in opposition to the floating system that the IMF has accepted. The EMF also has rehabilitated gold, while the IMF is for demonitizing gold . . . . The EMF would meanwhile become the dispenser of credits on a scale not much below that of the Washington-based Fund.

The impression is that France and the Federal Republic of Germany will exert all sorts of pressures on Italy to make it enter in the monetary zone . . .

British participation is still rather doubtful . . . England prefers the IMF, which is accustomed to giving her greater amounts of credit than any other beneficiary . . . . England, whose gold reserves make up only 5 percent of total reserves.

create what one German source described as the worst era of official relations between West Germany and the U.S. in the postwar era, Giscard and Schmidt are using what means they have at their disposal to influence the White House. According to sources close to the West German Foreign Ministry, the BRD and France used last week's International Monetary Fund conference in Washington to discreetly set up channels of communication with the White House independent of the normal channels controlled by Brzezinski.

Similarly, when the *Frankfurter Allgemeine Zeitung* alleged that West Germany fears an early agreement between the U.S. and Soviet Union on strategic arms limitations (SALT) because it would somehow leave Europe defenseless, Defense Minister Apel responded with a statement affirming that his government "looks forward to a successful and early conclusion" of SALT II.

The Franco-Soviet "Grand Commission," created when Charles de Gaulle initiated the era of "détente, entente and cooperation" with the Soviet Union, just concluded its highly successful Thirteenth Session, presided over by French Prime Minister Raymond Barre and Soviet Deputy Prime Minister Kirillin. In order to keep growth in trade moving toward targeted tripling between now and 1980 decided by Giscard and Brezhnev during their 1977 summit meeting, France has announced that it is ready to unblock up to 10 billion francs worth of credit "at a favorable rate," according to French Finance Ministry sources. Among the firms that would be involved in new deals are Pechiney-Ugine-Kuhlman (for a 3 billion franc aluminum plant in Siberia), Technip (a gaslift plant in Siberia worth 750 million francs), and other projects with Creusot-Loire, Rhône-Poulenc and Saint-Gobain. In addition, agreement was reached on increasing joint research in fastbreeder and fusion energies, and space cooperation.

### Trade stems unemployment

Interviewed on Soviet television at the conclusion of the Commission talks, French Premier Barre expressed satisfaction with the results in increased trade. But he added:

You know that Franco-Soviet economic cooperation is not only economic but that it is for Europe and for the world. I hope, for my part, that this Franco-Soviet entente, this cooperation between our two countries, can be an important factor of international détente, of peace in Europe and in the world. It is with confidence that I envisage the future of our relations . . . .

Hungarian government leader Janos Kadar is arriving in Paris Nov. 17 to meet with President Giscard, the First Franco-Hungarian summit since before the Second World War. Trade deals lead the agenda. Following President Giscard's visit last month to Poland, a French delegation is currently

there negotiating a billion-franc deal for the sale of nine French ships. This deal and those being negotiated with the Soviet Union are explicitly conceived in France as stemming the tide of an increasingly dramatic unemployment situation.

### Picking up the pieces after Camp David

France and West Germany are also giving the U.S. lessons on how to run policy in the Middle East and Africa. Contrary to U.S. policy, which has de facto slid into acceptance of the Smith government's "solution" to the southern Africa crisis, Europe is stressing the need for economic development. Otto Wolff von Amerongen, leader of German private sector industrialists, in addressing the German-South African Chamber of Commerce in Johannesburg emphasized that:

If South Africa wants to get out of its economic bottlenecks, it will have to create about 200,000 new jobs each year . . . . We have to reject any policies of embargo or blockade, because this would first hit those concerned, the black workers. . . . Apartheid is an obstacle to economic and industrial development in South Africa. The South African government would do well to lift the racial laws, to allow the blacks to participate in

industrial development as the white workers do.

In order to concretize this prodevelopment relationship with Africa, France has been instrumental in negotiating the diplomatic entente between Angola and Zaire which was part of the "boomerang" effect of the British-Belgian instigated Shaba province crisis this summer. This week the French firm Titan, whose main clients include the French army and the Soviet Union, concluded a \$6 million deal with Angola for a cistern tank and industrial vehicle plant which will allow Angola to save \$30 million in foreign exchange.

In the Mideast, the French are picking up the pieces before the Camp David debacle leads to war. Foreign Minister Louis de Guiringaud, after consulting with Arab officials, proposed from the United Nations a Lebanese cease-fire formula whose immediate aim is to stop the bloodshed. Contrary to the hopeful assertions of Brzezinski and the State Department, France's proposal is emphatically not conceived as part of the Carter Administration's proposal for a conference that would leave out the Palestinians. In fact, the French President is known to be working towards a Paris Middle East peace conference that would include the parties excluded from the Camp David talks.

— D. Sloan and J. Sigerson

## OPEC: direct oil for direct technology

Emilio Colombo, the president of the European Parliament, told a specially organized Italo-Arab dialogue in Rimini, Italy last week that the "Bremen Agreements . . . must be extended to the Arab nations as well as the least developed countries." Colombo's statement reflects the economic integration drive since the European Monetary System proposal at the Bremen summit last July.

Euro-Arab economic integration for development is not new. Many of the technology transfer arrangements especially to Arab oil producing nations have been actively pursued since the 1973 Mideast war. But since the Bremen accords there has been an escalating process aimed at bringing the ongoing Arab-European economic dialogue to fruition.

A significantly new variant in economic cooperation negotiations with the Middle East oil producers is the heightened role of Japan. The Japanese government is closely coordinating with the West German and French governments to procure expanded transfer of technology deals for the Mideast OPEC countries. In return, OPEC has begun to voice an unprecedented policy of moderation on pricing and production of crude oil, in the interest of world economic stability.

### Fukuda's Persian Gulf tour

The early September tour of Japanese Premier Takeo

Fukuda heading a high-level 50-man trade delegation to four oil producing states of the Persian Gulf had a dramatic effect on OPEC's policy vis-à-vis the dollar and future oil pricing policy. Following his talks with the leaders of Saudi Arabia, Iran, Qatar, and the United Arab Emirates (UAE), the *Emirates News*, Sept. 17 reported that Fukuda informed his cabinet that:

We have won an understanding from the leaders of the four countries either for a freeze on oil prices or the introduction of minimum increases to prevent adverse impacts on the world economy.

It is in this context that the Saudis and other leading members of OPEC have continued their unflinching support for the dollar. Saudi Prince Abdullah, the second Crown Prince, told the Riyadh Domestic News service on Sept. 14:

. . . the currency muddle which governs the world today cannot be dealt with by dealing blows to the dollar, particularly now that the dollar has become a currency unit forming a basic factor in bolstering other currencies. We must not overlook the fact that the fields of investment of the dollar are much wider than those of any other currency. We must also not forget the inflation from which the world suffers and the effect the dollar can have in remedying it.

*Platt's Oilgram* reported Sept. 28 that the OPEC nations were disturbed by the outcome of the International Monetary Fund (IMF) meeting last week, and that no action was taken to resolve the world monetary crisis centered on the falling value of the currency. *Platt's* reports that OPEC and the other underdeveloped nations were critical of British Chancellor of the Exchequer Denis Healey's demand for the same kind of currency stabilization efforts which have prevailed until now. A reporter on the scene on the IMF parley indicated that many of the OPEC and underdeveloped countries would like to return to some form of fixed parities between currencies to stabilize the dollar. He noted that these countries are "getting a good sounding" from Europe on the EMS as a means of achieving such currency stability.

### Oil for technology

Saudi Oil Minister Sheikh Zaki Yamani told the Japanese press, Sept. 12:

The door to deals for direct oil supplies could be opened by Japan's transfer of technology to Saudi Arabia and other oil producing nations. . . . Saudi Arabia needs Japan for industrialization and Japan needs Saudi Arabia for oil . . . Saudi Arabia has made a decision not to export oil directly without reciprocation in technology transfer and cooperation in industrialization, with Japan being one of the few countries that can meet Saudi Arabia's needs."

Yamani is heading up a newly formed Long Range Planning Committee within OPEC which is presently putting together for the first time, a 10-year production and pricing formula as part of a global economic projection. Venezuelan Oil Minister Hernandez Acosta, following a meeting last week of the Committee in Taif, Saudi Arabia told *Platt's Oilgram*, Sept. 28:

. . . we want to avoid another situation like 1973 . . . Venezuela is proposing a gradual increase in the price of oil . . . and a formula so that the importing nations will know in advance what is happening with the price, while we protect the purchasing power of our revenues in relation to the dollar and inflation. . . .

We have a big responsibility not only in reference to prices but in providing the right supply for the industrial as well as the developing countries, to avoid a world supply trauma.

Yamani is already known for the same kind of long term small incremental price rise approach to OPEC pricing policy. Such price rises would amount to no more than 2 to 3 percent annually with a maximum of 5 percent. Abdul Hadi Taher, the director of Saudi Arabia's state-owned oil company Petromen was quoted by the Sept. 30 *Financial Times* as saying that the December OPEC price setting meeting would yield no more than a 5 percent price rise. He dis-

counted any serious effect the controversial Camp David Accords might have on OPEC pricing policy.

OPEC's Secretary General Ali Jaidah, on the occasion of OPEC's 18th anniversary last month made a powerful public statement from OPEC's Vienna headquarters on behalf of the cartel calling for transfer of technology from the advanced nations to be stepped up as a price for OPEC pricing moderation:

Through our moderation in the exercise of the controlling power over prices and production of crude oil in our sovereign territories, we have hopefully banished forever the spirit of confrontation which for so long bedeviled relations between OPEC and the industrialized consuming nations.

In order, however, for us to be able to continue to observe that moderation, we require something in return, namely the cooperation of the west in reaching our aspirations in the downstream sector of the oil industry such as refineries, petrochemicals, transportations.

Another strong indication that the Persian Gulf oil producing states are planning to exert more independence in selling their crude through state-to-state oil-for-technology deals came during a Sept. 20 Arab OPEC (OAPEC) meeting. The nine OAPEC members announced from Saudi Arabia that preference should be given to Arab tankers in delivering crude. Moreover, OAPEC will extend an \$80 million subsidy to the Arab Maritime Petroleum Transport Company to cover operating losses.

### Unified regional development perspective

The Arab League and the OAPEC are coordinating regional development for greater effectiveness. OAPEC just produced a new five-year plan, which according to the *Baghdad Observer* calls for even closer coordination in all areas of refining and petrochemical industrial development, and urges a pooling of sparse skilled industrial labor among the member nations. It also calls for a greater role of the advanced countries in training executive and skilled labor within the downstream sector of the petroleum industry.

At a recent meeting of the Arab Economic Unity Council, the Iraqi Trade Minister proposed creating new Arab money markets to fund regional development and stressed that the foundation of Arab Unity was a unified approach to regional development. The statement from the Iraqis represents a break with Baghdad's ideological isolation within the Arab world. More than that, it indicates the awakening within OPEC and the Arab world to the idea of cooperation with the industrialized states of both East and West as they key to regional stability and world peace.

The success of such a global strategy depends decisively on the success of the European Monetary Fund.

—Judith Wyer

# Japan: building up 'Bremen East'

Japan is now building a solid Asian counterpart to the European Monetary System, a "Bremen East," implementing the strategy forged in discussions with West Germany during the weeks prior to the July Bremen meeting. The essence of the approach is to recycle into capital-development projects dollars now used mainly for rollover of debts, speculation or other unproductive purposes.

The American observer of this process should not look for a spectacular meeting à la Bremen in which a grand new institution is announced — the Japanese simply do not work that way as yet. Instead, Japan is quietly building development alliances with strategic countries such as Mexico and OPEC in which trade is transformed from mere bilateral exchanges into politically determined developmental planning. Though the individual actions may at first appear as somewhat routine, albeit more sizeable deals, the actual content is much more.

As Japanese Prime Minister Takeo Fukuda told Mexican newsmen last week, "Japan depends on exports of industrial products and capital goods while Mexico has oil and other natural resources and is promoting industrial projects. *Thus, economic relations between the two are not limited only to trade. Rather, we hope to broaden economic cooperation and to offer Mexico the financial and technological means for agricultural and industrial development*" (emphasis added).

At the same time, Mexico mandated four Japanese banks — Industrial Bank of Japan, Mitsubishi, Sanwa and Dai-ichi Kangyo — to organize a \$500 million loan, since doubled to \$1 billion, to finance capital development projects in Mexico. One quarter, to be handled by Mitsubishi, will be a ten-year yen-denominated loan at an astounding 6 percent interest rate — far below Eurodollar rates.

Mexican President López Portillo will visit Japan beginning Oct. 17 to consolidate the development alliance.

Similarly, in describing Fukuda's mid-September 10-day tour of the Mideast, Japan's *Mainichi Daily News* editorialized Sept. 6, "It will be of significance for him to discuss the feasibility of tripartite cooperation combining the funds of oil countries, Japanese technology and the manpower of non-oil countries." This is exactly what Fukuda negotiated during his trip. On the same day that Fukuda addressed Japan's Diet upon his return, Sept. 21, the Dubai-based Bank of Oman announced it will soon open a deposit-accepting branch in Hong Kong — the first wholly OPEC-owned bank to do so — in order to pool Japanese and OPEC funds to finance projects in Asia and the Mideast. The announcement said the aim was to take advantage of Japanese, Korean and Philippines technology. Petro-

chemical projects and oil-for-technology agreements were announced during the trip as well as a common determination to stabilize the dollar.

## Japan-German coordination

Japan's current actions were planned in intensive discussions held over the April-July period between Japanese and German officials and businessmen, according to Japanese banking sources. These discussions were part of the lead-up to the July Bremen accords which created the European Monetary System. They also planned out a "Bremen East."

The key figures on the Japanese side were unofficial emissaries of Prime Minister Fukuda, individuals within the Industrial Bank of Japan, and sections of the Mitsubishi business group. The alliance between the latter two business groups and their political allies in the ruling Liberal-Democratic party (Fukuda and Yasuhiro Nakasone) is the basis of Japan's forthright moves over the last few months. On the German side, the key representatives were emissaries of Helmut Schmidt — who has had a personal relationship with Japan and Fukuda since both Schmidt and Fukuda were finance ministers, along with France's Giscard, in 1973 — as well as Deutsche Bank and German business association head Otto Wolf von Amerongen. Both have longstanding business ties to Japan.

Sometime in the spring, according to the Japanese sources, Japan and Germany decided that Treasury Secretary Michael Blumenthal's grip on the U.S. Administration was too strong to reverse the U.S. weak dollar policy. Therefore, the two countries and France would have to act independently of the U.S. both to stabilize the dollar and to create the environment in which the U.S. situation could be transformed.

The European wing of this strategy was the Bremen accords themselves, which set up a credit facility to recycle Eurodollars into productive trade activity. The content of Japan's activities was to be the same, but in a somewhat less direct form. The Germans, particularly Deutsche Bank, advised Japan to step up the role of the Tokyo international capital market in order to eliminate current domination of the Asia dollar market by British-controlled Hong Kong and Singapore as well as to add Japan's financial might to the Europeans' development efforts. Three steps were discussed:

- 1) Yen-denominated loans should be expanded. Nomura Research Institute reported last week that in the year ending March 1979 yen loans will double the 1977-78 figures to reach the equivalent of \$5 billion. They can increase at least 20 percent annually thereafter if restrictions are removed.

2) Dollar loans should be expanded. Due to London-organized speculation, Japan's dollar reserves have soared to \$29 billion. In recent months, the Bank of Japan has lent dollars to selected commercial banks at slightly below Eurodollar market interest rates. These funds are being lent out long term for capital development projects — exactly the content of the European Monetary Fund. Without these concessionary rate deposits, long-term lending is very limited.

This policy has driven London up the wall. The September issue of the Rothschild-published *International Currency Review* fiercely attacked this practice as credit-dumping. "It could well turn out," *ICR* warned, "that the origins of the 'crash of 1979' should be sought not in Saudi Arabia, but in the challenge to the Western banking system coming from the Far East." U.S. commercial banks — fearful of losing deals to Japanese — pressured Vice-Finance Minister Matsukawa to stop this practice during the latter's August trip to the U.S. These same banks have meekly tolerated Blumenthal's weak dollar, IMF dictatorship policy.

Due to this pressure, Japan has so far limited the concessionary loans to an estimated \$400-500 million per month — far below development needs.

3) Japan and OPEC should pool funds. This is exactly what Fukuda discussed on his Mideast tour and what the Bank of Oman move into Hong Kong represents.

The speed and manner with which Japan moves ahead with this program is determined by the degree of support it obtains from Europe, OPEC, and U.S. industrialist forces, particularly the Chicago group. One Japanese banker told the *Executive Intelligence Review*, "There is a great deal of pressure that can be applied to Japan. For example, the dollars in Japan are hot money which can flow out as easily as it flowed in. What happens if we lend long term and then the dollars are removed from Japan? Furthermore, on some pretext or even genuine tightness of the Eurodollar market — such as during Mideast tension — ways are found to apply a disguised 'Japanese premium' (a higher interest rate to Japanese borrowers than others, first applied during 1974 Herstatt collapse—ed.) Therefore, we are trying to reduce our dollar obligations and will move cautiously on overseas investment and loans unless we are assured of support."

Economic necessity, nonetheless, compels Japan to move aggressively to restore world trade and monetary stability. In the last three months, exports in real terms have staggered 8 percent below 1977 levels — the product of world trade stagnation, the rising yen and "voluntary" export restraint. So far this year 72 major multimillion dollar projects have been lost to competitors due to the rising yen. The effort to prevent this loss from crippling Japan's export-dependent economy has strained the credit system to the utmost. Banks are now receiving

negative interest margins on most funds.

Businessmen and bureaucrats in Japan are now debating to what extent to risk London's wrath by moving with Bremen East.

### The Case of Mexico

Japan's economic diplomacy over the past few months shows it is moving ahead with the Bremen East policy. The case of Mexico is quite striking. Mexico, under President López Portillo, has a commitment to industrialization comparable to Japan's own during the late 19th century "Meiji" period. Last week, Japan's leading business federation, Keidanren, led by Toshio Doko, visited Mexico to secure oil deals and promote economic cooperation. State-owned PEMEX oil chief Diaz Serrano has indicated that beginning in 1982 Japan could purchase 200,000 barrels per day, or 20 percent of Mexico's projected production. He emphasized to a Sept. 27 press conference, "We have great interest in having Japan's cooperation in other areas . . . in very specific areas of industrialization, such as capital goods and heavy industry where Japan has a great deal of experience."

Some of the members of the Keidanren mission, took a "hard-nosed businessman's" approach to Mexico: 1) they tried to pressure Mexico to cut the price of oil; 2) they labeled as obstacles to cooperation Mexico's protective controls over foreign investment (controls not unlike Japan's own); and 3) they attacked Mexico's progressive labor legislation. In addition, they hired as their agent to secure contracts the Business Coordinating Council (CCE) led by Jorge Sanchez Mejorada. The CCE is controlled by the Mont Pelerin Society and the economic faction in Mexico determined to destroy López Portillo's industrialization program.

Mexico, eager to obtain Japan as an economic partner but unwilling to undermine its own development commitments in order to do so, refused to discuss cheapening of oil prices and alteration of investment laws.

More far-seeing government and business layers in Japan have been quick to rectify the Japanese approach. Premier Fukuda, in his interview with the Mexican press, implicitly rejected pressure to change Mexico's laws by saying there were no obstacles to economic cooperation. Simultaneously, the Mitsubishi, Nissan and Matsushita conglomerates each announced interest in expansion of manufacturing projects in Mexico, indicating there was no problem with the investment laws. Japanese banks are providing major financing for Mexico, with the yen-denominated component at very lenient interest rates.

### The case of OPEC

As Japan's *Asahi Evening News* reported prior to Fukuda's departure for the Mideast, "He hopes to build up bonds of cooperation with the Arabs in such a

way that their oil dollars will be used to stabilize the free world economy." In addition to pooling OPEC and Japanese funds for capital investment, Fukuda announced that the government would support petrochemical projects in Saudi Arabia and Iran, as part of a larger effort at aiding OPEC industrialization. And he reportedly went over the "greening of the deserts" proposal recommended as part of the \$500 billion global development report of the Mitsubishi Research Institute.

Sheik Yamani of Saudi Arabia proposed oil-for-technology deals. He told Fukuda that Saudi Arabia would like to sell oil directly to Japan, bypassing the oil multinationals. In a future oil crisis, he pointed out, Japan could not expect consideration from the multinationals. Direct deals would be approved only if Japan implemented technology transfers to Saudi Arabia, Yamani added.

Similarly in Iran, Fukuda and Premier Jaafar Sharif-Emami agreed to find ways to sponsor joint research on alternate energy sources, including nuclear power, as well as ensuring a transfer of technology. No specific projects related to this have been announced as yet.

Fukuda told his cabinet that he had won understanding from OPEC for either an oil price freeze or a low increase in order to avoid destabilization of the dollar.

Prior to the Fukuda mission, former Industrial Bank of Japan chairman Sohei Nakayama led the third annual meeting of the Middle East Cooperation Center with representatives from 14 Mideast countries to plan further technology transfer projects.

As a result of the "Bremen East," offensive, Fukuda's political strength is soaring. From a dismal 20 percent popularity in the beginning of the summer, approval

## Fukuda: Oil for technology deals for Japan and Mexico

*Japanese Prime Minister Takeo Fukuda, in a Tokyo interview with Mexican newsmen Sept. 26, outlined his conception of long-term cooperation for development between his country and Mexico. The interview, excerpts of which appear below, came in the midst of intense preparations for the López Portillo trip to the Far East later this month, including daily interviews and features in the press of the two countries, and a stream of back-and-forth visits by businessmen, congressional deputies and government officials. Excerpts are taken from the Mexican dailies El Nacional and El Universal.*

When President López Portillo visits Japan, I wish to conduct frank conversations with him on the international situation and on the possibility of economic and technological cooperation, including disarmament questions.

In economic terms, I think that our relationship is fundamentally complementary, since Japan has scarce natural resources, depending on the

export of industrial products and capital goods, while Mexico is rich in oil and mineral resources and is sponsoring numerous industrial projects. Thus economic relations are not limited just to trade. Rather, we hope for a broadening of economic cooperation in which Japan would offer Mexico the financial and technological means needed for the industrial and agricultural development of that country.

### Mexico Responds: "Industrialization in specific areas"

*The Japanese interest in Mexico is fully reciprocated at the highest levels of Mexican government, and in strikingly similar terms. Below, the Executive Intelligence Review presents sections of a press conference held Sept. 27 by Petróleos Mexicanos director Jorge Díaz Serrano, together with the Mexican minister of Natural Resources and Industry, José Andrés de Oteyza. Díaz Serrano endorsed the formulations Fukuda used in his press interview the day*

*before, but firmly rejected the pressure of segments of Japanese business who have demanded that Mexico cut its oil prices as a precondition for increased Japanese investment and trade. Excerpts from Díaz Serrano's remarks follow:*

We have great interest in the market of the Orient, and Japan is the largest international consumer after the United States. We are doing everything possible to find a formula to sell them crude and refined products. We cannot sell cheap, nor lower prices. Even if they should wish it, we cannot do it.

What interests us greatly is having cooperation with Japan in other areas. . . industrialization in very specific areas, such as capital goods and heavy industry, and Japan has a great deal of experience in this field. Hence, during the visit of President López Portillo, we may possibly find some arrangement. . . in terms of technology exchange, joint investments and investments.

A situation of selling oil just for the selling of it simply doesn't interest Mexico.

rose to 27 percent at a poll taken just prior to his return from the Mideast. A current poll would undoubtedly show a higher figure. Fukuda is virtually certain to defeat an attempt to replace him by London-ally Masayoshi Ohira, currently Liberal-Democrat Party Secretary-General.

The foundation of Fukuda's strength is an alliance of two crucial business-political groups that have often been kept at odds. Fukuda's main backing comes from the Mitsubishi group. Mitsubishi was created during the 1870s as a vehicle for the policies of the dirigist political faction in Japan, a faction closely allied to the U.S. Lincoln Republicans. Following post-World War II trust-busting and reformation, it had been partially infiltrated by antidirigist factions and has since been politically split. Prior to becoming Premier, Fukuda had mostly allied with the antidirigist group and had often criticized the very policies he is now imple-

menting. But since becoming Premier, Fukuda has moved close to the prodevelopment wing of Mitsubishi.

The second axis of the alliance is the Industrial Bank of Japan group, which backs LDP faction leader Yasuhiro Nakasone. Throughout this century, the IBJ has been the core of the prodevelopment faction. Its own influence within Mitsubishi is key to the strength of the latter's prodevelopment wing. IBJ is the prime promoter of both fusion power and policies for Third World industrialization.

Since the spring of this year, IBJ and Mitsubishi — and Fukuda and Nakasone — have formed a firm alliance against Ohira and for the promotion of global development strategies. This alliance is what made possible Japan's close coordination with Germany.

— *Richard Katz*

# Soviets: Camp David, 'another Munich'

*Including three exclusive reports from Novosti press agency*

The leadership of the Soviet Union has given an extraordinary warning to the international community. The world is now in a situation so dangerous that World War III becomes increasingly probable, the Soviets have declared in a number of public forums, just as Great Britain's pact with Hitler at Munich Sept. 29, 1938 meant that the countdown to World War II had begun.

And for the first time, the Soviet press has accused the British-linked "Black International" with seeking control over the foreign policy of the United States government in order to push that policy toward a "military catastrophe" (see the article by Sergei Vishnevskii excerpted below).

The Soviet decision to go public with this strategic evaluation, which the U.S. Labor Party has been circulating for over a year, is intended to provide a sufficient shock to particularly the United States and Britain to set war-avoidance measures into motion. That the Soviets believe such a turn of events is possible is indicated by the positive reference in *Pravda* Oct. 1 to former U.S. President Dwight D. Eisenhower, the commander of the U.S. armed forces in the wartime alliance against fascism, and representative, in the Soviet view, of the "sane-thinking" tradition in American public life. (For excerpts, see below.) However, as the accompanying excerpts from a second *Pravda* commentary make clear, the Soviet Union is prepared to take matters into its own hands should the West fail to act in time to prevent the outbreak of war.

## How the present turn developed

There can be little doubt that the treacherous agreements of the Camp David summit were what finally induced the Soviets to pull out all the stops. (See the article "The Microbes of Munich," below.) And well-aimed attacks on Britain and on Zionist control of international terrorism that have appeared in the Soviet military and youth-oriented press indicate that the present policy shift has the strong backing of a significant portion of the USSR's military and youth apparatus.

The present turn has been building since March, when the military daily *Red Star*, on the anniversary of Hitler's annexation of Austria (the *Anschluss*), leveled the first significant attack on Britain. The

March 11 article described how Prime Minister Neville Chamberlain gave Hitler his blessing, hoping to turn Nazi Germany to the East. The "lessons of the *Anschluss*" retain their significance to this day, *Red Stars* said.

As Great Britain's present-day subversion of the U.S. government became increasingly apparent, and the gleeful British backing for Zbigniew Brzezinski's "China card" fantasy took on more and more tangible form (including Chinese Party head Hua Kuo-feng's trip to Romania and Yugoslavia in August), the Soviet attacks on Britain escalated. But contrary to Brzezinski's calculations, the Soviets have not, on the whole, reacted to the deterioration of their relations with the United States in a paranoid "hard-line" fashion. Crucial to this was the smashing success of Soviet President Leonid Brezhnev's May trip to West Germany, which resulted in a keystone 25-year treaty for political and economic cooperation.

The indications are that Brezhnev has consolidated political support behind this policy as reflected in the entire array of articles.

Ironically—from the standpoint of London—it may well have been the increasingly hostile activities of China and Israel that Britain has so lustily supported, plus the deteriorating U.S. political climate, that enabled Brezhnev to organize foot-draggers in the Soviet leadership to back him. Soviet military men in particular may well have been swayed by the argument that, in view of the escalating war danger, the USSR should seek every opening available to bolster the "prodetente forces" against the more aggressive tendencies within the NATO alliance.

## Moscow's perception of Carter

While the Soviets have never been enthusiastic about Jimmy Carter's Administration, there was a period one year ago when it looked as if things might not be so bad. The Oct. 1, 1977 U.S.-Soviet Joint Statement calling for a Geneva conference on the Middle East was a hopeful sign, and the strategic arms limitation talks (SALT II) were proceeding well.

The crisis in the Horn of Africa and the Israeli invasion of Lebanon, however, were among the key events that threw this fragile U.S.-Soviet rapprochement off balance. The Soviet news agency TASS responded to Carter's March 17 speech at Wake

Forest University, where he referred to the Soviet Union as "our adversaries," with a release charging that Carter's speech "means a shift of emphasis in American foreign policy" away from detente. Soviet Ambassador to the U.S. Anatolii Dobrynin abruptly flew to Moscow for consultations.

Brezhnev gave a major speech April 7 on board a cruiser in the Eastern port of Vladivostok, warning that "both to the West and to the East of our frontiers there are forces interested in the arms race, in working up an atmosphere of fear and hostility." Pointing to the "indecision and inconsistency" of the Carter Administration, Brezhnev called for the U.S. "to meet us half way." But "frankly speaking," he said, "we do not see such steps of late."

Soviet and East European press coverage of Carter increasingly treated him as the victim of a conspiracy, centered in the figures of Brzezinski and Energy Secretary James Schlesinger. The Czechoslovak daily *Rude Pravo* May 23 called Carter a prisoner of the "Israel lobby," and compared him to Harry Truman, whose "bad advisers" kept him from continuing the wartime alliance with the USSR. More recently, a *Pravda* feature by Vishnevskii Sept. 2 identified Schlesinger and Brzezinski as the hawks in Carter's cabinet, the main advocates of the "China card," who give the White House "top secret recommendations, constantly aimed to subvert the process of detente."

— Susan Welsh

## Exclusive to our readers:

*The three reports here, provided exclusively to NSIPS news service and its affiliates by the Soviet Union's Novosti Press Agency, include some of the sharpest Soviet polemics to date on the Nazi-brand racism of the Zionists, the ominous parallels between the Munich and Camp David Summits, and the road to lasting peace in the Mideast.*

### Tiger's paws a la Peking

The German Nazis were already using it, and the Zionist hawks are using it now, so one shouldn't honor Chairman Mao and his successors as the inventors of their policy on the national question.

When Germany set out to conquer the entire world, the Nazis had worked out a plan for the "Germanization" of the United States of America, where, they claimed, "30 million people have German blood flowing through their veins." In fact, the Nazis did succeed in starting a "German-American Bund" which recruited spies and various other people from persons holding leading positions in American factories, and they succeeded in forcing not a few

### "Black International" seeks to control U.S. government

*From the "International Week" column by Sergei Vishnevskii, Pravda, Oct. 1:*

...Above all, blind anti-Sovietism pushed the Anglo-French politicians into their disgraceful deal with the fascist aggressors at Munich. The internationally known scientist from California, Fred Neil, writes in the book *War and Peace in Germany*: "At Munich, Britain and France went for a deal with Hitler, proceeding from the theory that the German position and their own position toward the Soviet Union could be identical."

Having played the Munich card, and having given Czechoslovakia away to be torn into shreds by Hitler, the reactionary circles of

the Western states, tacitly supported by the USA, hoped that the fascist aggression would be directed above all and only against the East, against the Soviet Union. They bitterly miscalculated: within the same year, Western Europe was enveloped by a war conflagration. Later on, U.S. President D. Eisenhower said: "The world paid dearly for the lesson of Munich, but it also learned it." But did everyone learn it?

The sane-thinking politicians undoubtedly drew realistic conclusions from the lessons of the Munich deal—the inadmissibility of "appeasing" and encouraging aggressive forces, the necessity of a collective rebuff to the war instigators, the fact that anti-Soviet calculations are fruitless. However, the "Munich psychology" was not at all erased from the consciousness of certain

Western circles. The chairman of the Socialist International, W. Brandt, warns of the sinister activity of the "Black International" of right-wing belligerent forces who forget the lessons of history...

As a result of the willfully dangerous activities of the enemies of detente, the international situation has gotten more complex. Human reason cannot tolerate this. Maximal efforts of the peace-loving forces and governments are necessary in order to prevent another military catastrophe...

During the recent period, the most sinister forces of American imperialism have begun to launch a counteroffensive. Their vanguard is called the "new right" — this is a coalition of extreme reactionaries, bellicose anti-communists, and militarists, representing the most aggressive portion of the military-industrial

# three commentaries from Novosti

German-Americans into committing subversive acts against America.

The Zionist leaders in Tel Aviv follow the same principle, and demand from people of Jewish descent living in various countries of the world with different social systems, that they help the state of Israel, that they work for Israel without any consideration of the desires of the states in which those Jews live and whose laws they observe.

The Maoists have now seized on the formulation of "dual citizenship." But whatever the turns of phrase Peking uses to camouflage itself, the "Chancellory for the Affairs of Chinese Living Abroad of the People's Republic of China" is reminiscent of the corresponding institution in Hitler's Germany, called "Gau-Austland," which was charged with the Nazi-fication of Germans living abroad. This "Chancellory" is also reminiscent of the far-flung network of Zionist organizations, which work to extinguish people's national feelings.

"China is everywhere that the Chinese live," so insist the Maoists. "Your blood is thicker than your passport," is what the Nazis once maintained.

When one thinks about that, one comes to the conclusion that nothing lays bare the true nature of

politics and ideology so clearly as a racist standpoint on the national question, even if people attempt to cover it over with beautiful figures of speech.

The "Aryan" racial theory of the superiority of one chosen people above all others led to national socialism, with its hatred against Jews, Gypsies, Slavs, and other "Non-aryans." Where this led is well known.

Zionism, which sets everything Jewish and Israeli against all of humanity, is causing the tragedy of the Palestinian people, the sufferings of other Arab people, and the discrimination against the Black Jews in Israel. With cynical calculation, Zionism provokes anti-Semitism wherever it can in order to whip up emigration to Israel. The Maoists, of course, have copied this method from them, not for the purpose of motivating Chinese living abroad to return to their homeland, but rather to intervene unscrupulously in the affairs of other states under the pretext of protecting "countrymen living in foreign lands."

The Tibetans, Uigurs, Kazakhs, Mongols, and other related nationalities who live in the People's Republic of China and who consider themselves to be Chinese citizens became the first to experience the nationalities policy of Mao and his successors. They were deprived of the opportunity to practice their national

---

complex of the USA...

It is not difficult to imagine who is behind these extreme "hawks," when analogous infantile ideas are displayed in such solid publications as *Business Week*... This magazine recently called for building U.S. foreign policy in the spirit of the absolutism of the French King Louis XIV, and to use American power to "re-establish leadership." Closely allied with the "new rightists" is the "Black International" of Western Europe, which, through the conservative London *Daily Telegraph*, is counseling Washington to "increase the use of force..."

## "The Lessons of Munich"

*"The Lessons of History,"* by Vitalii Korionov, Pravda, Sept. 29: ...The last four decades have not only fully disclosed the class

meaning of the treachery committed at Munich by the Anglo-French bourgeoisie, with the direct support of influential monopoly circles in the USA, but have also given the peoples the possibility of drawing the necessary conclusions for themselves...

Attempts were made to justify the treachery at Munich by expressions of "concern for peace" in Europe. A tremendous threat did indeed hang over the world at that time. But the Hitlerite aggression still could have been stopped, stifled in its cradle. The defense of Czechoslovakia, which the Western powers had treaty obligations to carry out, provided a real possibility for doing this. The Soviet Union, true to its treaty obligations to Czechoslovakia and to its international duty, moved 30 infantry divisions to its western border, and placed air force and tank units in combat readiness to

help defend Czechoslovakia from fascist aggression. However the Anglo-French rulers preferred shameful collusion with the aggressor, preferred treachery and infamy. Anti-Sovietism and anticommunism turned out to be stronger than reason...

The people have drawn the necessary conclusions from the events of 1938. They advocate general peace, freedom, and independence with the full understanding of whom they can rely on and who should be feared... The people reject the policy of pandering to aggression and hegemonism, no matter what labels this policy may be covered with and no matter what part of the world it may appear in...

customs and traditions, their religious cult observances were forbidden, "elected" leaders of all ranks, most of them Chinese-born, were simply installed by the Chinese.

The suspicions of some China experts were justified when they viewed the solution of the national question inside China as a test of its national policy according to an international standard. The Maoists exploited people's national feelings and fabricated their 'fifth column' in Malaysia, Thailand, Burma, Indonesia and other countries by means of tricks, bribes and terrorism. In this, these champions of revolutionary phrases did not base themselves on the working-class section of the Chinese communities, but on their well-to-do leadership. Peking has not allowed itself to be embarrassed by bungled jobs or scandalous revelations. The Maoists are provoking feelings hostile to China everywhere — wherever there are Chinese streets, Chinese districts, or Chinese restaurants, wherever dishes with exotic descriptions such as "Snake á la Shanghai" or "Tigers' Paws á la Peking" are served. To put it another way: the Peking protectors of the inhabitants of these streets and districts do not hide their claw-like paws as a precautionary measure, but flourish them in front of everyone's eyes, in order to drive the 20 million Chinese living abroad into the isolation of the Chinese ghetto.

To think that every one of them must unconditionally be a spy, to think that people in every Chinese restaurant serve their visitors their favorite dish with a microphone hidden in it — one can be certain, that all this does not please the plain working-class people of Chinese descent who want to live in peace with their neighbors.

Therefore, the Maoists' policy on the national question really suits Washington's taste, for as I believe, the propagandistic uproar for "the protection of the Chinese living in Vietnam" did not accidentally coincide with the rapprochement between the People's Republic of China and the United States of America. In their own countries, the leaders of the capitalist world solve the national question with different methods than the People's Republic of China uses, but with similar results: the total repression of the national independence of national minorities (one should only compare the fate of the Tibetans with the fate of the American Indian). Even the hostile sanctions against Vietnam by both the People's Republic of China and the United States of America are identical. Peking is arranging provocations on the Chinese-Vietnamese border, and in the meantime Washington is extending the legal limit on trading with the enemy in relation to Vietnam.

And even capitalist countries, where chauvinism rears its head, where immigrants from Asian and African countries are considered to be second-class human beings, are happy with the uproar raised by Peking. For thanks to Peking, which has caused a situation in which every Chinese community is

considered to be a fifth column of the People's Republic of China, every national community that lives far from its historical homeland can be accused of precisely the same thing. White racism is making itself felt in England, for example, where the "National Front" plots provocations in areas where there is a colored population, and at the same time calls upon the whites for "self defense" (against whom?).

All the people in the world today need to be protected against racism, in whatever costume it may appear. The Peking claims of influence over people of Chinese descent, wherever they may live, is not an internal Chinese question. This is a further attempt by Peking to alienate populations, and first of all the population of Asia. For Peking wants to succeed in achieving world leadership through dissension.

— Fjodor Breus  
*Novosti Political Correspondent*

## The microbes of Munich

"To expand, deepen and continue the process of detente" — this is the well-known essence of the principles laid down at Helsinki. The healthy spirit of Helsinki has been realized in numerous bilateral agreements concluded over recent months on exchanges in trade, economics and culture, and also in the recent special session of the United Nations General Assembly on disarmament, which expressed the will of all peoples to put a stop to the arms race. The final document of this conference, which incorporated many ideas from the Helsinki conference, emphasized the necessity of banning the use of force; of working toward the dynamic development of detente, which has expanded into all regions of the world and all areas of international relations; and of the most rapid and complete extension of political detente into military detente.

There are still people in this world who cannot stomach the spirit of Helsinki. They remain under the damaging influence of microbes of an old disease, the highly resistant Munich virus, which is known to thrive on anti-Communism.

Today, the 40th birthday of the conclusion of the ignominious Munich agreement to dismember Czechoslovakia, the damage done by the Munich virus — which turns up here and there in the policies of the NATO countries and of Maoist China — has become particularly evident.

Just as at the end of the 1930s the Munich "test of peace" in the West made one concession after another to the aggressor under the banner of the fight against the "Bolshevist danger" and "Red Moscow," and benevolently watched the preparations for the "Drang nach Osten" against the Soviet Union, today also there exist similar subjects which call back to memory the sadly well-known Munich policy of driving toward a confrontation with the Soviet Union.

Within the global strategy of anti-Sovietism, the Munich virus is primarily identifiable by the myth of the "Soviet threat." Leonid Brezhnev took one such instance as the occasion to observe rightly that every time the military adventurers want to conceal their aggressive intentions, "they always try to revive the myth of the 'Soviet threat:' they look for evidence of such a threat in the depths of the Indian Ocean and on the summits of the Cordilleras Mountains. If one observes the European lowlands through NATO's binoculars, one can see nothing except the Soviet divisions ready to spring against the West."

The Munich virus is also evident in Maoist China's regional claims on its neighboring countries. Just as Hitler began to prepare for the Great War by claiming Austrian and Czech territory, so also have Mao Tse-tung and his successors written on their banners of hegemony: "We must conquer the globe," and have undertaken numerous acts of aggression against neighboring countries. They are doing so in the course of preparations for establishing their domination over all of Asia, and after that, over the entire world. The military conflicts provoked over the past years by the Maoists on their borders with India, Tibet and Vietnam are eloquent testimony to this, and show how the "test of strength" succeeded, and how the reaction of public opinion was tested.

Maoist China's noisy campaign to "protect" the 25 million Huatsiao, the people of Chinese nationality living in neighboring countries, is likewise being conducted according to Hitler's formula of the 1930s, when he took the Sudeten Germans "under his protection," and reduced the civil rights they enjoyed in the territory of the Czechoslovak Republic before Munich.

The Munich "appeasement policy" is also reminiscent of the way China is currently inflating itself with its weapons of hegemony against our country — its policy of the "four modernizations," whose aim is well known to be the rapid militarization of their country and the furthering of the Peking leaders' intention to become a great anti-Soviet power.

I believe that the microbes of Munich can also be discovered at the Camp David talks, where two participants are demanding ever greater "elasticity" from third parties in the solution of the complicated Mideast problem, and are trying to make an "agreement" at the expense of the interests of the people of the Arab countries, to negotiate concessions to Israeli aggression, and to establish the "legitimate" right to station American military contingents and set up military bases in the Mideast. It is fair to presume that the Munich-style Israeli-Egyptian separate agreement organized by Washington will be rejected by all peoples of the Arab world and especially by the Palestinian people. The projected military-political presence of the USA in the zone of conflict can not solve the Mideast problem by peaceful means.

The results of Munich demonstrate clearly what can

be expected from a policy of aiding and abetting aggressors. To drive out the microbes of Munich forever is therefore the task of all those who are fighting for detente and the preservation of the spirit of Helsinki in relations between the states of all continents.

— Vasily Morosov  
*Novosti Military Commentator*

## Highlights: Soviets on Britain and Zionism

**June 22** **RED STAR**, on the anniversary of Hitler's invasion of the Soviet Union, Operation Barbarossa, writes: "The catastrophe at Dunkirk, the goose-steps of the fascist soldiers at the Arche de Triomphe in Paris, the windows of London staring like empty eye-sockets — that is what became of attempts by certain near-sighted politicians to direct the German aggression to the East. Those who make analogous efforts today would do well to remember this."

**July – August** **NEW TIMES**, the Soviet foreign circulation weekly, runs a series on "The Munich Tragedy," quoting the Soviet chargé d'affairs in the United States in 1938 on Britain's influence over U.S. policy: "Kennedy, the ambassador in London, acting on behalf of the Chamberlain set, has succeeded in persuading Roosevelt that Germany will inevitably take action and that Britain is unprepared; Bullitt, who is a fascist at heart, has 'sold' Roosevelt the idea that France is weak; the Anglo-ophile clique in the State Department headed by Sumner Welles and Dunn have been working on Roosevelt along these same lines. . . ."

**September 16** **KOMSOMOLSKAYA PRAVDA**, the youth daily, charges "Zionism and Masonry" with carrying out subversive operations, "gathering information, infiltrating themselves into top levels of civilian power, taking over ministries and unions and even influencing Parliamentarians and Presidents." Their purpose: "to liberate their devotees from reason, and to fight against the influence of science."

**September 22** **RED STAR** charges Israeli intelligence with "subversion and terrorist operations . . . aimed at kindling hotbeds of tension in various regions of the globe, torpedoing good-neighborly relations among nations, and contaminating the political atmosphere." "The Israeli Secret Services allocate more money for espionage and sabotage operations than Britain," the paper states.

## When the illusions of Camp David fade away

The trilateral agreement at Camp David has come up against strong criticism from the Soviet public, and no less from all those who are not so readily willing to be deceived by the noisy propaganda around the "historic success," and who are able to evaluate what happened from an objective standpoint. For there do exist other Arab countries besides Egypt, countries who are not indifferent to the fact that the agreement was made behind their backs. There also exists the Palestinian people, whose just demand for a sovereign homeland has for all practical purposes been ignored. And finally there also exists the world community of nations, whose common will concerning ways and means to settle the Mideast conflict has been expressed in the well-known United Nations decisions, and especially in the resolutions of the Security Council.

These resolutions state unequivocally that peace in the Mideast will only be a just one if the following conditions are met: (1) the withdrawal of all Israeli troops (and hence also the exclusion of all other forms of Israeli presence) from all occupied Arab territories; (2) the right of the Palestinian people to self-determination until an independent state for them is created; (3) guarantees for a secure and independent existence for all states of this region, under conditions of a lasting peace.

The Camp David talks may stir up illusions in many quarters that peace is close at hand. But what kind of peace can it be when the agreements made have put Arab sovereignty into question more than ever before?

I will begin with Egypt. From the document entitled "Framework for the Conclusion of a Peace Treaty Between Egypt and Israel" it can be ascertained that Israel merely "recognizes" Egypt's limited sovereignty over Sinai. Further talks are to determine Israel's "security zones" on the peninsula as well as "zones of limitation of arms and armed forces" for the Egyptian army. Israel will begin to pull out its troops from Sinai three to nine months after the signing of a peace treaty and will finish this in two to three years. What is noteworthy here is that Sadat accepted these conditions even though Israel had rejected Sadat's demands for the closing down of Israeli settlements on the Sinai peninsula.

Sadat, who has partially sacrificed Egypt's national sovereignty, was hardly inclined to remember how passionately he had previously defended "the most holy cause of all Arabs, the cause of the Palestinian people," and had stated that he would never put his

signature on an agreement that did not foresee the Palestinians' right to self-determination. Begin used Camp David in order to announce loudly enough for everyone to hear that Israel does not intend to grant sovereignty to western Jordan and the Gaza Strip. He thus blocked any possibility of the formation of an independent Palestinian state. The vague promises to grant "autonomy" to the Palestinian "residents" of West Jordan in five years have not the slightest correspondence with the Arab people's demands to make Palestine into a separate state. At the all-Arab summit conference, with Egypt's participation, the Palestinian Liberation Organization was recognized as the sole rightful representative of the Palestinian people. But the Camp David formula concerning the Palestinians, likewise drawn up by Sadat, gives the impression that there exists no such nation and no representative of their rights and their lives. In balance, the fate of Jerusalem was likewise handed over to Israeli dictates.

It is therefore justified to ask the question: why is a new "Framework for a Settlement" necessary when the only framework corresponding to the demands for a just peace has already been worked out previously?

The answer to this is not to be found in the theatrics of the concluded talks, but rather in the political tendencies which led to Camp David in the first place. The American diplomacy of "partial agreements," whose aim is to split the Arab world and to exclude the Soviet Union from the process of a comprehensive settlement, met up with Cairo's readiness to conclude a separate agreement at any price. Begin's government and Israeli military circles estimated this to be an opportunity to dictate conditions to Egypt. But in doing so they neglected Israel's own interest in a real and just peace, which would guarantee Israel's security not by means of a dictate the Arabs will not accept or an agreement made behind their backs, but rather by means of a demonstration of good will and the observance of the interests and rights of all those to whom a settlement guarantees the right to a home, an independent and secure existence and to peace. Already now it is symptomatic that immediately following Camp David Begin and Sadat began to give divergent interpretations to the key points of the agreement. The former leader is set upon firmly anchoring his dictates, the latter upon justifying himself before his own countrymen. Already now one can well understand the realistically thinking people who see themselves forced to point out the seriousness of the resulting situation and to the new dangers looming on the Mideast horizon. It was therefore no accident that the Egyptian Foreign Minister Kamel declared his resignation, and that a wave of criticism and protests is rising all over the Arab world.

— Spartak Beglov  
Novosti Political Commentator

# The CIA – only a caretaker force

*LaRouche tells who's really benefiting from the Agency's demise*

Journalists and others who obviously have plainly not learned to add and subtract insist that the U.S. Central Intelligence Agency (CIA) is still today a dark and devious power in the world. Others suffering the same mental affliction rush about, insisting upon the axiomatic authority of U.S. governmental intelligence sources in matters ranging from canning prunes to the sex life of sundry Tibetan monks.

Beginning with Henry A. Kissinger's assigning James R. Schlesinger to perform the first phase of a wrecking-job on the CIA back during the Nixon Administration, the Agency has undergone successive savage pink-slipping housecleanings. Added to the current period's wave of retirements of old hands from the OSS and initial CIA years, one may say that the Turner purge of Deputy Director E. Henry Knoche and hundreds of others during the summer of 1977 essentially finished off the last major independent capabilities of the CIA as a functioning governmental intelligence agency.

Except for the accumulation of sub-agents, contract sources, and informal connections left over from former periods, every former capability of the Agency has either been eradicated or is rapidly eroding. The once-feared premises at Langley have been degraded to a laundering-agency for British and Israeli intelligence products run through those premises under the direction of Henry A. Kissinger, James R. Schlesinger, Zbigniew Brzezinski, and anglophile Rhodes scholar and British intelligence (International Institute for Strategic Studies) agent Admiral Stansfield Turner.

Worse than the savage personnel cuts are the supplementary measures employed to prevent anyone in the Agency from even thinking in directions contrary to current Brzezinski assignments and estimates. Without indicating the exact methods employed, it is accurate to state that the internal life of the CIA is totally an Orwellian nightmare, with very effective methods of actual thought control regularly applied to all employees.

What has occurred in this way to the CIA characterizes most of the once-vaunted U.S. intelligence establishment, a sickness currently invading the State Department. *The President of the United States commands presently no competent, independent sources for discovering what is actually occurring in any part*

*of the world on any major issue.* British intelligence operatives are in controlling positions within vital aspects of U.S. military intelligence, and British and Zionist agents generally have the run of the premises inside the most sensitive aspects of government.

Under these circumstances any foreign government which attributes a significant operation to the initiative of the CIA is simply playing the damned fool. Any member of Congress or the press who gives any prima-facie credence to a confidential briefing allegedly based on high-level governmental intelligence sources is playing the fool. There are, admittedly, still capable intelligence specialists — and valuable files — at CIA, in the Department of Justice, and so forth, but virtually none of the executives are rocking the boat currently — they are not even thinking of contradicting Brzezinski, Kissinger et al., and do not wish to gain possession of any facts which might impel them to think of doing so.

## The way it now works

Exemplary of what does happen that is credited to U.S. intelligence circles is the case of the discredited Romanian defector, Ion Pacepa.

Two principal facts have come out in connection with that gentleman. First, he is not properly speaking a defector; he was an in-place British spy in the Romanian government, who was pulled out by the British for the purpose of playing-back disinformation planted into him by top circles of the British Secret Intelligence Service. Second, intensive investigation of that British spy's fairy-tales have established that every revelation he purported to make to Washington, D.C. and in West Germany was a lie.

Although the key British sewer-outlet for this deception operation was Robert Moss, the operation was run in West Germany under the Zbigniew Brzezinski label. In other words, Brzezinski was caught red-handed in an effort to destabilize the government of Chancellor Helmut Schmidt, the head of government of a principal U.S. NATO ally!

The final two straws which broke the back of the U.S. government intelligence capabilities — those surviving the Turner purge of 1977 — were Carter Administration directives for the Shaba II and Camp David cases.

The U.S. intelligence community now operates chief-

ly on hopes of reaching pensionable end-of-service, meanwhile avoiding any hint of an intent to contradict whatever current fantasy the Carter Administration (e.g., Brzezinski) prescribes as adopted fact. The White House, under "Svengali" Brzezinski's direction, declares, "My mind is made up ; do not attempt to confuse me by reporting reality." The intelligence establishment gets in line.

Everyone in positions of power throughout the world — except the U.S. government — knows that the Camp David proceedings rank with Chamberlain's follies at Munich as the worst diplomatic fiasco of the 20th century. Any evidence which contradicts the virtues of Emperor Brzezinski's Camp David "new suit of clothes" is hysterically avoided or simply deprecated as "smoke screen" or "Soviet propaganda" by the Administration and its intelligence arms. Menachem Begin runs Israel, and Moshe Dayan runs the United States.

### **But the CIA was bad**

Admittedly, the CIA has a small constituency. The only case in which a former CIA operative has been slapped hard for allegedly lampooning his former employer is Frank Snepp — and Snepp revealed not a single CIA secret. The difference is that Snepp attacked Henry A. Kissinger in a serious competent way. Flagrant violater Philip Agee, who has been involved in setting up CIA operatives for assassinations, walks about quite unprosecuted, while Snepp languishes under judgment. The books of various former intelligence operatives are each filled with hundreds or thousands of names. This and that is "blown" in batches with each new publishers' listing cycle. Yet, only Snepp — who rightly and effectively damned Kissinger — was placed under onerous judgment.

One can kick the CIA, urinate on it several times daily. Such things pour out every day, like rain during the Bengal monsoons. As long as no one does an effective job on Henry A. Kissinger, all such antics have been generally admired.

"But," the argumentative voice pipes up, "look at what the CIA used to do. . ."

As a political historian, and recently advantaged to discuss relevant matters of wartime and postwar history with persons most advantageously situated to view dark proceedings, I have probably as good a sense of what the CIA's covert operations (and related) institutions have done as anyone outside the intelligence community proper. I do not need to be informed of such matters at this juncture. What I do not know in one way or another, I am fully capable of

assuming among might-have-beens.

The issue is not what the CIA did or did not do. The issue is whether the USA requires a central intelligence agency as a source of information bearing on policy decisions and as a counterintelligence arm. The correlated issue is whether qualified professionals are required to staff such an intelligence agency. The issue is not what the CIA did, but what it should be doing.

The issue was pointed up by the proceedings of a most-recent, Ann Arbor, Michigan conference of Morton Halperin's Committee to Stop Government Spying. The Committee, which is so overlapped with Philip Agee's gang of proterrorists as to be indistinguishable from a terrorist-support group, underscored its true character by honoring sundry known terrorists and their supporters as the principal sideshow features of the KonKlave.

The Halperin effort, closely intertwined with the Ralph Nader operations, has been a principal stalking horse behind such abominations as the "Levi Guidelines" and the White House's own gag-rule against any U.S. counterintelligence general surveillance of British, Canadian and Israeli intelligence agents' (and assassins') deployment in the United States. The Halperin-Nader-Agee cabal is the essence of the wrecking of the U.S. intelligence community begun by Schlesinger, and the names and antics of Halperin, Nader and Agee ought to warn a too-credulous public of its folly in cheering the demise of the "bad CIA."

Halperin's — like Nader's — group makes it clear that their included purpose, and prominently so, is to prevent the people of the United States from enjoying the slightest degree of effective intelligence-counterintelligence protection against the wave of international terrorism British intelligence warns it is about to unloose in this country.

At this moment, even minor foreign powers have justification for joining the ranks of those nations who presently view the USA's intelligence facilities as the laughingstock of the world. It was not so much Halperin, or Nader, or Agee who did this. It was Kissinger, Schlesinger, Brzezinski and Turner — with aid and assistance from such foreign powers as the British government and Zionist agencies.

Oh, but were I given a suitable mandate and backing from Congress, I would pull together an effective overall U.S. intelligence capability within weeks. Who, every concerned citizen may well ask, will in fact do it — before it is too late?

— Lyndon H. LaRouche, Jr.

# Drug and gambling czars tied to vote theft

*How Bronfman, mobsters fix United States' elections*

U.S. Labor Party investigations into widespread fraud reported in the primary elections this year have uncovered a pattern of evidence that the vote fraud machines in major cities are controlled by figures closely associated with organized crime, drug running, gambling, and laundering of "dirty money" from those activities.

The results of our investigation are presented in several case studies, which show the shocking collusion of organized crime networks, closely associated with British financial interests and their Zionist allies, in robbing American voters of their franchise.

At the top of the operation, investigation points to the Canada-based Bronfman family of whiskey magnates whose influence and control over organized crime dates back to the Prohibition era when they supplied bootleg liquor to the notorious Purple Gang. From these beginnings, families associated with the Bronfmans, like the Jacobses in Buffalo and Max Fisher in Detroit, moved to expand their operations and political control in the U.S. The Jacobses have seized control, through a concessions franchise originally known as Emprise and now called SportServices, of race tracks, casinos, and other major sports operations around the country.

In 1971, after several years of scandals, Emprise was finally indicted by a Los Angeles grand jury for an illegal takeover of a Las Vegas gambling casino in 1966. Indicted along with Emprise were Anthony J. Zerilli of Detroit, son of Joseph Zerilli who has been identified by law enforcement experts as the head of a Detroit organized crime gang; Michael S. Polizzi of the Grosse Pointe Valley Die Cast Association and a "lieutenant" in the Detroit mob; Anthony Giordano of the St. Louis Banana Distributing Company; Jack Schapiro, owner of the Silver Slipper Casino in Las Vegas; and Arthur J. Rooks, a Detroit municipal court judge.

Most recently, Emprise-SportServices has been implicated in the 1976 murder of Arizona reporter Don Bolles.

Detroit's Max Fisher, who has camouflaged his origins somewhat more effectively, is said by informed sources to control Detroit drug distribution, which is the jumping-off point for much of the Midwest drug traffic.

## St. Louis:

In the August primary election in St. Louis, the political machine of Democratic Congressman William Clay was reported to have engaged in blatant fraud including registering and voting thousands of non-existent voters from abandoned buildings, ballot stuffing, tampering with the printed returns recorded on voting machines, rigging machines, and threatening voters and candidates. The campaign of harassment and obstruction of justice accompanying the fraud including attempting to bribe Clay's independent Democratic opponent Elsa Hill, then threatening to murder her; interfering with the influencing of judges; and carrying on persistent intimidation and harassment of U.S. Labor Party members and candidates.

The Clay machine is, in fact, merely an arm of St. Louis organized crime associate Morris Shenker's far-reaching organization. Shenker, an attorney and Las Vegas casino owner, holds the St. Louis organized crime franchise of the Buffalo Jacobs family which owns Emprise-SportServices. Shenker, who has represented the interests of Emprise and its Mafia associates in indictments stemming from illegal efforts to take over gambling ventures, is currently under investigation by the Nevada Gaming Commission.

Shenker helped rescue William Clay from a career of petty theft and launched his congressional career with the assistance of Harold Gibbons, St. Louis Teamster boss. Clay had been expelled from college for illegal gambling, fired as a bus driver for stealing and removed from an insurance company job for altering the books. Through his position on the St. Louis Law Enforcement Assistance Administration machine, Shenker authorized funds for Harold Gibbons and William Clay to establish a paramilitary

youth gang organization which has "policed" elections for Clay since.

## Michigan:

In this state in the August third party qualification primary, the U.S. Labor Party, which statisticians project received 30,000 votes statewide, was officially credited with 525 votes. After a three and a half-day hearing documenting thousands of uncounted votes, a federal district court judge refused to place the Labor Party on the ballot. The conspiracy to keep Labor Party candidates off the ballot in Michigan dates back to 1976 when an unprecedented third party qualification primary was established.

Max Fisher, a former Purple Gang associate, in conjunction with his law firm Cohen, Honigman and Schwarz, has for years had a financial stranglehold on both the Republican and Democratic parties in Michigan. Fisher dictates policy for the Republicans; his lawyer Avern Cohen dictates policy for the Democrats. Through these networks Fisher placed his own man, Howard McGowan, a disbarred lawyer, in a key position at the State Board of Elections. It was McGowan who wrote the third party primary qualification bill, specifically to keep the Labor Party off the ballot.

The United Auto Workers and other "muscle" linked to drug-pushing and Michigan real estate speculation, under the thumb of Max Fisher, carried out the "street level" mobilization for fraud through their control of boards of elections. Fisher permits UAW local organizations to hold drug-pushing franchises inside the auto plants.

Law enforcement sources in Michigan say that Fisher has the unique combination of control over police and prosecutorial apparatus in the state, and control over local philanthropy to provide him with both immunity from prosecution and a number of impeccable "charities" through which to launder his funds. The control over police and prosecutorial operations (Avern Cohen recently became head of the Detroit Police Commission, for example) also provides immunity from prosecution for blatant vote fraud and ongoing harassment and intimidation of political candidates and their campaign workers. (The Michigan Labor Party has experienced almost two hundred arrests of its organizers in the last year.)

An exemplary look at the prosecutor's office in Genesee County, Michigan shows why this immunity exists. There, District Attorney Robert Leonard, who has consistently refused to prosecute drug pushers, has been named in a federal court indictment charging known Detroit gangsters, including Emprise-linked Anthony Zerilli, with attempting to purge state criminal records so that the gangsters could be approved by the Nevada Gaming Board to take over a casino. According to the indictment, Robert Leonard advised Zerilli and his associates how to accomplish the record tampering.

In Genesee County, a 15 percent sample of computer votes cast in the recent primary showed that more than 50 percent of the Labor Party's votes had been left "uncounted."

## New York:

The Erie County (Buffalo) New York intermeshing of the vote fraud and organized crime machines is extremely straightforward; operations in the rest of the state are characterized by only slightly more subtlety. Organized crime in upstate New York centers in the Jacobs Brothers' Sport Services Inc. The U.S. Labor Party has definitively identified the Jacobs Brothers as the upstate New York connection in the Bronfman drug-running operations conducted through Canada to New York. The Jacobs brothers, in their efforts to turn Federal heat off their enterprises, have been able to go right to the top of the Democratic Party nationally, retaining the services of Kennedy-linked Lawrence O'Brien.

Individuals connected to SportServices also form a factional core within the Marine Midland Bank, which has its corporate headquarters in upstate New York, through such holdings as Niagara Frontier Services and First Mark Corp. This faction of the bank's board has led the fight for that bank to be taken over by the British Hong Kong and Shanghai Banking Corporation, for centuries the international bank most prominently involved in the drug trade.

In 1976, the Erie County Democrats delivered a minimum of 20,961 fraudulent votes for Jimmy Carter according to documentation submitted by the Labor Party to federal authorities in New York. This machine is dominated by Joseph Crangle, who utilized the black poverty apparatus of Arthur Eve in the 1976 fraud. Crangle and the Jacobs brothers joined forces to carry the election of Daniel Patrick Moynihan to the U.S. Senate in upstate New York. Moynihan has returned the favor by championing drug decriminalization and legalized gambling for the state.

On Oct. 5, 1978, as the Buffalo U.S. Labor Party mounted a campaign to expose the drug links of the Jacobs brothers and to prevent the Hong Kong and Shanghai Banking Corporation from taking over Marine Midland Bank, U.S. Labor Party candidate for Congress Khushro Gandhi's nominating petitions were challenged by a man named Bartkowski. Bartkowski is known by political sources in Buffalo as a hack for Joe Crangle and for Khushro Gandhi's Democratic Party opponent Hank Nowak.

In 1976 during the early tests of the Carter Administration Nowak participated in a national campaign to get President Carter to pardon Lewis Jacobs for an Emprise conviction in a Nevada gambling case. Nowak cited the Jacobs brothers as "pillars of their community" in his letter to the Department of Justice. The Justice Department rejected a pardon for Jacobs as totally "inappropriate."

A similar surfacing of the direct links between the Bronfman machine and the vote fraud apparatus is underway in Westchester County, New York, where a challenge to the nominating petitions of U.S. Labor Party congressional candidate Michael Billington's nominating petitions has been upheld by the "bi-partisan" Board of Elections. Westchester County follows the Michigan model of both the Republican and Democratic Parties being heavily influenced and funded through organized crime. In Westchester County, Edgar Bronfman owns the Democratic Party,

and dictates its moves from his home, a palatial Westchester estate. The county's Republican Party is shaped behind the scenes by John Loeb of the Loeb, Rhoades investment bank. Although nominally a Republican, sources in Westchester report that Loeb has done everything in his power to insure the successful election campaigns of Billington's Democratic Party opponent, Congressman Richard Ottinger, a longtime Fabian. John Loeb is married to the former Mrs. Edgar Bronfman.

—*Felice Gelman and Barbara Boyd*

## How organized crime runs vote fraud: preliminary investigation

City                      Key Controller

### ST. LOUIS    Morris Shenker

#### Investigative History

- Owner of several Nevada casinos. Defended Emprise and Jacobs brothers as their attorney.
- Under investigation for use of pension monies for organized crime purposes.

#### Role in Vote-fraud apparat

- 'Godfather' of the Clay political apparatus in St. Louis, is heavily implicated in vote fraud.
- Through associates, implicated in the setting up the LEAA gangs in St. Louis who enforce fraud.

### MICHIGAN    Max Fisher

- An associate of the Purple Gang prohibition smuggling operations. Linked to Bronfman operations through this and through prominent role in the Zionist Lobby.
- Through financing, heavily controls both Democratic and Republican parties in Michigan.

- A Fisher-linked Board of Elections official wrote Public Act 94, Michigan's third party primary law.
- Jewish Labor Committee elements are the core of the UAW vote fraud machine in Michigan, and also the direct link to Fisher.

### BUFFALO, N.Y.    Max and Jerry Jacobs

- A Bronfman-connected gangster family. Their corporation, "Emprise," connected with Arizona murder of reporter Don Bolles. Morris Shenker often works for them.

- Through Joseph Crangle, exert control on Erie County Democratic Party machine.
- Democratic Party ties include former party chairman Lawrence O'Brien.
- Implicated in effort by ally, Nowak, to throw his opponent Gandhi (U.S. Labor Party) off ballot.

### WESTCHESTER CO., N.Y. Edgar Bronfman, John Loeb

#### Bronfman

- Senior member of the Bronfman family.
- Under investigation many times for organized crime links and other illegal activities.
- Extremely powerful in Democratic Party.

- The county's bi-partisan Board of Elections challenged U.S. Labor Party's candidate Billington.

#### Loeb

- Controls Republican Party.
- Married to the former Mrs. Edgar Bronfman.

# Drugs and war: Edgar Bronfman views the world

*A wide-ranging interview with the Seagram's boss*

*Liquor and banking magnate Edgar Bronfman recently proposed U.S. legalization of marijuana as an "advantageous" basis for a new "common market" between Canada, the U.S., and Mexico. His remarks were contained in a post-Camp David interview that was recently made available to the Executive Intelligence Review. Seagrams Chairman Bronfman, leading figure in the British-tied networks of the Zionist Lobby, is the author of the "Middle East Treaty Organization" proposal for the Mideast, and in the interview he detailed his economic, military, and diplomatic grand strategy.*

*Question: You've been particularly active in connection with recent Middle East developments. You're also identified internationally as one of the spokesmen for a policy of a Middle East Treaty Organization.*

*Bronfman: Yes, I wrote an article about it. It appeared on the op-ed page of the New York Times.*

*Q: Do you see Camp David as leading toward such a development?*

*Bronfman: When I wrote the article I had no idea that Camp David was even going to take place and what the results would be. It just seems that long term it just has to be in America's interest and the free world's to make sure that the Russians don't get their hands on that oil. You can talk about nuclear bombs, SALT, who has more capacity to destroy the other, but the ballgame's over pretty quickly if we can't get Arab oil. Either to Japan or to West Europe or to the United States and Canada. Somehow making that region (the Middle East—ed.) solid has to be an American imperative. It seems to me that it has to be an imperative for a lot of the so-called moderate Arabs too, because I just can't conceive of the Saudis being anything but what they are about Communism, the Russians. . . which is paranoid. I would guess that the Shah of Iran is maybe more so, maybe less so, but also paranoid about the Russians. Sadat has tried working with the Russians and it didn't work. Evidently their price was too high, too steep for economic aid and cooperation. I think probably the same thing is true for Assad in Syria. I think it's to the interest of the Western World to try to get some peace, some stability in Lebanon, a place where so many people are being killed. The one problem which we really have not solved is what we do with all the refugees, the displaced Palestinians. Because nobody really seems to want them.*

*Now as far as Camp David's concerned, I think it went fairly far. . . if it stays glued together and I have*

*my very deep concerns about that. Begin is playing a very strange role, saying things like he's not going to vote for dismantling the Sinai settlements. . . in the Knesset everybody's free to do what they want to. Now I can understand why he would want to make everybody independent and free to vote any way they want to, so that it doesn't become a party issue or a vote of no confidence, but why he should announce that he's going to vote against it. . . vote against his own agreement. . . The thing that disturbs me about Begin is that if it falls apart nobody's ever going to blame the American Administration. . . they come out smelling like a rose no matter what happens. . . Carter and Vance did an unbelievable job. If it comes apart it wasn't their doing. . . it will be because of something Sadat does or does not do or something Begin does or does not do. If Begin plays his cards carefully, then the pressure's all on Sadat. But I don't see that Begin's going to play his cards carefully because I'm not so sure that in his heart of hearts he doesn't really believe that Judea and Samaria belong to Israel even though what Israel would do with another million Arabs demographically. . . bewilders me.*

*Q: In the Canadian Jewish News it was anticipated that China would be playing an interesting role on behalf of Israel. Has this been a factor?*

*Bronfman: I don't think so, up to now. But China is changing very rapidly. China as you know has been very anti-Israel for some time. But this new regime. . . there's been a different kind of an outreach. I happen to be an officer of the World Jewish Congress. . . of which the Canadian Jewish Congress is a key part. . . and we have some feelings that it would not be impossible for a Jewish group as a Jewish group to visit China in the not too distant future. And that Red China is going to play some sort of a role. Of course the role the Chinese always play is whatever will get the Russians mad. It's very predictable. If meddling on the side of Israel will irritate the Russians, then they'll probably do it. But that's not clear yet I don't think.*

*Q: What do you anticipate in terms of European response to Camp David? The Europeans have been playing a maverick role in several areas.*

*Bronfman: Well the French are always a bit of mischief makers aren't they. They won't have too much trouble with the English, the Germans still feel guilt that we've made them feel all these years, but the French are troublemakers. I really think that the United States and I hope Canada will have to pursue*

their own role directly in the Middle East and not really count on the European Economic Community to be involved. Some two years ago there was a big battle going on in this country which was eventually more or less won on the question of the Arab boycott against Jewish firms. . . but we've never been able to get any antiboycott legislation in the EEC, and it's because of the French. . . .

*Q: Getting back to the Soviet question. Sen. Frank Church (D-Id), I believe, made a statement earlier this week referring to a Grand Alliance, something that would materially affect the balance of power between East and West. How is that likely to develop?*

*Bronfman:* I think the first thing you have to have is peace treaties between Israel and its neighbors. Once you have a peace treaty between Israel and Egypt, Jordan has to come along and Syria eventually. There's no way Syria's going to attack Israel without the Egyptians and Jordanians helping them. That's the first step. The second step is some kind of economic planning in the region. The third step is a kind of common market where you have no tariff barriers and have created an economic unit.

*Q: Within the Middle East?*

*Bronfman:* Within the Middle East. These steps take place slowly and then I think some kind of military alliance is possible.

*Q. This is something that's being discussed in terms of North America also, I think, the mention of a common market.*

*Bronfman:* Well I'm always for it. Any kind of equal trade. Trade is an essential ingredient in the Middle East. Just the simple fact that you don't want to bomb a country where you have your own factories. . . and people get to know each other as well through trade, and when they get to know each other they don't hate each other. . . . That's true on this side too.

As far as the energy bill is concerned, Americans, for reasons which are very difficult to understand, are

still living as if energy were cheap. Energy is very expensive. We've got to make people conservatives on energy. The only way to make people conserve is to get the price up. People are not going to insulate their homes and start using small cars and do all the things that are necessary to save fuel if it's not going to be expensive. The reason it's a political hot potato is that unfortunately the majority of Americans don't believe there's an energy shortage. They also don't believe that it should be expensive; they think the oil companies are gouging them, which isn't true.

What they don't seem to realize is what's happening to the U.S. dollar as a result of our wasting energy. Our balance of payments deficit is growing at an abominable rate, and there's no way out of this unless we start to conserve energy. Our balance of payments is I think positive \$8 billion without energy, but after energy it's a minus \$40 billion. . . .

*Q: I know one of your continuing interests is Canada even though you've been a U.S. citizen for some time. There is some discussion of expanded Canadian trade relations with the U.S. which would probably become important in terms of the energy program here. I know Felix Rohatyn has used the term common market between the U.S., Canada and Mexico. Is this something that you're familiar with?*

*Bronfman:* I'm not really very familiar with it. Intellectually I'm for it. But I think it's kind of a long way off. It would be very advantageous for Mexico, of course, if we would legalize marijuana. Certainly between Canada and the United States to have a common market would be a marvelous thing. Before Britain joined the Common Market in Europe, I used to envision that it would be great to have a common market of the United States, Britain and Canada as well as Australia — that kind of thing, but I really haven't followed this closely enough to know what the political realities are at the present time. And I also don't know how Mr. Levesque would react to the question!

# How Zionists orchestrate

## *Preparations for terror today, and the dirty history*

The Medford Evans article, "The People of Moses Return To The Right," in the September 1978 issue of the John Birch Society's *American Opinion*, is to be viewed as a highly significant signal for acceleration of "right-wing"-profiled terrorist preparations in the United States. The leadership of the Birch Society is performing a key part of the political deployment in support of such terrorist preparations.

Birchite Congressman Larry McDonald (D-Ga.) is also prominent in this, as are the Shelton branch of the Ku Klux Klan, the Glenn Turner-Minuteman dePugh "Ten Million" operation, and the spokesman for the fascist international in the U.S., Zarapeth, N.J.'s Frank Cappel. Of special interest in the case of Congressman McDonald is a key aide, John H. Rees, a British operative with a long and dirty intelligence pedigree.

As an aid to intelligence specialists faced with the accelerating threat of terrorism, Paul Goldstein has

prepared the accompanying condensed background profile on the long history to date of creation and control of the Klan by B'nai B'rith conduits of the British-Canadian intelligence service. It is notable that much of Goldstein's information was developed from documented sources dealing principally with the British assassination of President Abraham Lincoln.

Goldstein's background-profile aids the intelligence officer in getting directly at two vital points of investigations and counter-measures: (1) who controls the Klan's terrorist and terrorist-supporting capabilities at present; (2) what the historically demonstrated capabilities and vulnerabilities of Klan terrorism are.

Exemplary is the fact that the original Klan was created as a resurrection of the Knights of the Golden Circle, and that the creation was made by Judah Benjamin, Bernard Baruch's grandfather, and a Catholic priest. Both Benjamin and Baruch were linked to top circles of B'nai B'rith and were leading U.S. agents of N.M. Rothschilds and Sons of London. The latter was, in turn, an agency of those Jesuit networks which, in cooperation with the Knights of the Golden Circle, performed the main supporting role in the assassination of Lincoln.

Note also that the 1915 resurrection of the Klan was effected by individuals of the same political credentials. Although the target of Klan terrorist activities was usually black Americans, the purpose of the terror was to prevent southern Whig forces from gaining a foothold on policy-making in the former Confederate states — up into the 1930s!

### **The Birch turn**

The article by Medford Evans, a leader of the 1960s-era "White Citizens' Councils," dovetails, precisely with the present-day control of the Shelton Klan. That dovetailing is not the primary significance of the Evans article, but is a necessary by-product. The primary significance of the Evans article is the launching of a propaganda campaign to condition Birchers and fraternal right circles to acceptance of an unconcealable alliance of the Birch leadership with the Bronfman interests and Edmond de Rothschild of France — both key links in the Zionist lobby forces

### **In this section**

The Minutemen and Ku Klux Klan networks that sowed violence in the 1960s are being retooled for renewed right-wing profiled terrorism in the United States today. Our Terrorism section pulls together the story in three parts: U. S. Labor Party Chairman and Contributing Editor Lyndon H. LaRouche discusses the key signs pointing to the regroupment of right-wing terrorist elements around the Ku Klux Klan and John Birch Society, and dissects the broader British mob, and Zionist terrorist networks involved. Military Strategy editor Paul Goldstein, also codirector of the U.S. Labor Party Security Staff, reports on the shocking history of Zionist and British networks' role in creating and sustaining the Klan in the 19th and early 20th centuries. And Scott Thompson, a leading specialist on right-wing terrorist organizations, concludes the section with a report on the Klan and Minutemen terrorist networks today, and who's running them.

# KKK terror

## *behind it*

behind projected "right-wing" terrorism in the U.S.

Intelligence officers should be warned of the implications of such connections. The key agency behind the projected involvement of Klan elements in terrorism is the same agency that coordinates all international terrorism (properly so termed) today: the Israeli Mossad.

This means the same network which killed a newspaperman investigating Jacobs's connections in Phoenix, Ariz. It means the U.S.-Caribbean "Mafia," which dovetails into casino and other sports operations in the U.S. today. It means the international illegal drug networks. It means the financial networks of Mossad's Tibor Rosenbaum. It means the Bronfman-funded organizations that Attorney Jim Garrison investigated in connection with the conspiracy to assassinate President John F. Kennedy.

These are overall the same political and financial interests that have taken direction of the John Birch Society on behalf of the British intelligence networks, the networks that created the Birch Society for deployment against President Eisenhower. It also means contaminated elements of the U.S. intelligence and security organizations, including influence played into those agencies through large private intelligence agencies owned by associates of Swiss-based Tibor Rosenbaum's operations.

It means that it is impossible to neutralize combined "right" and "left" terrorism in the U.S. without expelling the Mossad and crushing the Zionist lobby at the top levels, and also conducting the crackdown on top illegal-drug and organized-crime networks that no U.S. Administration has dared to undertake to date.

## What Evans wrote — and why

Evans's article begins on page 23 of the September issue of *American Opinion*, wandering through pages of cautious conditioning of the reader before getting to the meat of his argument beginning on page 31. A sampling of excerpted passages from that point onward identifies the content and mechanisms of his principal efforts:

... in Lebanon the Christians are identified with the Right, the Moslems with the Left ... second, ... the Jews have supported the Rightwing Christians against the Leftwing Moslems of both Syria and Lebanon itself. You'd think Christian Conservatives in America would be concerned about this, but for the most part they seem just bored by it. (p. 31)

This is simply a lie. A majority of Lebanese Maronite Christians have depended on Syrian forces to protect them from the Falange, a Nazi organization created by the Nazi Party of Germany during the 1930s and headed today by Hitler-admirer and Hitler-appointee Pierre Gamayel. However, Evans's lies have their purpose.

Evans proceeds to condition his reader to the British-Zionist link:

Like other Jewish customs, the practice of getting a gifted son to the top of a host government has been seen in modern times. Benjamin Disraeli served the British well, and gave the title Empress to Queen Victoria as a present. *No empire has done more than the British Empire to benefit an ungrateful world.* (emphasis added; p. 32)

With some intervening review of alleged or mooted-as-possible past Jewish errors, Evans proceeds to his summary arguments:

Over the whole course of history, Jews must be regarded as the most conservative of peoples, for no other people (today not even the Chinese) have kept the same traditions so long . . . . They now have no choice but to turn Right. Or, it would be more accurate to say, return to the Right, their historic position. (p. 36)

Then, finally, the summation of the political dogma dished out to the credulous Birchers:

... what are those enormous consequences which I said at the outset of this article might come from the Jewish return to the Right? *The immediate specific is the defeat of the Carter Administration.* In Carter, Jews fell for a wily Christian. Now, they surely know better. A broader field is one in which the Jews have commanding influence: entertainment — the movies still, but nowadays

television even more. The press, too, of course, and the academic world, which is influenced by the virtual synonymity in recent years of the words "intellectual" and "Jew." If the networks and Hollywood and the "New York Times" and the "Washington Post" and Harvard and M.I.T. should follow the Jews and turn Right, the arrest of Soviet expansion would be assured, and the lamp of Liberty would continue for the foreseeable future to enlighten the world. (emphasis added; italics in original replaced by quotation-mark set-offs; p. 36)

Evans's other remarks, as well as the way in which he argues the cited points, are shaped to inform the Bircher that it is not proposed that the Bircher love Jews, but that he enter into a tactical alliance with the "powerful" Jewish control over — it seems — about everything, solely for the sake of winning Ye Goode Olde Colde Warre. Evans emulates the sort of arguments the liberal press used during World War II in behalf of the U.S.-Soviet alliance. He permits the Bircher to keep his old grievances against the Rothschilds, but, for the present, only privately ("among just us folks"), to not love "Uncle Menachem," but to at least trust Begin's reliable right-wing instincts. *It's all for the good of the cause.*

This sort of inoculation of Birchers is made necessary by the accelerating exposure of the Mossad and allied forces' responsibility, as agents of the British Empire-Loyalist circles, for coordinating international terrorism, for coordinating a major part of the British-Canadian control of the illegal-drug traffic, for control of organized crime. It's all for the good of the cause, Evans insists.

Those of us who have done in-depth studies of the John Birch Society know that the publication of such an article in *American Opinion* ten years ago would have led quickly to the author's early, unpleasant demise. Just as in the case of Senator Joseph McCarthy's campaigns, B'nai B'rith-linked forces may be controlling the operation from behind the scenes, as they have in fact controlled the Birch Society, but it was not prudent to call attention to the fact in certain "right-wing" circles. Even today, the mere publication of Evans's article represents a sharp political turn by the Birchers, a turn that involves a very considerable risk to the stability of the organization.

By itself such an article's publication would signal a push from behind the scenes for *some* purpose important enough to hazard this degree of risk. We do not rely on merely such circumstantial information. We have other, more direct ways of knowing what strings are being pulled among circles allied politically to McDonald and Shelton, who is pulling them, and to what purpose. The publication of the Evans piece, taken in that context, signals a certain degree of maturity in on-going preparations for the projected wave of "right-wing" terrorism.

—Lyndon H. LaRouche, Jr.

## The Rothschild roots

The political evolution of the Knights of the Ku Klux Klan was a direct outcome of policies initiated during the first half of the 19th century by the British aristocracy and their "court Jews, the Rothschilds. The combined capabilities of the key secret societies controlled by these circles — the Scottish Rite of Freemasonry, the B'nai B'rith (Order of the Sons of the Covenant), and the Jesuits (Society of Jesus) — allowed the British and allied Black Guelph circles to nearly destroy the foundations of the United States republic through assassinations (including that of Abraham Lincoln), terrorist operations, and general subversive activity culminating in the War Between The States.

The starting point for unraveling this vast conspiratorial apparatus is the Knights of the Golden Circle.

The Knights of the Golden Circle combined the network of individuals associated directly with the Scottish Rite of Freemasonry, B'nai B'rith, and the Jesuits. Practically the entire Confederate leadership belonged to the KGC at the point of the secessionist crisis in 1860. It is through tracing the lineage of the KGC that the Ku Klux Klan becomes an understandable phenomenon.

However, to make fully comprehensible the significance of the combined relationship of these secret societies, a short historical backdrop is first necessary.

Prior to and during the American Revolutionary War, and significantly afterwards, the British initiated an intensive subversion effort aimed at taking over and destroying the Franklin-organized Freemason networks that functioned as the organizing body for the revolution. The explicit counteroperation was the Scottish Rite of Freemasonry, under the control of the British-Black Guelph-Knights of Malta organization. It was because of this effort that many of the individuals who served the British in the KGC were also members of the Scottish Rite.

It is equally significant that the abolitionist societies of New England, as well as the entire secessionist states' rights movement, were all financed and basically controlled through the Rothschild-Baring bankers of the British monarchy.

This political intelligence profile will concentrate on the closely connected evolution of three secret organizations: the Knights of the Golden Circle, the B'nai B'rith, and the Ku Klux Klan.

# of the Ku Klux Klan

## 1. The Knights of the Golden Circle

"I hear a good deal about the association called the Knights of the Golden Circle, a Protestant association for securing the Gulf provinces and states, including which has been largely developed by recent times . . . in the Southern confederacy, and creating them into an independent government."

The above is taken from William Howard Russell's book *My Diary North and South*, written in 1866 by the London *Times* war correspondent. Russell had gotten this assignment at a meeting on May 5, 1861 with Confederate leader General Pierre Beauregard, a leader of the KGC. Russell himself was serving his Queen as a top British Secret Intelligence Service agent, profiling the 1861 crisis situation in the United States and reporting back to the Rothschild owner of the London *Times*. (1)

Originating out of the 1828-32 Nullification Crisis, the KGC was not officially established until 1854 under the direction of Dr. George William Lamb Bickley. Bickley had been trained in Botany at the University of London in the 1840s, then redeployed back into the U.S.

Prior to the official surfacing of the KGC, however, the *Southern Rights Clubs* were established during the height of Andrew Jackson's presidency. Their structure was identical with that of the southern branch of the Scottish Rite of Freemasonry with its prime political focus centered on a three-point program. As stated in the KGC's manual, the three points were:

- (1) Reestablish the slave trade;
- (2) Acquire new slave territory;
- (3) Destroy the U.S. Constitution as a "tyrannical document."

Two of the leaders of the SRC were Robert Toombs and William Landes Yancey. Each was to play a significant role in the Confederate government. Toombs, a so-called Southern Whig, was personally

responsible for financing several attempts to kidnap Africans and bring them to the South. Significantly, the SRCs served British intelligence by providing a functioning political infrastructure for the secessionist movement and for the creation of other secret societies.

Two of the main centers of the SRC, and later the Knights of the Golden Circle, were New Orleans and Charleston, S.C. Secret orders such as the Order of the Lone Star were also set up, then later merged directly into the KGC. Key in organizing the New Orleans operations was Judah P. Benjamin, later to be the Secretary of State of the Confederacy, of whom more below.

In 1854, Bickley surfaced with the organization known as the Knights of the Golden Circle. Under the banner of creating a "Democratic Monarchy in North America," its first operation was to organize paramilitary terrorism in Central America, Mexico, and Cuba, the purpose of which was to instigate a war between the U.S. and Spain. One of its most successful early ventures was under the direction of William Walker, who organized a military coup in Nicaragua in 1855.

The next phase of the KGC's activity was to organize a military coup in the U.S. before Lincoln could be inaugurated. The KGC was used primarily as the main terror force to ensure that the key Southern states voted for secession. Its stated organizational purpose indicates the extent of its intentions at the time of the 1860 election of Lincoln:

- (1) Secure all U.S. arsenals;
- (2) Sabotage reconciliation between North and South;
- (3) Concentrate on the border states:
  - (a) coerce state legislatures or governors into voting for secession;
  - (b) elect legislators to vote for secession;
  - (c) bring armed men from the cotton states;
- (4) Set up Knights of the Safety Guards, watch over men who are doubtful about secession;
- (5) Organize guerrilla bands to harass union troops, under the direction of the Knights Gallant, the elite corps within the Knights;
- (6) Northern members were instructed to play "hypocrite roles" by loudly supporting Union efforts in order to act as spies;
- (7) Raise militias in the North, turn arms over to the South, and send Confederate ladies to spy in the North;
- (8) Assassination and terror.

"In short, the intention of the secessionist is to have

---

1. Documentation of the KGC's activity is quite extensive. Most of the information in this report comes from primary sources of the period. Particularly useful were:

Pumfrey, Jim. *An authentic exposition of the Knights of the Golden Circle, or a History of the Secession*, by a former member (Indianapolis, 1861).

Pittman, Ben, ed., *The Indianapolis Treason Trial of 1865* (court transcript on the conspiracy by the Sons of Liberty, a later form of the KGC in Illinois, Indiana, and Ohio).

Holt, Joseph. *An Official Report: A Western Conspiracy in Aid of the Southern Rebellion*, by Judge Advocate Joseph Holt.

a more powerful monarchy than England," according to KGC member Jim Pumfrey. (2)

The belief structure of the KGC was the following. Its symbols were the glowing sun and 15 stars emblazoned on a crescent, with a triangle with the numbers 3, 7 and 5 placed in each angle with R-61 in the middle of the triangle. The R meant 'revolution,' and the 61 meant 1861, in other words, Revolution in 1861. Meetings took place in "castles" or lodges, which were organized on the local, state, and national level. On the state level they were referred to as "Grand State Castles," with a delegate body sent to the "Grand United States Castle" or "American Legion."

In its organizational hierarchy, as reported by the *Daily Louisville Democrat* in 1861, the KGC was divided into three degrees or levels. The first degree was the Foreign and Home Guards, the second degree was Commercial and Financial, and the third or highest degree was the political governing body, the American Legion. Each degree was divided into divisions which were in turn divided into departments. The 10 departments comprising a division were Agriculture, Education, Manufacturing, Finance, Religion, Police, War, Navigation, Law, and a Foreign Office.

Thus, when the Confederate government was established, the KGC was its ready-made leadership body. With 65,000 KGC members in the South, and several members of President Buchanan's cabinet also members of the KGC, the plot to pull off a military coup nearly succeeded.

Central in the plot was the assassination of President-elect Abraham Lincoln. In February 1861 a plot to kill Lincoln was in place in Baltimore, Md. There, under a subunit known as the Palmetto Guards, the KGC planned the murder of Lincoln. It was only due to the efforts of General Winfield Scott, that the plan did not succeed — until four years later.

During the Civil War the KGC was used to run subversion through the Democratic Party faction known as the Copperheads, or antiwar Democrats. With a plan for provoked outbreaks of violence and terror combined with Confederate military operations, in Missouri, Illinois, Indiana, Ohio, Kentucky, Tennessee, and the cities of Chicago and New York, the Confederacy aimed to destroy the North's ability to fight. Draft riots aided by Jesuit priests, with the cooperation of the Mayors of New York and Chicago, Fernando Wood and Edward Walsh, as key conspirators, were designed to stop the war by forcing a negotiated settlement.

All espionage and terror operations deployed into the North were under the direction of the Confederate Secretary of State, Judah P. Benjamin. Benjamin, a former U.S. Senator from Louisiana, was born in the British West Indies in 1811 and remained a British subject throughout his career in the U.S. Under the Confederacy Benjamin became first Attorney

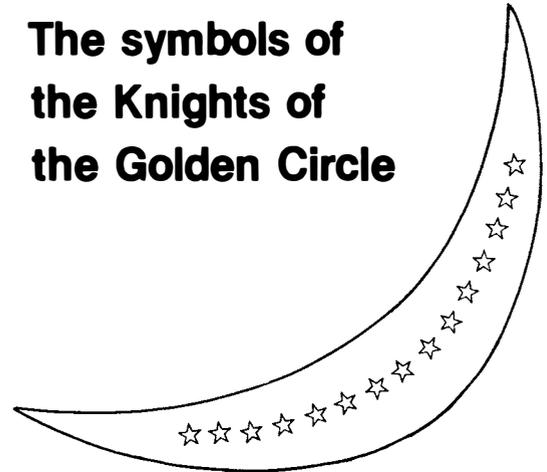
General, then Secretary of War, and last and most important, Secretary of State.

The plot to destroy the Union remained the foremost theme of Benjamin's activity. Central to the insurrections to be run in the North and in the border states was the Confederate espionage operation functioning in Canada, with its headquarters in Montreal. Not coincidentally, the hotel in Montreal, St. Lawrence Hall, that headquartered the Confederate Secret Service also was the headquarters of the British military mission.

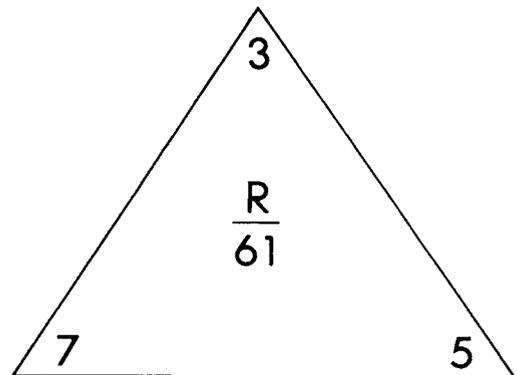
The head of Confederate espionage was Jacob Thompson, a former Secretary of the Interior under Buchanan and a member of the KGC. Through Thompson and another top British operative operating in Canada named George Sanders, the plan to assassinate Lincoln was finalized.

The assassination was carried out by John Wilkes Booth, a member of the KGC, along with John Harrison Surrat, who had been trained by Jesuits at Jesuit Georgetown College (now known as Georgetown University). The two were under the

## The symbols of the Knights of the Golden Circle



These two symbols (above and right) were displayed inside the Knights of the Golden Circle "castles."



This triangle appeared on Knights of the Golden Circle leaflets and on other publications.

2. See Pumfrey, *ibid.*

immediate direction of Benjamin and Thompson.

Most of the intelligence garnered and reported by Union counterespionage operations was suppressed at the Lincoln assassination trial by Secretary of War Edwin Stanton. Stanton had known Benjamin quite intimately since 1850, when both were deployed by the U.S. government as members of the California Land Commission: Stanton headed up the commission and had Benjamin as his able assistant.

It is now known that not only did John Harrison Surrat escape capture through the efforts of two Jesuit priests and wound up in the Papal Zouaves, but that Booth also escaped. The coverup "killing" of Booth at Garrett's farm was carried out by Union officers who were highest-degree members of the Scottish Rite of Freemasonry. Even the head of the National Detective Bureau, Lafayette C. Baker, who was later poisoned to death, revealed in documents only recently published that he knew that the individual found in the burned-out barn was not Booth.

The KGC underwent several facelifts to prevent detection, and rechristened itself. The Order of the

American Knights and The Sons of Liberty were two new names it took before it became the Ku Klux Klan.

## 2. B'nai B'rith, or the Independent Order of the Sons of the Covenant

Israel Joseph Benjamin, a European Sephardic Jew, toured the U.S. in 1859-62. Benjamin (no relation to Judah Benjamin, although the two met) was part of a network of humanists associated with Alexander von Humboldt deployed to profile Jewish organizations in the U.S. In a book titled *Three Yeas in America* he described the B'nai B'rith as follows:

"This is a secret society, like the Freemasons, with passwords, signs, and the like . . . still I think that existence of such an organization is not at all necessary . . ."

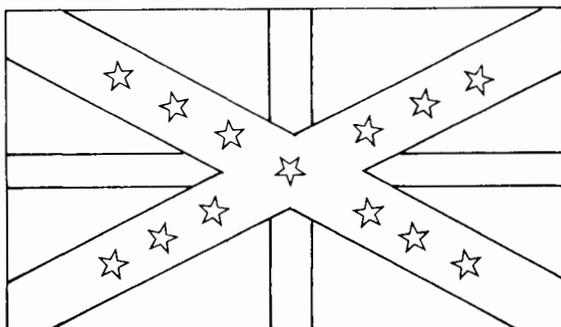
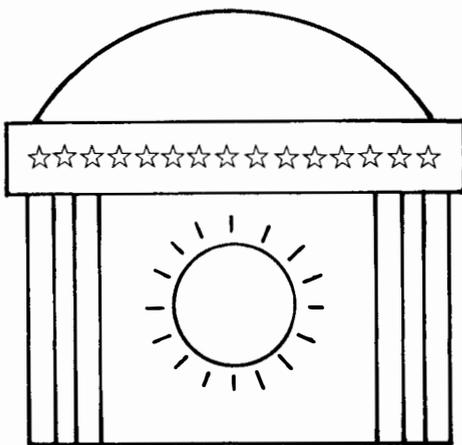
The B'nai B'rith was officially founded in October 1843, as part of the Rothschild and British monarchy effort to establish what is today known as the Zionist movement. Founders of the B'nai B'rith, the Order of the Sons of the Covenant, in the U.S. were members of the financial heirarchy of the Rothschild circles, including the Seligmans and Dr. Kuttner Baruch from Charleston, S.C., the father of British agent Bernard Baruch. The elder Baruch was later responsible, along with Judah Benjamin, for setting up and financing the Ku Klux Klan.

The B'nai B'rith was ostensibly organized so that the Jews could have their own Freemason organization. But its real purpose was to provide the basis from which to finance the subversion of the U.S., and use the U.S. as a base for deploying these networks internationally to protect the Rothschild interests. There were over 44 Jewish organizations in the U.S. along which provided the Rothschilds their service.

"The name of Rothschild, in all countries, is a synonym for honor and generosity, and no name in Europe has popularity so great and so well-merited. The Rothschilds in France occupy a social position even higher than that of the English branch of the family . . . considered equals of the oldest of French nobility . . ."

"The Jewish religion has many observances and customs corresponding to the secret societies known to us. The synagogue, for instance, might be compared to a lodge room . . . The sign consisted of the grip given with a full hand, and the magical words Sholem Alachem. The messusah (religious artifact) was the countersign. Shema Israel (Hear O Israel) was the password."

Both of these passages come from the original magazine publication of the B'nai B'rith, *The Menorah*. The magazine's editor was one of the B'nai B'rith's members, Benjamin Franklin Peixotto, who later, as a U.S. consul to Romania established the B'nai B'rith there under the name of the Order of Zion.



The flag of the Confederacy repeated the Knights of the Golden Circle's 15 stars motif in a form echoing the British flag.

He also operated as a Rothschild agent in overthrowing the government of Romania and placing King Charles on the throne, thereby giving the Rothschilds a firm Balkan foothold from which to penetrate Russia.

By 1860, this secret order had established the international Zionist networks under the name of the Israelite Universal Alliance. It was the combination of the B'nai B'rith and the Knights of the Golden Circle that gave birth to the Knights of the Ku Klux Klan.

Importantly, the whole Order of Zion project was developed during the late 1830s and early 1840s by the Earl of Shaftesbury and Benjamin Disraeli. An 1862 exposé by Samuel Morse on "The Present Attempt to Dissolve the Union, A British Aristocratic Plot" identified Shaftesbury as the organizer and funder, operating from Exeter House in London, of the abolitionist movement in the U.S. Disraeli, later to become Britain's Prime Minister, was the key 19th century figure around which the Zionist networks were built. Disraeli himself, a Sephardic Jew, became part of the Cult of Isis after an 1830-31 sojourn to Malta, Greece, Turkey, and Jerusalem.

### 3. The Knights of Ku Klux Klan

Central to the reorganization of the KGC was Judah P. Benjamin. It should be remembered that Benjamin never relinquished his British citizenship when he served the U.S. Senate or the Confederacy: indeed, right after the assassination of Lincoln, Benjamin escaped to England, where he worked for the London *Daily Telegraph* and later became the Queen's Counsel for Lancashire.

In December 1865, the Knights of Ku Klux Klan was founded under the leadership of General John T. Morgan, General Albert Pike (the latter known as the "father of the Freemasonry in the South"), and a small group of confederate officers, in a place outside of Pulaski, Tenn. What is less well known is the fact that the Knights of the KKK was Judah Benjamin's brainchild.

Prior to his escape to England, Benjamin met with the top Confederate military leadership to establish the basis for the consecration of the Invisible Empire of the KKK. The financing would be provided by Dr. Kuttner Baruch of the B'nai B'rith, who was already in Charleston financing the secessionist movement. The international agent deployed to England to maintain contact with Benjamin in 1867 was a Catholic bishop, a Jesuit named Richard Wilmer.

The belief structure of the KKK was nearly identical to that of the Knights of the Golden Circle. The "fiery cross" became the symbol of the new order, with dress and other formalities identical to the KGC and

the Knights of Malta, the "hooded ones." The use of the Greek word *kuklos*, meaning circle, emphasized the continuity with the Knights of the Golden Circle and underlined the belief in the magical power of the circle, a derivative from the ancient cult practices of antiquity.

The KKK's usefulness to the Rothschilds and the British aristocracy was its aid in preventing any semblance of Lincoln's reconstruction effort from succeeding. Originally led by Imperial Wizard General John T. Morgan, who during the Civil War had participated in the KGC's attempts to foment uprisings in the North, the KKK was then turned over to a leader more suitable to the circumstances of the postbellum South: the world's first guerrilla warfare expert, Nathan Bedford Forrest. (Morgan had meanwhile become a U.S. Senator.) The terrorist campaigns that ensued thanks to the KKK are well documented.

After the Reconstruction era, the KKK was dormant for a few decades. But it was resurrected in 1915, when two members of the Knights of Malta-Red Cross organization formed something called the "Invisible Empire," under the direction of a man named William Joseph Simmons. The essential difference between the original Klan and this new version was while members of the original Klan could be Jewish or Catholic, the new belief structure was that of a "race purist" cult. The "Nordic" myth used to reorganize the KKK was a parallel deployment to the development of the Nazi ideology a few years later.

In a 1924 interview published in the English Speaking Union magazine *Landmark*, Imperial Wizard Dr. H.W. Evans announced that the Nordic belief structure was the essence of the KKK ideology. In a reply, Rothschild agent Israel Zmagwill, the author of a project to have Jews settle in South Africa at the turn of the century, gave as his primary "objection" to the KKK that it excluded Jews from its membership.

Another of the lesser-known aspects of the KKK is the fact that in the 1930s, Franklin Delano Roosevelt's electoral victory in the South was due to the role of the "Southern Roosevelt Clubs" organized by the KKK. Meanwhile, the well-documented terror operation against Southern blacks continued.

The reemergence of the KKK during the late 1950s and 1960s was again centered in the South, and now its purpose was to foment race war between blacks and whites. With the other side of the set-up, the civil rights movement, largely under the control of the various liberal British-controlled networks acting through the B'nai B'rith's Anti-Defamation League and allied institutions, the contrived race war scenario enjoyed significant success. Today that same terror capability is still in place, and still under the control of the same forces.

— Paul Goldstein

# How Klan-Zionist terror operates today

Medford Evans's call for an alliance between the extreme right and the Zionist lobby in the September issue of the John Birch Society's *American Opinion* magazine does not merely acknowledge the long-standing fact of the support and funding by such Zionist organizations as B'nai B'rith and the Anti-Defamation League of the Ku Klux Klan, the American Nazi Party, and similar racist and anti-Semitic organizations.

More importantly, the article is intended to help provoke a factional regroupment of the U.S. right wing which will set the stage for a renewed upsurge of Klan and other right-wing violence and terrorism. On the one hand, it is planned, semi-respectable elements like the Birch Society membership will be able to ally openly with the social democrats of the American Jewish Committee for an attack upon the "Georgia Mafia" grouping within the Carter Administration, and for a return to a cold war foreign policy. On the other hand, the ADL-coordinated Klan and neo-Nazi gangs which constitute the "anti-Semitic" right (epitomized by the case of Frank "Cohen" Collin, the Jewish-born "Führer" of the National Socialist Party of America) are being geared up for a major outbreak of terrorism within the United States, playing upon right-vs.-left, Jew-vs.-Nazi profiled lines.

## Committee of Ten Million

According to sources in regular contact with Evans, both Evans and Birch leader Larry McDonald — a Democratic congressman from Georgia — are collaborating directly with Robert DePugh, head of the defunct Minutemen paramilitary operation, to form a "Committee of Ten Million." Ostensibly intended for massive right-wing intervention into the 1980 presidential election, the Committee's primary purpose, sources within the U.S. intelligence community report, is to serve as a cover for massive "dirty tricks" similar to those carried out jointly by DePugh, McDonald, and Buckleyite political hatchetman Richard Viguerie to head off effective conservative opposition to President Carter and to cover up the vote fraud carried out by Carter's Zionist lobby supporters in the 1976 election.

A primary function of the Committee will be to reactivate the networks of professional assassins and terrorists who were the core of DePugh's Minutemen operation. Glen Turner, who ran the notorious Coscot cosmetics pyramiding swindle in Florida, has been deployed to provide DePugh and Co. with behavior motivational techniques to build an army of what DePugh is calling "patriots for profit," as a cover for this deadly capability.

Reliable sources within the Committee report that funds raised by these "conservative supersalesmen" and laundered funds both from Croatian Ustashi networks (organized out of the former secret police of the Quisling government of the Nazi-occupied "Independent State of Croatia") and from the ADL, have already been funneled into reactivating former Minutemen hit teams. It is known that DePugh has given orders to one such team to begin the profiling and other preliminary steps for an assassination attempt upon Lyndon H. LaRouche, Jr., chairman of the U.S. Labor Party.

## 1960s violence

The Zionist-right wing terrorist potential represented in this regroupment is no idle danger. In the violence-ridden 1960s civil rights era, Evans's "White Citizens' Councils" — which had several Zionist lobby agents in key leadership posts — were the bulwark of the Klan. Sources in the Klan suspect one of these Zionist agents, who occupied a treasurer's post in the Citizens' Councils, of laundering funds supplied by the Anti-Defamation League into the racist group.

According to former Klan leader Roy Frankhouser, who was among the first to expose the manipulation of both sides in the civil rights conflict by British-Zionist lobby agents, the ADL collaborated with John Doar, the Kennedys' chief civil rights troubleshooter, to plot a triple assassination of civil rights figures in 1964 at the height of "Mississippi Summer," when thousands of civil rights organizers trained under grants from the Field Foundation, Stern Foundation, James P. Warburg and others were flooding the South. Had this assassination plot not been aborted by members of the U.S. intelligence community, it would have pitched the U.S. into bloody chaos and confusion.

The intended targets of the 1964 conspiracy were the three young civil rights organizers, Michael Schwerner, Andrew Goodman, and James Chaney, who were found murdered near Philadelphia, Miss., on Aug. 4, 1964; Sam Bowers, Imperial Wizard of the Mississippi White Knights of the Ku Klux Klan; and Martin Luther King. Delmar Dennis, the key agent within the Klan who helped arrange this plot, was later employed by the John Birch Society. Birch leaders John Rees and Herbert Rommerstein were implicated in the resurrection of this triple assassination plot scenario in 1968 which ignited a wave of urban riots.

It was also Frankhouser who, in a 1976 exposé in the *Washington Star*, first revealed the fact that Gary Thomas Rowe, the government's star witness against the Klan murderers of civil rights organizer Viola

Liuzzo, had himself committed this murder and other violent acts that were pinned on duped Klansmen. Rowe was an agent for John Doar and, through him, of the Zionist lobby.

Robert Shelton, who has inherited this tradition as Imperial Wizard of the United Klans of America and who works closely with DePugh and The Committee, is controlled by the same Zionist-right wing networks. Typifying the lines of this control is the case of Eugene Tabbhut, who, as Chief of the Klan Bureau of Investigation in the 1960s, determined who was and was not an "agent" and, therefore, the composition of Shelton's United Klans of America. FBI documents released under the Freedom of Information Act indicate that throughout his career Tabbhut was an agent of the American Jewish Committee and the Anti-Defamation League, whose activities also included the theft of documents from the office of an opponent of Zionist lobby Congressman Bill Green in Philadelphia for publication in the *Philadelphia Inquirer*, then owned by Walter Annenberg, a Zionist lobby leader and former U.S. Ambassador to Great Britain.

Tabbhut was also in the employ of the British-controlled pretender to the throne of Yugoslavia, King Peter II, in the 1960s when the "king," who resided in the United States, broke off from the Russian branch of the Order of St. John of Jerusalem to form his own Knights of Malta group. This new Knights of Malta grouping joined together elements of the Croatian Ustashi and other Eastern European fascist groups, with Zionist lobby financial support. Such collaboration between the Zionist lobby and Nazi war criminals and similar strata in the U.S. is not unusual. The ADL gave its "torch of freedom" human rights award to Rev. Vladimir Klodnycky in Newark, N.J., ostensibly for saving Jewish lives during pogroms in 1919 in the Ukraine. By his own account, Klodnycky, at the time a major in the notoriously anti-Semitic White Russian armed forces, also imprisoned Jews until they had met his extortionary demand for 1 million karbovantsi ransom. Again, when the U.S. Labor Party sought to expose the war crimes record of two "ex-Ustashi" in Cleveland, Ohio, the local Anti-Defamation League official who confirmed their war record was fired when he discovered that the ADL headquarters in N.Y. had likewise given them awards, and he demanded an explanation.

### **"Secret army of England"**

According to intelligence community sources privy to the founding of DePugh's Minutemen, the

organization had nothing to do with the irregular forces of the American Revolutionary Army by that name, but was modeled in fact upon the Secret Army of England. The Secret Army of England was deployed as a strikebreaking force in that country in the 1920s, and elements of it were later incorporated into Fabian Sir Oswald Mosely's British Union of Fascists with support of the British nobility. While many otherwise patriotic members of the U.S. intelligence community were involved with the Minutemen in the belief that it was a last gasp defense in the event of war or a weapon against British "Fabian" networks in the U.S., effective control was exercised by the then head of the domestic branch of the CIA, Tracy Barnes, who is a member of the British Knights of Malta, and by the dubious former CIA counterintelligence chief James Angleton.

Under the direction of Angleton, whose motives are still unclear, and of certain "Buckleyite" layers within the intelligence community, the Minutemen became a manpower pool for every kind of international destabilization and terror operation. These included aid to joint efforts by Israeli intelligence and Black Maltese forces in Europe in repeated attempts to assassinate French President Charles de Gaulle, using the Algerian Secret Army Organization as hitmen. Contaminated elements of the Minutemen show up repeatedly with Clay Shaw of the Bronfman family's Permidex Corporation around the assassination of President John F. Kennedy, in a manner which has yet to be seriously explored. Furthermore, a "Minutemen" training camp in New Orleans, donated by associates of Israeli Mossad's Mafia chieftain Meyer Lansky, has been publicly implicated in several attempts to assassinate Fidel Castro. Much more concerning these operations could be said, but the essential point is that the Minutemen had nothing to do with the national security of the United States. They were in fact a major vehicle for carrying out international "black operations."

It was the Minutemen too who throughout the 1960s played an integral role in contrived warfare with terrorist gangs coordinated by the "left-wing" Institute for Policy Studies (with which DePugh was actually in direct liaison), following the model of British "surrogate warfare" operations. This "surrogate warfare," involving both the "antiwar" and civil rights movements, culminated for the Minutemen in 1968, with a complete takeover of the organization and establishment of total control over the brainwashed DePugh by Kennedy holdovers in the Justice Department, in collaboration with the ADL.

— Scott Thompson