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Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 304 W. 58th Street, New York, N. Y. 10019 (212) 247-8820; toll-free subscription number (800) 223-5594 x818 outside New York State.

In Europe: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Mexico: EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 592-0424.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg.,1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Brazil subscription sales: International Knowledge Information System Imp. Ltda., Rua Afonso de Freitas 125, 04006 São Paulo. Tel: (011) 289-1833.
Copyright © 1983 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at New York, New York and at additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10 Academic library rate: \$245 per year



From the Managing Editor

While this issue of *EIR* was being put to bed in New York, a number of our most distinguished collaborators were gathering in Washington, D.C. for two conferences on the future of the human race. One of these, keynoted by *EIR*'s founder Lyndon LaRouche on Sept. 15, addressed the question of the Development of the Pacific and Indian Oceans basins, a region which will encompass two-thirds of the world's population by the end of this century. The second conference on Sept. 16, sponsored by the Club of Life which was founded by Helga Zepp-LaRouche in 1982 as a global organization, laid out the scientific, medical and political bases for extending the life-span of the human race. *EIR*'s assistant managing editor Mary McCourt and I were on the scene, and future issues of this review will provide extensive reports on the proceedings, starting next week.

As LaRouche noted in his keynote, one can hardly pretend to speak of development without dealing with the sobering world strategic situation, a situation whose essential features he foresaw in *EIR* last June when he wrote about the Soviet leadership's current vision of Moscow as the "Third and Final Roman Empire." That analysis, with which no honest observer could now disagree, is reflected in this week's cover story by Criton Zoakos, the second in a series of in-depth reports on the "Surfacing of Holy Mother Rus."

EIR this week also exposes the Western Malthusians who share the monstrous world-outlook of the men who have taken over the Kremlin, in an exclusive report about a secretive meeting in Geneva where Kissinger Associates and the Bank for International Settlements plotted to deepen the depression for their own evil ends. EIR correspondents have provided eyewitness reports of the Kissingerled conclave in Colorado that swore to shoot down Reagan's defense budget, and the U.N. conference on Palestine in Geneva.

Finally, we draw your attention to another exclusive, the report of *EIR* president Fernando Quijano, who has recently returned from a visit to the "Andean Pact" countries that are leading the moves toward an Ibero-American debtors' cartel.

Susan Johnson

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NSIPS/Uwe Parpart-Henke

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Exercise Economics

LaRouche hits 'massive fraud' by U.S. Fed

by EIR Economics Editors

"For years, the Federal Reserve System's index of levels of industrial output in the U.S. economy has been substantially fraudulent. The faking of data used to support the 'economic upswing' hoax by the Fed and U.S. Bureau of Labor Statistics has been the most extreme, most outrageously naked since 1967," said internationally renowned economist Lyndon H. LaRouche, Jr., Sept. 11.

"The mythical picture of substantial reductions in U.S. unemployment was cooked up by the simple trick of dropping approximately a million unemployed workers from the statistics," LaRouche reported from results of investigations by the New York economics staff of Executive Intelligence Review. "During the past several weeks, our New York economics staff has pulled together and checked both the figures which the Fed claims it has used to compile its forecast, and the figures which the Fed claims are the result of using that data. A few of the most blatant cases of Fed fakery in this connection are:

"The Motor Vehicle Manufacturers' Association reports U.S. 1982 production as 5,157,000 cars, and January 1983 production as equivalent to 5,180,000 cars per year—an increase of about one-half percent. But the Fed's Industrial Production Index for automobiles, supposedly based on this data, increased from 86.6 to 92.8 during the same period, or 7 percent! In effect, the Fed added about 350,000 cars to its January index which were never produced. The American Iron and Steel Institute, another trade association, reports 1982 shipments of steel products as 59,783,000 net tons, and

February 1983 shipments at 4,588,479 tons for the month, or a fall of 7.9 percent below the average month of 1982. The Fed's index for the same category, supposedly based on AISI numbers, increased by 8.7 percent for the same period. This lie added about 800,000 tons of imaginary steel to the February recovery."

LaRouche referenced investigations made separately by two New York economics staff members, including compilation of comparative data by Leif Johnson of that staff.

What follows is a list of percent-changes from 1982 average-month production to the production level of each of four months in 1983, for seven sample commodities. The topmost figure in each case is that reported by the Federal Reserve in its "not seasonally adjusted" Index of Industrial Production. The lower figure is that reported by the industry association from which the Fed claims to obtain its Index data.

If one corrects the Fed's overall Index of Industrial Production, seasonally adjusted, for just the seven commodities listed, which comprise only 1/13th of industry, the Fed's 0.4 percent drop in February (from 1982 average) becomes a 1.2 percent fall, and the Fed's 2.9 percent increase in April shrinks to 2.5 percent. If, hypothetically, one extended the ratio of fraud shown in these seven commodities to the entire Fed Index, and corrected the other 12/13ths for it, it would then show that 1983 industrial production through the most recent, July, figures has averaged below that of 1982.

"The true level of economic activity is probably buried

away in the Federal Reserve System working-papers, which they have repeatedly refused to make available to our staff or to any of the associations supplying original data, so far as we have been able to determine by conversations with officials of those associations," LaRouche reported. "At first glance, it appears that this Fed faking of reports was part of a campaign to gain a renomination of Federal Reserve Chairman Paul A. Volcker. There is no doubt that these faked reports were very influential in prompting the misinformed President to renominate Mr. Volcker.

"Whatever the motives of the Fed's staff in cooking up its reported figures, the effect of the fakery is now a major national-security issue on two fronts," LaRouche emphasized.

"First, by falsely reporting the U.S. economy to be embarked on a sustainable, major upswing, the Fed influenced the President to believe that no changes in present governmental or Federal Reserve policy should be permitted at this time. Not only did the President's popularity sink massively as a result of such a misinformed decision, but the continued erosion of the U.S. economy blocked spending on vital national-defense programs at a time that such weakness is being dangerously exploited by the Soviet leadership in several parts of the world.

"Second, this misinformation by the Fed and the Bureau of Labor Statistics has contributed massively to misshaping the foreign policy of the United States. Specifically the Ibero-American nations from Mexico southward have been caught in a worsening debt-crisis since the summer of 1982. The governments and monetary authorities of those nations have been told, and the U.S. government apparently believed, that a U.S. economic upswing would mean that the upswing in the industrialized countries would mean larger exports-earnings for Ibero-American nations, and therefore improvement in those nations ability to carry debt service.

"Exactly the opposite has occurred. The debt of all Ibero-American nations is now collapsing. Under present economic trends and present policies of the International Monetary Fund, more than \$300 billion of Ibero-American debt will never be paid. Until there is a recovery in the U.S. economy, and also drastic, far-reaching reforms in the international monetary order, a world already at the brink of thermonuclear war will plunge more deeply into a depression worse than that of the 1930s.

"The faking of economic statistics in an effort to mislead the President of the United States on fundamental policydecisions is a monstrous crime. At the least, the President has the right to fire the whole lot of those Fed and other bureaucrats responsible for cooking up this hoax."

Strategic impact on the Western Hemisphere

"Whether or not the nations of Ibero-America are directly military allies of the United States globally, U.S. trade with those nations represents a significant percentile of total U.S. exports and domestic-employment potential, and those na-

tions are vital suppliers of essential products required by the United States. Bolivia alone is potentially a major supplier of strategic metals to the United States, and therefore a nation whose security and economic development are in the most vital interest of the United States.

"In the case of the Republic of Mexico, that neighboring nation was pressured by the U.S. government and Henry Kissinger last autumn into imposing upon its economy one of the most savage economy-wrecking programs suffered by any nation during the past 35 years. Mexico squeezed a massive payment to foreign creditors out of the blood and bone of its economy and people, which it delivered as promised last month. Now, Mexico faces equally massive new debt-payments in the future, but has no resources by which it might repeat the asset-stripping operations imposing upon it during the past ten months.

"As a consequence of savage stripping of its economy, Mexico has been pushed into the threshhold of an explosive social crisis, a seething crisis being exploited by various foreign meddlers attempting to push Mexico into a state of civil war. Impelled by misadvisers such as the corrupt Henry Kissinger, and by fraudulent statistics from the Federal Reserve System, the United States has tolerated policies which now threaten to turn the entirety of the region below our southern borders-from the Rio Grande to the Panama Canal-into a permanent area of civil war and genocide, comparable only to the 1618-48 Thirty Years' War in Central Europe. These policies are a major threat to the security of this hemisphere, policies encouraged by fraudulent statistics of the Federal Reserve.

"In general, the United States has been misled by such Fed fakery into supporting the demands of a wicked group of Swiss private bankers, to impose what are called 'IMF conditionalities' upon all the nations of this hemisphere. These conditionalities are in fact a copy of the so-called Rohatyn Plan which turned New York City, from 1975 onwards into a rotting blend of rubble and high-rise houses of prostitution, a new Sodom and Gomorrah, seething with a massive new epidemic called AIDS, which could possibly spill over to become an epidemic within the population as a whole.

"The model of the IMF 'conditionalities' policy is the policy instituted by Nazi Finance Minister Hjalmar Schacht during both the Weimar Republic and the Nazi period. There is no difference between the policies of Felix Rohatyn and those of Nazi Finance Minister Schacht. Furthermore, the Bank for International Settlements, whose Fritz Leutwiler is a leading spokesman for the IMF 'conditionalities,' was an intimate collaborator with the Hitler regime in Germany, to the degree it has been documented by researchers in published texts as a recipient of gold taken from the bodies of Nazi concentration camp victims. Many leading Swiss financial interests were in the past, and some also in the present, trusted agents of the Nazi International. According to the documented words of Adolf Hitler himself, the Nazi death camps were the indispensible basis for the Nazi war economy, a simple continuation of the austerity policies of Schacht, the policies of IMF 'conditionalities' today.

"Such IMF 'conditionalities' policies are not only immoral, and unlawful under the terms of the Nuremberg Code. They are a menace to the vital strategic interests of the United States. As the Swiss bankers emphasize repeatedly, the objective of these policies is to halt economic growth worldwide. The IMF says to all of the nations of Ibero-America: 'You cannot pay debt-service? Very good, we will solve your problem by refinancing your debts at usurious rates while we shut down large chunks of your present production.' Such policies are insane; they are clinically insane.

"The leading effects of these policies are the following. U.S. exports, and employment in exports and related industries, fall; that is directly against our vital strategic interests. The ability of these economies to supply vital needed products to the United States is collapsed, as vital industries of those nations are collapsed by IMF measures; that is a direct attack on the vital strategic interests of the United States. The social effects of such austerity upon populations are to create growing political instabilities within those nations, to tend to transform the entire continent into conditions much worse than presently exist in Central America.

"In response to that, critters like Henry Kissinger say what Kissinger and others said repeatedly during a recent conference in Vail, Colorado. 'If these countries don't pay, we move in and seize their physical assets.' These madmen propose to turn all South America into a super-Vietnam War. Is Kissinger truly an agent of Yuri Andropov or Marshal Ogarkov? He might as well be, with such policies. If we accept or tolerate such IMF 'conditionalities' policies, and plunge ourselves into another Vietnam War to Soviet strategic advantage, kiss the United States good-bye!

"Brazil is not paying, and cannot pay. Argentina is not paying, and cannot pay. Mexico has paid, and cannot pay again. All Ibero-America cannot pay under present policies and circumstances. Anyone who believes otherwise is watching someone's script for the TV series 'Fantasy Island' or 'Love Boat,' escaping from the terrifying real world to watch a silly fantasy in front of the boob tube. Reality is harsh, and bows to no Hollywood script-writers or embezzling statisticians around Washington. Reality is here; what foolish admirers of Volcker and the IMF said never could happen, has happened. Reality has arrived.

"We must understand the strategic realities which the U.S. State Department delegation at Caracas last week refused to admit existed. Either we stop the babbling of State Department soft-headed types on both the Ibero-American situation and strategic issues generally, or there will be nothing to do but kiss the United States goodbye."

The real debt-crisis

"United States international bankers, eyes screwed up to a point of killer-rage, insist that the only problem is the economic mismanagement of a few governments below our southern borders. The truth is, that much of the U.S. bankingsystem is near the edge of bankruptcy, and these mad fools delude themselves into believing that they can solve their problems by acting like some comic-strip villain evicting the widow from her cottage in the dead of a winter's night. They propose implicitly to send U.S. military forces to conduct 'foreclosure proceedings' against the entire continent of South America. These men have gone mad.

"The debt of Ibero-America adds up to more than \$300 billion. It's a large sum, big enough to sink the U.S. banking

Percent increase in industrial production

From 1982 (average) to 1983 (month indicated)

PRODUCT	SOURCE	JAN. 1983	FEB. 1983	MARCH 1983	APRIL 1983	MAY 1983	JUNE 1983	JULY 1983
Auto	Fed	7.2	27.2	30.0	32.0	40.4	54.8	14.2
	Actual	0.4	14.7	33.8	23.7	37.6	52.0	6.5
Steel products	Fed	-2.3	8.7	20.4	23.6	30.2	23.3	
	Actual	-8.0	-7.9	19.8	8.4	12.6	20.2	12.7
Hosiery	Fed	2.2	9.8	5.2	23.3	17.9	13.1	-
	Actual	-1.9	-0.7	8.2	12.5	12.4	11.0	27.6
Newspapers	Fed	-6.0	0.1	3.4	4.3	6.4	3.5	
	Actual	-4.3	-9.0	4.4	4.3	9.5	2.6	_
Corrugated boxes	Fed	4.0	3.5	7.2	6.7	6.0	12.5	
	Actual	2.0	-5.0	11.9	4.4	6.0	12.5	-0.1
Lumber	Fed	15.7	21.3	14.0	22.1	17.3		
	Actual	14.3	15.6	22.2	19.6	23.0	26.4	
Raw steel	Fed	-10.8	1.4	15.0	18.0	19.3	18.2	
	Actual	-10.4	-8.7	14.7	17.3	19.3	12.3	11.4

system. It's peanuts compared to the real debt-crisis. The total Third World debt potentially in jeopardy is about \$850 billion. That's big; big enough to sink most of the banks of the world, even including the Swiss banks. It's peanuts compared to the real debt-crisis.

"The combined public and private debt of the United States is \$5.3 trillion. The combined public and private debt of West Germany is \$0.8 trillion, Italy \$0.4 trillion, France \$0.54 trillion. The debts of these countries are zooming, while production and employment are collapsing. The debtproblem of Ibero-America is relatively mere peanuts.

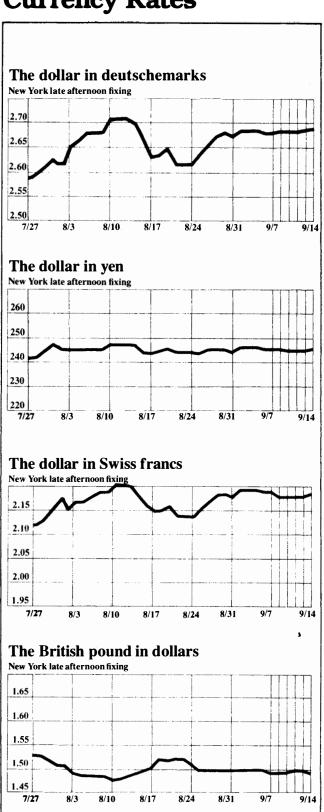
"A general international financial collapse, like that of 1931, could break out in almost any part of the world. What would turn waves of debt-defaults into such a financial collapse would be the chain-reaction set off by financial collapse of one of the leading industrialized nations, either in Europe or the United States. The whole system is on the edge right now; the crisis of Ibero-America is merely a small, if widely publicized aspect of the real problem. When the collapse comes, it will spill out of one country into all national economies, and before the first wave of 1931-style collapse has passed through, between \$1 and \$2 trillion of paper-values of stocks, bonds, mortgages, and so forth, will be wiped out, with as many as 80 percent of the banks of the United States hanging up a 'closed' sign on their doors.

"There is only one basic solution to this problem. We must put the United States into a 1939-43-style crash program of economic mobilization, and most of the Western world, including Ibero-America, too. We must take immediate, emergency action of profound and sweeping monetary reforms, designed to pump treasury-notes of governments, at low nominal interest rates, into lending for technologically advanced investments in job-creation and expanded production in agriculture, basic economic infrastructure, and industry, with heavy emphasis on advanced technologies in machine-tool categories of production and advanced capitalgoods production for basic industry.

"The basic cause of our debt-crisis is those policies operating in the United States since Johnson's 'Great Society' program, policies intended to drive the United States and most of the Western world besides into a condition gloriously described as 'post-industrial society.' The economies of the world could develop levels of increased output of physical goods sufficient to liquidate existing masses of debt, if monetary reforms and crash-program efforts for that purpose were instituted before the expected financial collapse strikes.

"The rallying of nations of Ibero-America around policies" of the sort I have proposed in Operation Juárez, and the frequent favorable treatment of my name in the leading newspapers of Ibero-America, is a clear signal that those nations are seeking the kind of collaboration with President Reagan on monetary-reform measures which I have recommended be considered. The time has come to accept their offer of such collaboration. It is time to cease basing our national economic and foreign policy on faked figures."

Currency Rates



At Geneva gathering, Kissinger Associates and BIS plan world debt reorganization

by Kathy Burdman

Bank for International Settlements President Fritz Leutwiler and Henry Kissinger's mentor Lord Harold Lever joined with leading Swiss, British, and Italian bankers at a secret conference in Geneva, Switzerland last month to plot a restructuring of the world debt system. The "World Conference on Economic and Social Order," held in Geneva Aug. 22-24, also featured many of the "brains" behind the current International Monetary Fund world austerity order, including Fabian Society founder Sir Friedrich von Hayek, former BIS head and Dutch central bank chief Jelle Zjilstra, Bank of Italy director Giovanni Magnifico, and Lazard Freres consultant Elliot Janeway.

The conference was organized by Robert B. Anderson, U.S. Treasury Secretary under the second Eisenhower administration, an adviser of Henry Kissinger, and consultant to Chase Manhattan, Pan American, and other major multinational banks and corporations. The conference adopted a final "Draft Report" on world debt and currency reorganization, and founded a new permanent organization, the Global Economic Action Institute, headed by Anderson, "to pursue this work until the program is adopted by the U.S. and other major world governments," one conference participant stated.

Although Kissinger personally did not attend, the conference outlined in more depth the policies of debt control which Kissinger Associates, Kissinger's private corporation, has been promoting within the U.S. government in corrupt manipulation of his new political power in the business interests of his clients such as Chase Manhattan. Lord Lever's plan for world debt restructuring, the centerpiece of the Geneva conclave, is the endorsed policy of Kissinger and his British business partner Lord Peter Carrington.

Edge of crisis

The conference was keynoted by BIS President Fritz Leutwiler, a long-time friend of Robert B. Anderson, who was called in to tell the assembled international bankers and economists that the world debt system is "on the edge of crisis," one participant said. Leutwiler's actual speech, and all the conference speeches, are being kept totally secret by the Anderson organization, "a condition requested by Leutwiler

and others so that they might speak their minds freely about the crisis and its solutions," a spokesman for Anderson's consulting firm Robert B. Anderson said. But according to eyewitness reports obtained by *EIR*, Leutwiler openly stated that the present world banking system is on the verge of failure, and that a new system must be established.

The BIS as presently constituted, he said, "cannot do the job alone," as one participant paraphrased Leutwiler. "The BIS can only make standby emergency loans, to stave off immediate bankruptcy of individual nations such as Mexico or Brazil," Leutwiler reportedly said. "But there must be something more than these ad hoc arrangements" created to deal with the total breakdown of the financial system.

The conference was then divided into six subcommittees, dealing with all aspects of world finance. Subcommittee One, "The Role of the Central Banks in Restructuring the Debts of the LDCs," was headed by Mexican banker Ernesto Fernandez Hurtado of the Banco Nacional de Commercio Exterior, and included Lord Lever, von Hayek, Japanese banker Takashi Hosomi, former Federal Reserve governor Andrew Brimmer, former Treasury Undersecretary Edwin H. Yeo, and Mont Pelerin Society economist Allan Meltzer of Carnegie-Mellon University. Subcommittee Two, "Commercial Banks' Internal and External Debts, and Prospects for a Worldwide Insurance Agency," dealt with the restructuring not only of bankers' Third World (external) debt, but of their own balance sheets and inter-bank (internal) debt.

Subcommittee Three, "Maintaining Appropriate Capital Flows to the LDCs," dealt with schemes to enable creditors among banks and multinational corporations to buy up equity ownership in bankrupt Third World nations. Subcommittee Four discussed "The Role of the World Bank and the IMF in the Current Crisis." Subcommittee Five, "Towards World Financial Stability in Exchange Rates," discussed ways of using a pegged currency rate system to force industrial nations, especially the United States, to cut their budgets as proposed by the BIS in its July 1983 Annual Report. Subcommittee Six, "Securing Productive Investment of Floating Capital Worldwide," discussed the use of illegal drug and other black market money in the new reorganization scheme.

Subcommittee One, "The Role of the Central Banks,"

"concentrated on plans put forward by Lord Lever, Felix Rohatyn, and Minos Zoambanakis of the Greek central bank, for governments and central banks to back up the world private debt," one participant revealed. "Lever and his group insisted that the central banks, as now functioning, cannot back up the system alone. They need the U.S. and other governments to establish new institutions to take over the debt. They insisted the banks must be bailed out—that the debt must be taken off the books of the banks before they collapse, and recycled through new government-backed institutions. . . ."

A brawl erupted over this approach in both Subcommittees One and Three, observers said, when Lever, Magnifico from the Bank of Italy, and Third World financiers such as Alfredo Machado of the Venezuelan Central Bank and Hurtado of Mexico, insisted on a total buyout "over time" of the entire \$350 billion in short term Third World and East Bloc debt. This was attacked by a group of "free market" ideologues from the Swiss-based Mont Pelerin Society, led by Dr. Karl Brunner of Zurich and Rochester University, New York; Dr. Allan Meltzer of Carnegie-Mellon, and the Heritage Foundation; and U.S. Joint Economic Committee economist Robert Weintraub.

"The Lever plan is a bailout for the banks," Meltzer reportedly complained. "It is not the responsibility of the government to make good private banks' bad loans. It will only postpone the debt crisis."

Meltzer and Brunner, an adviser to the Swiss National Bank, reiterated their January 1983 plan for the banks to reorganize the debt themselves. This position, which had previously been backed by Leutwiler and the Swiss National Bank, holds that the U.S. banks should be made to take their losses. Leutwiler himself left the meeting before the argument, and did not take sides.

End to national sovereignty

The Brunner group, however, put forward a new plan on which all participants agreed: "The banks must simply force the debtor nations to convert bad debt into equity holdings in the debtor nations," Meltzer reportedly said. "Then the banks will have a real portfolio of actual assets in the LDCs." The Mont Pelerin group proposed this be done with cooperation but no financial support by governments. "The banks hold three types of LDC debts," Meltzer said, "debts of private companies, debts of public sector companies such as Pemex in Mexico, and debts of the central government—all of which are really the same. Private companies in Mexico, for example, should give creditors equity shares in exchange for the debt. The public sector companies such as Pemex or Petrobras in Brazil must stand surety for the entire government debt. The debtors must grant the creditors equity shares in the public corporations, in exchange for the debts of both the public companies and the central government."

This proposal means an end to the national sovereignty of the debtor nations—as pointed out explicitly by Mont Pelerin sympathizer Alan Greenspan at the Vail, Colorado economic conference late last month. As EIR reported in its Sept. 13 issue, Henry Kissinger and Greenspan are already pushing the equity plan.

A score of officials from Venezuela, Argentina, and other developing nations have since told EIR that they will never tolerate such "equity" violations of their national sovereign rights. But participants at Geneva reportedly laughed at the debtors. "It won't be so difficult at all," said one Mont Pelerinite. "We're alread holding private talks wih most of these governments."

A pilot project for Kissinger's equity scam is reportedly already underway in Mexico, where the Levi Strauss Co., a client of Kissinger Associates, is "already converting debt into equity," one source told EIR. Levi Strauss has amassed "up to \$5 billion" in trade debt in Mexico from local manufacturers, which the Mexicans can't pay. To settle accounts, the Mexican government has reportedly agreed that if Levi Strauss accepts payment in pesos, rather than scarce U.S. dollars, then Mexico will allow the pesos to be used "to acquire equity investments in Mexican companies," the sources said. "To do this, Mexico will have to change its laws against foreign majority ownership, but they are prepared to do so."

The kitchen sink

Following this debate, a remarkable compromise Draft Report was produced by the conference, in which the Lever and Mont Pelerin groups combined both their methods to destroy the developing sector.

The Draft Report compromise "contains a program with everything but the kitchen sink" for "reorganizing the world monetary system," an IMF official said. Asked how the two factions could come up with a joint plan, and how they could possibly expect world governments to even consider such schemes, the official said, "They must know something we don't know. I don't see any evidence in Washington that anyone would accept such plans. But the Geneva group must think there will be some sort of international crisis which will change peoples' thinking about what must be done."

The draft, to be promoted by the new Global Economic Action Institute, "calls for the plan outlined by Lever and published in the U.S. by [Lazard banker] Felix Rohatyn for founding a new institution to take over the Third World debt," the IMF official revealed. "This new organization would be related to the IMF. It would refund [buy up] private banks' loans to the Third World-take them over. The short-term debt of the banks would be converted to longer-term debt of the new institution." The banks would be left with the IMF sister-agency's bonds, and the IMF agency would hold the

Third World's debt.

IMF conditionalities would be applied to the Third World debtors over which the IMF, through the new agency, would hold control during the entire 20-30 year period of maturity of the new long-term bonds.

The new institution would function as a true world central bank, since it would "capitalize" the old bank debt it receives as a base upon which to pyramid new credit. The new credit is to be guaranteed by the U.S. taxpayers via a government guaranty, the IMF official said. The United States and other OECD governments are to offer "political risk insurance" to the new agency, under a plan written by Robert B. Anderson. To qualify for insured credits, however, debtors would have to cut their population growth and implement severe austerity programs.

The Draft Report also incorporates the "equity" plan. "The report recommends that banks adopt the Chrysler-International Harvester technique to convert burdensome debt into preferred stock and other forms of equity," the IMF official said. "Whatever can't be turned into equity, can be sold to Lever's new agency."

To help out the banks with their own "internal" debts, the report proposes that the U.S. government "strengthen the capital position of the banks," by allowing them to sell U.S. government guaranteed stock themselves! "Banks should be authorized to issue new shares of preferred stock to the market with central bank assurances or guarantees," the report states.

The new institution is to become the world controller of flight capital, furthermore, absorbing all of the dirty money generated by the drug trade and "recycling" it into the new bailout schemes. Under the rubric "Securing Productive Investment of Floating Capital," the report proposes that the new entity would "offer bearer shares or convertible debentures to holders of funds, particularly in the developing countries, who do not wish to hold these funds in local currencies." It would legalize this flight capital into the new agency's bonds.

The report further proposes that these "bearer shares" in the new institution be "backed by gold and redeemable in gold or at a fixed exchange rate," to attract money for all over the world.

A new Bretton Woods

Preparatory for the IMF Annual Meeting Sept. 27-29, where the Geneva report will be promoted by the Anderson group that has rented a suite at the Washington Sheraton for the purpose, a series of other conferences have been organized to revamp world finance.

On Sept. 26, the British Commonwealth will issue its report, "Towards a New Bretton Woods," to be published in London in time for the IMF meeting. The report will be the subject of the September 21-22 Commonwealth Finance Ministers' summit in Trinidad, and of the Commonwealth

Heads of State summit in New Delhi, India, in November.

The report calls for the formation of the International Committee of Finance Ministers to organize "a new Bretton Woods global monetary conference" within the next 12 months. The Commonwealth Secretariat Economic Advisory Committee, chaired by Lord Harold Lever himself, concludes in the report that a new world central bank must be established. It further calls for the IMF to establish a new world currency. Thirdly, it calls for the creation of an "International Trade Organization," as proposed by Keynes after World War II, to control world trade. The new ITO would combine GATT, and UNCTAD, and would have the additional power to enforce trade rules by linkage to the IMF itself. Any debtor violating the ITO trade regulations would be cut off from IMF funding.

During the first week of September the Aspen Institute for Humanistic Studies also held an extensive "Workshop on Saving the World" at its Aspen Colorado retreat, hosted by Kissinger's former ambassador to Italy, Richard Gardner, former World Bank head Robert McNamara, and Kissinger consulting economist Herbert Stein. The Aspen conference concentrated on Third World debt and the immediate need to pass a bill granting the IMF an \$8.5 billion U.S. subsidy. The Aspen group also called for a new International Monetary conference to discuss pegging world currencies.

The new system, Aspen believes, must be "a dollar standard," in which the dollar is used as a weapon of the IMF and the Volcker Federal Reserve to impose tight money on the world—including upon the United States itself. In order for the United States to "shoulder the responsibility for some sort of dollar standard," the United States must agree to demands by the BIS and the IMF to cut its budget, especially President Reagan's military budget, the conference concluded.

Particulary ominous was the release Sept. 9 by President Reagan himself of a new administration "Statement on Investment Policy," drafted by The Senior Interdepartmental Group on International Economic Policy, chaired by Treasury Secretary Donald Regan. The President's report endorses Kissinger's policy of equity ownership buy-outs of Third World nations' assets.

The report notes that U.S. corporations have complained about "discriminatory practices" by the Third World. Singled out for criticism by the President are Argentina, Brazil, Colombia, Greece, Australia and Canada. According to the office of White House Special Trade Representative William Brock, which drafted the report, the government is already backing the Kissinger equity demand in ongoing negotiations with Latin American debtors. "In the context of presidential visits we call for them to open up to U.S. investments," the aide said. "We've had several meetings with the Brazilians for example, to tell them that we want our companies to be allowed to invest more in their economy. I admit the response has not been overwhelming. But we're not finished with Brazil yet. . . ."

Andean Pact countries set framework for debtors' club, new monetary order

by Fernando Quijano

Visiting the three non-Caribbean Basin countries of the Andean Pact—Ecuador, Peru, and Bolivia, in the aftermath of the July 24 summit of the Pact's heads of state in Caracas, I found that a new extraordinary integration fever has gripped the area. From Quito to La Paz, there are scores of government and ex-government functionaries, trade-union officials, and many others, all traveling in the area (and also to Colombia and Venezuela) working on the integration of the Pact. Perhaps Ecuadorean President Osvaldo Hurtado has expressed this policy-impulse most succinctly when he said in a recent speech in Santo Domingo: "The economic vulnerability of our countries can only be overcome through unity, cooperation and integration."

The guidelines being used for this process are essentially the same ones that were put forward by Pope Paul VI in *The Progress of the Peoples* encyclical of 1967. In it Paul VI called for a New World Economic Order based on a total respect for national sovereignty and continuous development of technological progress. To facilitate the achievement of that New World Economic Order Pope Paul proposed the formation of regional pacts among underdeveloped countries to help in the fight against the enemy of humanity: the supranational financial usurers. *Populorum Progressio*, used as the central document at the Medellín, Colombia, conference of the Latin American Episcopal Conference of Bishops of 1968, was viewed as the call that created the Andean Pact as a way to further the process of Ibero-American integration.

Today the Andean Pact (which includes Bolivia, Colombia, Ecuador, and Peru), even after Pinochet's Chile dropped out of the Pact, has an approximate population of 75 million, a huge land mass, and is perhaps one of the world's most richly endowed areas in energy resources (oil, coal, natural gas), iron ore, and dozens of other minerals ranging from the well-known copper, to the exotic strategic metals of the 21st century. Clearly, large infusions of technology accompanied by the education of the population of the Pact would rapidly transform the area into a medium-size economic power on the scale of the most successful European countries. As part of a larger continental Ibero-American Common Market, it would be an instrumental part of one of the world's economic superpowers.

While that is the potential, the reality is that, like the rest of Ibero-America, the region's very existence is at stake as the result of the international economic crisis. In that context, President Hernan Siles Zuazo of Bolivia was the first head of state to call for the joint renegotiation of the continent's debt at his inauguration last October. While many other conferences and calls have taken place since, what followed in strategic importance was the call by President Hurtado of Ecuador for SELA (The Latin American Economic System) and ECLA (Economic Commission for Latin America) to draw up an action plan for the continent in order to face the crisis. That action plan was presented to the Ecuadorean President in May of this year, and was further discussed at the Santo Domingo, Dominican Republic, meeting at the beginning of August. In between it was fully backed by the Andean Pact's presidential summit on July 24, and it is scheduled to be implemented at a Quito meeting at the end of November or beginning of December.

The essential aspects of the Hurtado-SELA proposal boil down to establishing a "frame of reference" for the whole continent which would set development and sovereignty as the basis for negotiations between each country and its creditors. It also includes measures for achieving food security (and other essential goods) within Ibero-America and implementing an immediate plan of intraregional commerce. Were this plan to be realized, it would represent the first rudimentary steps toward the creation of a New World Economic Order along the lines laid out by the seminal "Operation Juárez," written more than one year ago by the founder of this magazine, Lyndon H. LaRouche, Jr.

Before the Quito meeting, however, the fight for development will be taken to the United Nations General Assembly, where Prime Minister Indira Gandhi of India, assuming her role as leader of the Non-Aligned nations, has convoked a mini-summit of Third World leaders. As the following interview with Ecuador's Foreign Minister Valencia makes clear, President Hurtado's proposals will be one of the major items that will be dealt with at that gathering.

While this is the upcoming schedule, time is running out. One high-level official painted a picture which was echoed by everyone that I had occasion to speak to: "The conflict in Central America is being carried out by voluntarist minorities. If our economic crises under IMF pressures continue, social majorities will explode in our region, leading to chaos and destruction of unimaginable proportions."

'There is no greater problem than the population not existing at all'

The following are excerpts from an interview conducted with Ecuadoran Vice-President León Roldos by EIR President Fernando Quijano, August 31, 1983.

Quijano: Mr. Vice-President, what is your industrialization plan for your country?

Roldos: I believe that Ecuador has the agricultural wealth fundamental for its development, both in terms of internal consumption, food for Ecuadorans, as well as for exportation.

Further, Ecuador has been, since before it exported oil, a country whose foreign exchange was generated primarily by agricultural exports; we're speaking of 95-96 percent. With petroleum the figures vary significantly, given that petroleum has become our leading export product more or less since the 1970s. . . . Ecuador is an agricultural country with a very badly managed agriculture. There has not been adequate infrastructure for agricultural production. . . .

This means that Ecuador remained at a very low level of productivity because there was not adequate infrastructural work done on the croplands to raise yields. . . . Why do I answer your question on industry that way? Because I believe that it is in the agricultural sector that the source of industrial development can be found.

We also believe that Ecuador's oil and mining hold great promise. . . . We believe that in the 1980s we will be able to advance in mining. If Ecuador has the same Andean [geological] formation as Colombia, Peru, and Chile, then it would not be logical for those countries to have great mineral wealth and Ecuador not to. . . .

Thus I think that Ecuador should develop its industry based on agriculture, oil, mining, gas, and fishing. Industry is clearly the stage which allows better social and economic organization of societies. In other words, we do not believe that our country should continue to be an exporter of primary products.

Quijano: Would you say that the future development of Ecuador and of the Ibero-american countries lies in integration which has not been seen until now? And that this would also be the future of the industrial development of Ibero-America?

Roldos: I believe that without taking the pressure off the

developed countries, the developing sector countries—and especially Latin America—must improve their integration and not fall into the errors they have made in the past of wanting to turn integration into some sort of super-legislation for the developing nations.

There are problems unique to each country, because there are situations internal to each country that cannot fall under one legislation or common norms of the region. Integration has to rest upon specific, concrete points—take the case of food (I think that there are international norms for trade, for interchange, for payment of imports and exports carried out by our countries). I believe that integration must be based upon very specific issues. To the extent that integration becomes a generalization of the policies of our countries into mere paper agreements, what we are doing is wasting integration. What we are doing is preventing integration, because we are not even carrying out the most essential points.

Quijano: Mr. Vice-President, there has been much talk of a debtors' club. Would you see this integration as part of the formation of a debtors' club?

Roldos: I do not believe in a debtors' club, because I believe that there are problems unique to our countries which cannot possibly be acted upon jointly in negotiations of this sort. On the debt, I think there should be an overall reference framework so that all renegotiations and all credit policy are decided from the perspective of development rather than in terms of trying to pay previous debts.

Quijano: There have been many proposals in the advanced sector, especially that of the Club of Rome and various other neo-Malthusian groups, that there are limits to growth and that there should be no growth in the underdeveloped sector, in this case Ibero-America. What would you say about these proposals?

Roldos: I believe that Malthusianism and related doctrines clearly hope to prevent the growth of social problems and to limit society. This is wrong. What is important is to find solutions of economic and social development. To the extent that actions and policies are oriented in this way, the result will be a rationalization of the population growth of our countries. But there can be no greater problem than the pop-

ulation not existing at all. And here is the error of their proposal.

Now the problem has gone beyond the social and become political. I believe that Central America, for example, has right now gone way beyond the political. The problem of Central America is neither the guerrilla, nor who is financing him. The problem is the tremendous social and economic injustice that causes violence. To the extent that we want to end the violence only by political means or worse, by military means, then we will be providing no solution to the problem.

Central America and the Caribbean are terribly economically depressed sectors. . . . Therefore it is essential for those, like ourselves, who want to see some prospect of solutions in Central America, to understand that any political solution—which there clearly must be—must carry with it policies of action in the social and economic arena. If these are not forthcoming, the political solution will not last and violence will arise once again. This is fundamental; we don't believe in an armed solution. Armed solutions could have very serious repercussions for all of Latin America and for humanity.

Quijano: In few words, then, Ecuador supports Contadora? **Roldos:** We support Contadora, but we feel that it must go much further.

Foreign Minister Luis Valencia

'Integration to end vulnerability'

The following are excerpts of an interview conducted with Ecuadoran Foreign Minister Luis Valencia Rodríguez on Sept. 1, 1983 by EIR President Fernando Quijano.

Quijano: Mr. Foreign Minister, President Hurtado will be visiting the United Nations around September 29. Can you tell us what Ecuador's policy will be before the United Nations?

Valencia: President Hurtado has received an invitation from the Prime Minister of India, Mrs. Gandhi, in fulfillment of a recommendation adopted during the Seventh Summit Meeting of Chiefs of States and Governments [of the Non-Aligned Movement] . . . which proposed that various leaders of the Third World be invited to meet in New York for the next General Assembly of the United Nations to discuss the general problems of the world and not only the problems of the

United Nations but principally those aspects which most concern the developing nations. . . . What will be most interesting will be the contact made among the chiefs of state that will be present for the General Assembly to discuss the most difficult problems facing the Third World, such as the serious international economic crisis, the implications of that crisis for the less developed countries, the possibility of South-South cooperation to prevent these consequences, the urgent necessity to establish a better North-South dialogue toward establishing a New International Economic Order, to avoid—or at least to lessen—world tensions which are those which most worry the developing countries.

Quijano: Recently it has been said in the United States by the Council of the Americas and also by economist Alan Greenspan, that the Third World resources should be turned into equity property of creditors as a means of solving the current crisis. What answer would the Group of Santo Domingo have to this type of proposal?

Valencia: In Santo Domingo we studied a document prepared by the SELA-ECLA [Latin American Economic System/U.N. Commission on Latin America] in response to President Hurtado's call for establishing solid initiatives or proposals to overcome the economic crisis in Latin America. Among the more fundamental aspects of those proposals is the need to end Latin America's vulnerability in the economic arena. At the same time, it also determined that encouraging integration and cooperation was a categorical imperative. If cooperation and integration could be developed in the future, I believe that this would be the most effective answer that Latin America could give. One cannot return to old, historically outmoded schemes, but [must employ] effective cooperation among the nations of the world, and principally among those nations whose economies are complementary, so that the hopes of the Third World for a New International Economic Order can be fulfilled. Without this genuine and effective cooperation, every program will fail. I do not believe that this is the historic moment to return to schemes or situations that have already been superseded.

Quijano: The Minister of Foreign Relations of El Salvador was here recently. We would like to know Ecuador's position on the Central American conflict and the Contadora group, and what other efforts could be taken by the Contadora group or by your country to resolve that conflict?

Valencia: . . . Ecuador has declared its position: that the Central American problem is fundamentally a response to the great socio-economic inequalities among the countries of the region. Therefore, if one seeks a permanent solution to that crisis, it is necessary to confront these problems of socio-economic inequality. On the other hand, the basic principle of inter-American coexistence—that is, mutual respect among states, non-intervention, peaceful solutions to controversies, non-use of force in international relations and the principal

of self-determination—must be rigorously respected. . . . With respect to non-intervention, we have categorically stated that Ecuador hopes the intervention of foreign powers in the Central American region will cease. Be it political or military intervention, direct or indirect. It is necessary to leave the Central American people to find themselves a negotiated political solution, counting for this on their Latin American sister nations. . . . Ecuador has stood behind this by giving its fullest support to the efforts of Contadora. It is true that up until now, a permanent solution to the problem has not been found. I believe that each day that passes without a warlike confrontation in the region can be counted as a victory for Contadora and the countries which support it. If the Contadora group had not existed, think about it for a moment, it is possible that we would already have had a war of vast dimensions, with repercussions not only in Central America but throughout the continent and possibly throughout the world.

Quijano: During the period that Mr. Kissinger was Secretary of State, there was a group of the Rand Corporation under Luigi Einaudi, which formulated a scenario for the region which we call "A Proposal for a Second War of the Pacific." This document describes every possible sort of conflict as a policy to try to keep a certain control over the region. Ecuador is a key country in all this, because it has had con-

flicts with Peru. What is Ecuador's position regarding this scenario?

Valencia: In the first place, as is known, there are many still unresolved territorial disputes in Latin America, as for example the boundary dispute between Ecuador and Peru, Bolivia's situation with Chile and Peru, the situation between Argentina and Chile, and many other such problems. What is fundamental, as I have said many times, is that solutions to these problems be found because while they continue to exist attempts may be made to revive them, not only from inside our own countries but also from outside-which is much more dangerous—with the result that situations will be created incompatible with inter-American solidarity and coexistence. Thus the first task concerning other countries . . . is to realistically face the problems which still exist among our countries. To seek solutions or at least channel them toward a peaceful solution and thus to guarantee that all these initiatives, rumors, and proposals have no reason to exist. Thus, when that rumor of "a second war of the Pacific" emerged, Ecuador was categorical in reaffirming the basic principals of . . . non-use of force, peaceful solutions to differences, and non-recognition of territory gained by force. On this basis, it is possible for our countries to respond to the needs of our people and to find solutions to their problems that are just, honorable and equitable and which answer to the needs of the world in which we live.

Soviet Subversion Operations in the United States:

The Real 'ENEMY WITHIN'

This soon-to-be-released report, the follow-up to the recent **EIR Special Report, "Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement,"** documents the channels through which Soviet intelligence and its assets are attempting to carry out a plan to destroy the United States as an economic and military threat to Soviet world dominance.

The report will include:

- The role of Moscow and German-speaking central bankers in attempting to precipitate an international financial crisis.
- The background of Soviet orchestration of the "Briefingate" scandal, including the June 5 closeddoor session in Moscow, where Averell and Pamela Churchill Harriman conspired with Yuri Andropov days before Briefingate broke.
- Soviet influence in the FBI and other government institutions ensuring disinformation on Soviet subversion of the United States.

The report will be available for \$250.00.

For further information, contact William Engdahl, EIR Special Services 304 W. 58th Street, 5th floor, MC-1, New York, New York 10019, (212) 247-8820 or (800) 223-5594 X818

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Domestic Credit by Richard Freeman

Recovery illusion already over?

Inventory rundowns and corporate buildups of liquid assets are coming to an end as interest rates start to rise.

Major U.S. corporations agreed weeks ago that the supposed economic recovery will evaporate during the fourth quarter. Of course, the recovery was never there in the first place; it consisted of an auto-plus-housing uptick, bloated into a broader-appearing improvement by phony Federal Reserve figures. It now appears that the hoax may already have dissipated.

This much is suggested by the huge drop in August durable-goods sales reported by the Commerce Department, as well as the 13,500 steel layoffs announced the week of Sept. 12 (including the permanent closing of Ford's River Rouge steel plant).

Although auto companies have provisionally scheduled sufficient overtime to maintain output through September, industry and trade-union sources interviewed at the plant level expect a major contraction of auto output during the October-November period.

However, the May-July rise in interest rates may have done more damage than the Federal Reserve expected. Although data are incomplete, it is possible that the recovery bubble popped in August.

A closer look at the unemployment data released for August shows straightforward deterioration of employment conditions.

Contrary to the hoopla surrounding the drop in the official rate from 10 percent in June to 9.5 percent in July, the July rate reflected a shift among formerly employed workers to minimum-wage jobs, simultaneous with an

exclusion of "marginal" sections of employed out of the labor force altogether.

The August rate, unchanged from July, includes an additional 109,000 unemployed, along with the usual Bureau of Labor Statistics tinkering with overall employment figures to prevent the unemployment rate from rising.

Both housing starts and single-family home sales have fallen for the past two months. From the 5 percent drop in lumber production between the end of July and the end of August, it appears that the official August housing-start figure will show equally poor results. Steel production also fell in both June and July.

To make matters worse, the slight improvement in interest rates during late August may be over. The completion of the Treasury's third-quarter borrowing had taken momentary pressure off the credit markets, in the irregular rising pattern which has prevailed since the beginning of 1983. Now that the Treasury must come back to the market for the fourth quarter, rates are beginning to rise again.

The problem is that corporations, who lived by selling their last inventory, squeezing their labor force, and junking much of their capital-goods capacity, are now out of cash, and forced to borrow to keep going. This suggests that interest rates may rise sharply, according to an analysis by Merrill Lynch.

According to the Sept. 8 weekly letter of Merrill's capital markets analyst Peter Canelo, a sharp rise in bank

lending and commercial paper issuance to corporate borrowers during the past two months shows that the "reliquification" of the winter and spring is finished; corporations must now borrow, at exactly the point that the "recovery" bubble is deflating.

During the cannibalistic process of "reliquification," non-financial corporations boosted their liquid assets from \$228.6 billion at the end of the third quarter of 1982 to a level of \$275 billion at the end of the first quarter of 1983. This \$50 billion rise over six months is bigger than any increase ever recorded for a 12-month period.

The decision to sacrifice everything for liquidity was made to prevent the bankruptcy wave from becoming worse than it already is. But corporations' ability to squeeze funds out of already depleted existing operations could not last forever.

In the fourth quarter of 1982, corporations liquidated inventories at a \$45.4 billion annualized level, the highest in U.S. history. In the first quarter of 1983, they liquidated inventories at a \$33.2 billion rate.

Although the inventory data available to the Commerce Department is notoriously inaccurate, the general trend reflected in these data is probably not far from the truth. It also seems clear that the inventory liquidation ended, along with the credit-fed consumer sales bubble, sometime during July. This leaves corporations with heavy borrowing requirements simply to maintain output at present levels at precisely the point that economic activity has begun to drop off, and interest rates have risen.

The official 3.7 percent July drop in durable goods orders suggests that the decision has already been made not to re-accumulate inventories. At this point, the recovery illusion dissolves into thin air.

BusinessBriefs

Economic Policy

World Congress of Economists meets

Two thousand of the individuals whose advice has been most responsible for the present world economic debacle, gathered in Madrid in early September for the seventh World Congress of Economists. Attendees included Milton Friedman, Lawrence Klein, and Victor Urquidi.

"I believe that the world economy is going to recover," ventured Nobel laureate Klein, in his Sept. 6 speech, announcing that the world cannot fight inflation and unemployment at the same time. Klein ascribed the developing sector debt crisis to a bad loan policy by the banks, and mismanagement by the countries themselves, for failing to take into account rising interest rates.

The meeting was opened by Spain's Prime Minister, Felipe González, who criticized the "egoism" of the big industrial powers for trying to solve their own problems at the expense of the weaker countries. González called for "cooperation and coordination, with as much solidarity as possible, as a necessary condition to end this difficult and painful economic crisis."

González emphasized that the crisis was political: "The present East-West tension limits and determines the relation between North and South," he stated. He said that developing countries' standard of living must rise to that of industrial countries and attacked the European Community for stalling Spanish and Portuguese entry.

Argentine debt

Creditors want laws on bankruptcy changed

The condition of Argentina's entire refinancing package is reflected by creditor Morgan Guaranty's decision to postpone the signing of a \$250 million rescheduling agreement with the state-sector firm Aerolineas Argentinas.

The agreement with the airline is looked

upon as the model for rescheduling of \$6 billion in debt with 16 other state-sector firms. The disbursement of the first \$500 million tranche of the recently signed \$1.5-billion term loan is also contingent on successful renegotiation of the Aerolineas debt.

State-sector representatives are refusing to meet creditor demands that Argentina's bankruptcy code be changed as a condition for the rescheduling. The code currently favors domestic creditors over foreign ones. Creditors like Royal Bank of Canada, which just got burned by an Argentine judge's decision to apply the bankruptcy law in the case of the private-sector company Celulosa Argentina, are using the refinancing negotiations to get the law changed.

Creditors want the law changed before the scheduled October 30 elections, which the Peronist party is expected to win. The crisis is such that central bank president Gonzalez del Solar, a rabid monetarist, secretly traveled to the United States in early September to try to reach some agreement with creditors.

Argentina's foreign reserves are dropping precipitously: after a \$338 million drop in the month of August, reserves fell by \$247 million in the first week of September alone. If this trend continues, the drop for September could be as high as \$1 billion. The government is reportedly considering taking emergency measures to protect reserves.

Soviet strategy

Persian Gulf move to spark financial crisis?

The Soviet Union may act directly or indirectly to block oil transport through the mouth of the Persian Gulf, with the objective of triggering a world financial crisis, senior American and British intelligence sources warn.

"The Soviets want a financial crisis," said one senior U.S. intelligence official specializing in economic affairs. "That is their deadliest weapon against the West. Their likeliest move would be in the Persian Gulf; they are moving heavily in the Levant,

but that does not directly affect Western financial markets. It is not clear what they could do in Europe, and they have no means to bring about such a result through action in Central America. So our concern is focused on the Persian Gulf. With the financial situation on the edge, as it is now, a big Iranian move to cut oil supplies would trigger a crisis, even if the world oil markets could absorb the blow."

One scenario projects Iranian response to Iraqi deployment of their new Exocetcarrying Super-Entendard fighters. Iranian action might include mining the mouth of the Gulf.

British military intelligence sources argue that the Soviets may simply move two armored divisions from bases in southwestern Afghanistan to the Gulf, a march of about five days. "We are most concerned about the next ten months," said one source. "That is the Soviets' maximum window of opportunity, and if they took such action, there is nothing we could do about it."

Gold

'Mounting financial risks': South Africa

International Gold Corporation, an outlet of the South African Chamber of Mines, warns of "mounting risks in international finance" in a Sept. 14 press release. IGC chief economist Eugene Sherman cites Congress' refusal to provide additional funds to the IMF, warning that "a refusal on the part of the United States to expand the resources of the Fund could easily have a leveraged impact on the flow of financings to debtor countries. That would raise the spectre of international loan defaults with serious ramifications for major banks around the world. Major defaults would require that these loans, which are presently shown as assets, be written off. That would be a charge against capital. The jeopardy to the capital of most of the major banks would be considerable. This could then lead to concerns over the viability of the banking systems among industrialized countries. And it is only a short step from there to concerns over the entire financial

system. Disorder in finance would probably quickly reverse the economic expansion, and would probably lead to a decline in international trade."

The ICG, as might be expected, recommends purchase of gold. Economist Sherman told *EIR* that he believes that the overhang of central bank gold sales has, for the most part, been absorbed. "If there is fear about the whole system, investment demand will increase and absorb anything the central banks can offer," he concluded.

Capital Goods

Good-bye to German machine-tool industry?

Manfred Hinz, an executive board member of I. G. Metall, the giant West German metalworkers union, has sent the West German capital goods industries, in particular machine-tools producers, into a bitter rage: according to Hinz, German machine-tool industries and capacity will slide into a period of prolonged shrinkage lasting at least until the year 2000—at which point it would be at 50 percent of its present capacity.

The Machine-Tool Makers Association (VDW) in Frankfurt said it didn't know "precisely upon which data Mr. Hinz dares to make such a prognosis." Its own "best argument," however, for why the industry should not collapse as I. G. Metall foresees is that "the machine-parks of all industrial countries are so old that people simply must begin to invest some day."

The West German machine tool industry depends not merely upon exports, but upon deepening industrialization worldwide. I. G. Metall, however, has adopted a radical deindustrialization ("adjustment") policy of increasing heavy-industry trade autarchy, and the WSI trade-union economics institute expects a loss of over 25 percent of jobs in manufacturing through the year 2000 as the German economy "adjusts."

Machine-tool production in the Federal Republic of Germany fell 11 percent in 1982, and is forecast by the VDW to drop another 15 percent this year—but only if there is a relative upturn in the last remaining months

of the year. There is no sign of that, however, as total real incoming orders for the first seven months have collapsed 18 percent, led by the collapse of export orders by 26 percent. With a time lag of about one year, such rates of decline mirror those in the United States.

The immediate danger to the 440 West German machine-tool makers is a vicious price war. The VDW has confirmed to EIR that the pattern in this price war is essentially identical to that which has brought a number of West German steel firms to the brink of bankruptcy: funds from earnings are deployed away from reinvestment into current expenditures to keep production running sufficiently to be able to undercut other bidders on contracts.

IMF

Bolivians consider IMF 'mini-shock'

The government of Hernan Siles Zuazo in Bolivia, the first to take the "daring" step of speaking openly for a debtors' cartel nearly a year ago, is now considering "mini-shock methods" for the economy, presidential economic advisor Nunez del Prado told the Wall Street Journal in early September. Under discussion is a 60 percent devaluation of the Bolivian peso and severe cutbacks in subsidies for food and gasoline—in a situation where 1 out of 5 Bolivians is currently starving following a severe, and continuing, drought.

Both measures are demanded by the IMF as conditions for discussions on a \$350 million stand-by agreement, which the banks are demanding as a precondition for rescheduling payments on Bolivia's \$2.5 billion foreign debt. Formal negotiations with the IMF begin in Washington in October.

If adopted, the measures will split Siles Zuazo from the popular support he still enjoys. The Miners' Federation is threatening to strike (70 percent of Bolivia's foreign exchange comes from mining income), and the Bolivian Peasant Federation has threatened to block access roads to the cities if relief aid is not provided immediately.

Briefly

- ZAIRE has been forced to devalue its currency, the zaire, 80 percent against the U.S. dollar. The new value of the zaire, calculated in relation to the increase of local costs of imports, represents a domestic devaluation of more than 480 percent against the dollar. The dollar is now officially valued at 29.9 zaires; the previous rate was 6.06.
- MARIO SOARES, prime minister of Portugal, admitted to sales of some of Portugal's \$9 billion in gold reserves at an early September press conference. He stated that the government is "sincerely and profoundly impressed by the patriotic response of workers and businessmen" to the sacrifices in the IMF emergency plan, including unions calling off strikes.
- AN IBERIAN SUMMIT is planned for early October to discuss both Spain's and Portugal's efforts to join the European Community (EC). Mario Soares is reportedly threatening variously distancing Portugal from Spain, and moving closer to the United States, Japan, and the EFTA, if Portugal's entry is impeded. Soares has also enlisted the help of Greek prime minister Papandreou in Portugal's behalf.
- SWISS NATIONAL BANK
 President Leutwiler banned foreign
 export-import banks from the Swiss
 capital markets, claiming that this
 permitted foreign countries to offer
 favorable trade-credit terms in third
 markets at the expense of Swiss exporters. Leutwiler's move is the most
 overt financial warfare declaration to
 date.
- RAW STEEL production for the year up through the week of September 12 was 56.339 million net tons, compared to 53.765 million tons for the same period of 1982, the American Iron and Steel Institute reports. For the year to date, the steel industry has functioned at 55.0 percent of capacity and expects to cut production further.

EIRSpecialReport

The surfacing of Holy Mother Rus: The Russian Orthodox Church

by Criton Zoakos, Editor-in-chief

For the last 15 years, the Soviet Union has been experiencing a religious revival centered around the Russian Orthodox Church and especially the mystical/military cult of the state of Saint Sergii of Radonezh. It is this outlook that forms the bedrock of the current imperialist perspective of the Kremlin leadership to make Russia "the Third and Final Rome." Among the four institutions which comprise the leadership of Russian society—the Soviet military, the KGB, the Communist Party, and the Russian Orthodox Church—it is Patriarch Pimen's church that plays the most dominant if less visible role in shaping the "Holy Mother Rus" perspective. It is therefore the church—its personnel, its outlook, and influence—that we turn to in this Special Report. The first part of this series (published July 26, 1983) documented the emergence of the Third Rome strategy within the Soviet military. Future articles in the series will examine the role of the party apparatus and the KGB in shaping Russia's current policy.

A sweeping religious revival whose strategic and political implications cannot be overlooked has been under way in the Soviet Union for a few years now. Among Soviet leaders, religious metaphors are increasingly employed to justify their current policies. The keenest among Western observers, starting with the *EIR*'s own Lyndon H. LaRouche, Jr., but also including senior Western European strategic analysts, senior policy makers of the Church of England, of the Vatican, and so forth, are drawing attention to those features of current Soviet foreign policy and strategic postures which cohere with the Russian Orthodox Church's centuries-old perspective for the "Third and Final Rome," the 15th-century aspiration to lead a reorganization of world affairs around an imperial scheme in which Moscow itself would be the center, the "Third and Final Rome" (assuming Byzantium to have been the "Second Rome").

Such imperial aspirations of Soviet Russian Orthodox clergymen had been observed since at least the late 1960s at various international conferences, such as those arranged by the World Council of Churches, and witnesses to these events have on many occasions reported the arrogant statements and attitudes of Russian Orthodox clergymen. In one instance, the late Metropolitan Nikodim of Leningrad



Russians gathered in the Cathedral of the Holy Life-Giving Trinity, Pskov, for religious services.

boasted to the foreign-policy aides of the Archbishop of Canterbury that Moscow will inevitably "rule the world as the Third and Final Rome."

Evangelist Billy Graham, returning from a visit to the Soviet Union in late May of 1982, startled both his fellow evangelists and the entire "neo-conservative" religious fundamentalist movement of the United States by asserting that "there is genuine freedom of religion in the Soviet Union," and that while visiting there, he observed more religious devotion on the part of the population than he sees in the West, including in the United States. Billy Graham was denounced by his fellow religious activists as a "liar" and a "dupe of Soviet propaganda." Billy Graham, however, was reporting the truth. Evidence accumulated since at least the mid-1970s demonstrates beyond reasonable doubt that there is a gigantic religious revival afoot in the U.S.S.R. Among professional "anti-communists" in the West this evidence is almost systematically either ignored or dismissed, essentially because it does not fit the standard preconceived notions of run-of-the-mill street-corner anti-communism. Among policy makers, the evidence of Russian religious revival is also either dismissed or misinterpreted. The most frequent misinterpretation is based on the delusion that a Russian religious revival would be a "natural ally" of the West's conflict with Moscow's "communist regime."

This last misinterpretation, when adopted for national security evaluations, could prove to be a major intelligence disaster for the United States and for the West generally: The Russian Orthodox religious revival is the main policy engine which provides the impetus for Moscow's ongoing imperial and messianic foreign-policy posture today.

Take the example of the Soviet government's behavior with respect to the barbaric Korean Air Lines flight 7 massacre of Sept. 1. For over a week now, the Soviet mass media have been heaping megalomaniac praise on the Soviet military for having "gloriously protected the sacred territory of the motherland, the sacred airspace of the U.S.S.R., the sacred soil of Holy Mother Russia," and so on ad nauseam. These sacerdotal justifications of the massacre were not, however, employed merely as domestic propaganda addressing the misinformed Soviet population.

Foreign Minister Andrei Gromyko, speaking before the Madrid Conference on Security and Cooperation in Europe (CSCE) on Sept. 8, said: "We state: Soviet territory, the borders of the Soviet Union are *sacred*."

Marshal Nikolai V. Ogarkov, Chief of Staff of the Soviet Armed Forces and Deputy Defense Minister, held a press conference on the same day in Moscow, jointly with Communist Party Central Committee International Information Department chief Leonid Zamyatin, who said: "Protection of the *sacred*, inviolable borders of our country . . . was worth to us—as you know very well—many, many millions of lives."

The employment of sacerdotal arguments, by a state officially professing atheism, to justify its barbaric behavior in massacring 269 innocent civilians is not the sort of accidental detail most people would like to imagine. There has been an underlying profound transformation going on in Soviet society over the last 15 years, a thorough-going "paradigm shift" which makes a mockery of the preconceived notions that "area professionals" have been carrying in their professional baggage. This now-completed "Third Rome paradigm

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shift" dominates the character of the strategic crisis the world finds itself plunged into.

President Reagan's March 23 speech

Long before Foreign Minister Gromyko and Marshal Ogarkov started dabbling in religious affairs, the head of the Russian Orthodox Church, Patriarch Pimen of Moscow was innovating in matters of strategic policy. Ten months before President Reagan announced his policy of developing beam weapons for anti-missile defense, Patriarch Pimen made a speech on May 10, 1982, in Moscow, denouncing such weapon systems in the following terms: "What, except losing the sense of responsibility, can account for a mounting chorus of voices in support of the doctrine of a nuclear first strike? The only sensible alternative to this idea should be the defensive concept. It must include as its major element a pledge not to be the first to use nuclear weapons. . . .

"Following the new military strategies unavoidably means the development and production of basically new types of weapons and weapon systems and seeking new areas of their application. For example, there is mounting interest toward the possible military uses of outer space. Military superiority in space holds the promise of having such superiority on the ground. The proposed development of space anti-missile systems is not only the threat of outer space being turned into a military base. Military experts say that the prospect of laser guns and radiation weapons being deployed in space is quite realistic. International agreements signed over the last 15 years do limit to some extent military uses of space. But these measures are clearly not enough. Signing a treaty banning the deployment of all types of weapons in space, approved by the United Nations General Assembly, would be a most timely step for easing international tension."

Patriarch Pimen was the very first person of any authority in the U.S.S.R. to denounce a policy which no one on earth knew to exist as an active policy. Pimen was in fact attacking a policy proposal made three months earlier, in February 1982 at a well-attended Washington, D.C., conference by Lyndon H. LaRouche, Jr., that the United States adopt a policy of developing anti-missile beam weapons in parallel and in coordination with the U.S.S.R., as the only way available to get past the doctrine of "Mutually Assured Destruction" and into an era of "Mutually Assured Survival."

Eight months after Patriarch Pimen's denunciation, President Reagan went on national television to announce to the world that the United States was going to develop defensive weapons. The President, the secretary of defense, and other White House officials subsequently made repeated, generous offers to Soviet representatives along the lines of sharing the new technologies and parallel or coordinated deployment of them.

However, as had been indicated by Patriarch Pimen, the Soviet Union's lay authorities repeatedly rejected the President's offer. At the end of this report, we shall demonstrate that the reasons for this rejection are not strategic-military but virtually exclusively cultural and cultural-political in the sense of cultural grand strategy. Upon closer examination, we shall find that this rejection of the President's generous offer was dictated by a cultural principle which is characteristic not of communist culture but rather of Russian Orthodox culture specifically.

But, for the intelligence analyst to be able to arrive at this conclusion with any competence, he or she must endure delving into the much-ignored and much-neglected considerations of strategy which follow below.

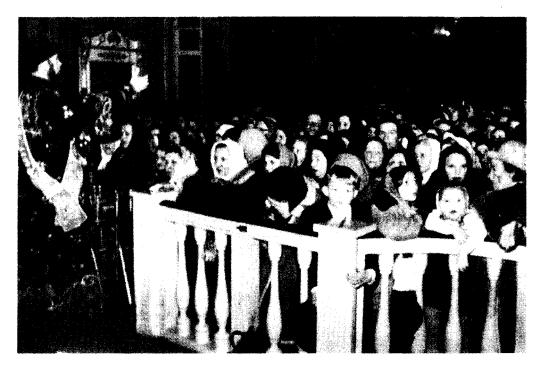
The resurfacing of the Russian 'Church Militant'

For the last five years, numerous morsels of information were reaching the West, to the effect that a religious revival in the Soviet Union was under way. The scanty evidence was then either neglected, or misinterpreted as some simple sort of "KGB mischief." About two years ago, a Soviet diplomat who considers himself a sophisticated atheist confided to myself and a colleague of mine, in Washington, that he was somewhat alarmed by the rapid growth of church attendance in his country. "Over 25 percent of the population," he said, "are now practicing Christians." He later added that "this might become worrisome for world stability." During that same period, another Soviet diplomat also stationed in the United States, a man of rather comically proud nationalist comportment, speaking on the same subject, boasted rather than worried, about the growth of the Russian Orthodox Church. He was in fact categorical in asserting that the Russian church works in total conformity with "the interests of the Soviet state." The discrepancy in the two Soviet officials' attitudes toward the subject was instructive.

It turns out that the number of Russian Orthodox believers is greater than the 65 million indicated by the hypothesis of "25 percent of the population." Although no statistics are made public officially by either the Moscow Patriarchate or the Soviet government, Russian Orthodox Church officials at the World Council of Churches let it be known "unofficially," that their church-going membership is "upward of 80 million." Certain Western observers of Russia, especially observers from the Roman Catholic Church, estimate that the total number of faithful is probably 135 million persons. This number would include regular church-goers, frequent and occasional church-goers, and those whose contact with the church is through such occasions as baptism, marriage, and burial.

Recent official Soviet sociological surveys have found that in surveyed locations of the RSFSR, one out of every two infants is baptized into the Russian Orthodox Church. Recent Soviet defectors report that as much as 40 percent of Communist Party members prefer to baptize their children in the church. Officers of the KGB who have defected report two types of phenomena. One, widely reported, is of KGB

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A Russian Orthodox priest conducting services in a crowded church.

officers assigned as priests and bishops of the Russian Orthodox Church; second, less well-advertised, that many KGB officers are themselves privately believers. Each year in recent years, Western travelers report that they observe hundreds of thousands of faithful pilgrims from all over the U.S.S.R. gathering at the summer festival of Saint Sergii of Radonezh at Zagorsk.

An English visitor to Moscow in the 1970s described his experience in three Orthodox Churches on Good Friday evening as follows:

At the first, Skorbyashchenskaya (The Joy of the Sorrowing), we found that the service would not start until 8 p.m. and so we decided to return. Nearly two hours before, people were already gathering. The next was St. Nicholas. We stood at the back for a while. I do not think I have ever seen a church so full, with people standing shoulder to shoulder as at a football match. Where would one see that in England? The priest attracts the young and the intellectuals as well as the *babushki* (old women). The third church, St. John the Warrior, we could not get into at all. A couple of good-natured policemen were standing outside, apparently in case any mocking youngsters should try to break things up. The crowded congregation was tight-packed and reverent.

We returned to the first of the three, the church of Archbishop Kyprian, who was once Bishop in Berlin. Now the service was only a quarter of an hour away. We went into a side entrance and soon found ourselves beyond the *babushki*, some of whom were sitting on the floor in the growing heat (but they would

all stand up with the beginning of the service) and among the vesting priests. The chief of them was the Archbishop, white-haired, short and stocky, his eyes twinkling through rimless spectacles. Here we were in a different world from the patriarchal cathedral and its solemn order; here there was happy chaos—nobody quite knowing what to do or what would happen next.

On Tuesday of Easter week the same visitor was in Leningrad, and reported:

In the morning liturgies were being celebrated in the churches which were open. At each one crowds of people were present, mostly babushki, but "old men and maidens, young men and children" too. Rather than staying in any one church we went from one to another. As this was a day for processions outside round the buildings to follow the triumphant cross, there was coming and going within the congregations too and people outside could join in services without necessarily seeming to. This was particularly true of the church, Prince Vladimir's, where Metropolitan Nikodim himself was offering the liturgy and where a vast throng assembled who had to be carefully held in check, all wanting to be wetted in the asperging.

We went to four churches—St. Nicholas cathedral, which was in two storeys with a church and liturgy upstairs and downstairs and a crowd at both; and the church of the Transfiguration; then to St. Seraphim's in a public park and cemetery, a small green wooden building which we should certainly not have gone into if we had not been able to get into the sanctuary behind

the iconostasis by a private side door; and finally Prince Vladimir's. It was interesting to go from church to church and hear part of the service at each. By this time I had completely absorbed the Easter Greeting and the Troparion, and I was also becoming fascinated by the congregational settings of the Our Father and the Creed: how melodiously Russian congregations sing, without any musical accompaniment. Those two congregational settings sung by massed soprano voices, pure without being trained, were a foretaste of angels' voices, they are so clearly part of the life and soul of the Russian people. At each of these services we were just in time to hear the congregations in the full joy of belief in the Risen Christ. (From Trevor Beeson, Discretion and Valour, Fortress Press, Philadelphia, 1982.)

What is the number of practicing Russian Orthodox believers today? Official statistics are not given out by either the Soviet government or the church itself. In its official publications, the Moscow Patriarchate objects to official census taking of its faithful and poses the matter in the following way: "The flock of the Russian Orthodox Church consists of many millions of believers. Because of the variety of the forms of the Church's spiritual life, a statistical count of the devout does not exist and it is impossible to determine an exact figure. Our Church rejoices when its flock multiplies and grieves when it declines. However, it is mindful of the Savior's words about men who honor Him with their lips, but not with their hearts (Matt. 15, 7-9). The Russian Orthodox Church now includes only those who are truly faithful to Christ." In private conversations with foreign officials at the World Council of Churches, Russian hierarchs like to encourage the estimate of "upward of 60 million" in the above category of "truly faithful to Christ." The former Jesuit priest and publicist Malachi Martin, an early associate of Pope John XXIII, was estimating in August 1983 that "135 million Soviets are practicing Orthodox Church members and another 45 million are believers." These figures would include members of the Georgian and Armenian Orthodox Churches in addition to the Russian. Nonetheless, such figures of church-going publics would be astounding for any country in the world, let alone one whose government officially professes atheism.

Moreover, the experience of attending church in Russian Orthodoxy is not quite the same sort of church-going Americans are accustomed to. The Russian Orthodox service is conducted in the ancient Byzantine style, excessively lengthy and elaborate, of several hours' duration during which the flock is supposed to stand on its feet, inside darkened and poorly ventilated churches whose air is filled with the smoke of ceremonial incense. Russian Orthodox hierarchs during the Soviet period, just as in the earlier past, have adamantly insisted on the preservation of the ancient liturgical style. In point of fact, as the Roman Catholic Benedictine Order has well appreciated, for the Orthodox believers, the elab-

orate ritual magic of the liturgy itself is their religious experience, their faith and their dogma. Most of what is said and chanted by the priests, their deacons, and cantors is in Old Church Slavonic, sometimes memorized by the flock but rarely understood.

The phenomenon merits the most detailed sort of study by Western intelligence analysts: What happens every Sunday to tens of millions of Soviet citizens as they huddle together in darkened, incense-filled churches, crowding shoulder to shoulder and standing on their feet for hours to listen to incomprehensible Byzantine chants as the temperature gradually rises, the air becomes stale, as they become caught in the magic until they are swept into the maelstrom of communal chanting?

The phenomenon merits study especially because more and more millions opt for it every year. In 1970, an official Soviet study published the results of a research project indicating that 15 to 20 percent of the population were believers. In 1976, a booklet published by two Leningrad researchers published the findings of a sociological survey: 41 percent of the persons surveyed within the cosmopolitan city of Leningrad answered that they observe religious celebrations. Small-scale surveys in rural areas and spot-checks in municipal cemeteries indicate the same sort of results: In the Moldavian village of Bachoi, of 206 babies born in 1977, 185 were baptized and most of them were children of young couples with college-level education; a survey in Leningrad's Southern Cemetery in 1979 found that of 222 graves dug between 1974 and 1979, 132 were marked with a cross, 17 with a red star, and 73 had no markings.

The world outlook of the Russian Church

To understand what is going on inside the minds of all these rapidly multiplying millions of Russian Orthodox faithful inside the Soviet Union today, one must pay close attention to a rather unique phenomenon, the cult of Saint Sergii of Radonezh. In a certain sense, one can credibly argue that what appears to be a revival of Orthodoxy is, above all, an epidemic spread of the cult of Saint Sergii of Radonezh. Every summer, hundreds of thousands of believers come to pay homage to the Saint's festival at the Trinity-St. Sergii Lavra in the Moscow suburb of Zagorsk. Inside the church of the Trinity-St. Sergii Lavra, masses are celebrated for the saint incessantly 365 days of the year. All year round, visitors and pilgrims arrive to pray at the consecrated relics of the saint at the Lavra. Russian Orthodoxy's most celebrated 20th-century theologian, Father Pavel Florensky, wrote in 1919:

"In order to understand Russia one must understand the Lavra (of St Sergii of Radonezh), and to fathom the Lavra one should look closely and attentively at its founder."

Saint Sergii of Radonezh was a major personality in Russian history, especially military history, and in particular he was the spiritual force behind the rise to world prominence of the Grand Duchy of Moscow. Active in the second half of the 14th century, Sergii, acting under advice from Byzantine imperial circles and from the religious fundamentalist influ-

ences of Gregory Palamas at Mount Athos, founded near Moscow the Monastery (Lavra) of the Trinity which he employed for the purpose of molding and forging into credible military shape the various petty, bickering Russian chieftains in order to deploy them against the Mongol Golden Horde on behalf of Byzantine state interests. As a result, Russian unity was achieved around Grand Duke Dimitri of Moscow, later called Dimitri Donskoi, who led the Russian armies to a historic victory against the Golden Horde at the Kulikovo Field on Sept. 8, 1380.

In subsequent centuries, the Moscow-centered factions of Russian politics developed the cult of Saint Sergii of Radonezh into a mystical/military cult of the state, namely the Moscow-centered (as opposed to Petersburg-centered) state.

The current revival of Russian Orthodoxy in the U.S.S.R. is the revival of the cult of St. Sergii, of the mystical-military cult of the state, of Holy Mother Russia. Below are quotes from the October 1981 issue of the Journal of the Moscow Patriarchate, which dramatize our argument about the cult. First is the text of the homily given by the Abbot of the Trinity-St. Sergii Lavra, Mark Lozinskii:

Remember them which have the rule over you, who have spoken unto you the word of God; whose faith follow, considering the end of their conversation (Heb. 13, 7), this is a commandment of the Apostle. Today we are fulfilling it by commemorating our teacher, St. Sergii of Radonezh, who preached the Word of our Lord not only by word of mouth but by his whole life. We solemnly commemorate the day when this great servant of God departed this life, who was lovingly called by our people the Hegumen [Greek word meaning abbot but also leader] of the Land of Russia. Metropolitan Filaret of Moscow says that to remember our teachers without emulating their faith is like seeds without fruit and sowing without harvest.

What was St. Sergii's faith like?

The faith he received as a youth he increased a hundredfold. Faith led him to the wilderness and strengthened him to bear the difficulties of a hermit's life. Subsequently faith nurtured in him paternal love for his brethren and for all who came to him. It lit in his soul a lamp of love for his Motherland, suffering under the Mongol-Tatar yoke. In those days when depression and despair overwhelmed the people, the steadfast faith in the Lord's mercy of the great Abba Sergii spiritually fortified the hearts of the Russian people and reconciled the warring princes thereby consolidating the Russian state. The Saint blessed Grand Duke Dimitrii of Moscow to go to battle against the Golden Horde and foretold victory over the enemy.

The life of St. Sergii is a great example of selfsacrificing service of God and men. And today, just as when he lived on earth, St. Sergii teaches all who turn to him active faith.

Bowing before his holy relics, let us ask him to





Above: St. Sergii blessing a Russian prince about to do battle with the Tatar "Golden Horde." Below: An 18thcentury ikon of St. Sergii.

multiply our faith, so that like him we, too, may be filled with love for God, our neighbor, and our Motherland. Amen.

The drift of the homily with its appeals to obedience to rulers and service to Motherland is rather obvious. And this is standard fare for Russian Sunday sermons. More interesting, and more profoundly disturbing, is another published item in the same journal which is instructive to those who seek to identify the kind of state, the characteristic contents and the philosophical purpose of the state that the mystical/ military cult of state of Saint Sergii of Radonezh is attempting to instill among the Russian Orthodox believers; this is an essay by Hieromonk Tikhon of the Trinity-St. Sergii Lavra, titled "St Sergii of Radonezh and His School":

The Trinity-St. Sergii Monastery came into existence on the eve of the turning point in the Russian history: the middle of the 14th century saw the rise of Moscow and round it grew a majestic and unique new state—Muskovy Russ. The rise of Muskovy Russ-in the middle of the 15th century-coincided with the fall of Constantinople, a great cultural catastrophe. The Muscovite state adopted the culture of ancient Orthodox Byzantium. Here, in the vigorous

heart of a young nation, the achievements of medieval Greece are reunited anew, creatively and vitally, through the dazzling phenomenon of a single personality; from St. Sergii flow manifold streams of culture as from a fresh spring of unity, quenching the spiritual thirst of the Russian people, who gave them an original embodiment. . . . St. Sergii lived at a time when the theological teaching of the Holy Trinity was being evolved in the Orthodox Church through the spiritual experience of hesychasm and the theological works of St. Gregory Palamas as well as other Byzantine theologians. St. Sergii was also interested in the Palamite Controversies. To be well informed about them he sent a trusted representative to Constantinople. St. Sergii accepted the main trend of Orthodox culture. He touched the fiery summit of mediaeval Greece, round which, as petals of a flower, were concentrated the cultural flames and there his spirit was enflamed; this summit was the religio-metaphysical idea of Byzantium, an idea which blazed forth in the days of the saint. St. Sergii cognized experientially the Mystery of the Holy Trinity, thus becoming, according to the words of the Apostle, one of the partakers of the divine nature and attained mystical communion with the mysterious life of the Divine Trinity in so far as it is possible in earthly life.

The Tabor Light of the Transfiguration spread through St. Sergii and his disciples all over scattered Russ, spiritually transfiguring men's souls and hearts, making them regard the world and themselves in a new way.

Now, this is startling stuff, written and published in late 1981, in a land supposedly atheist. But then again, think twice, dear reader: With all this Sacred Light of Mount Tabor flowing through the sparkling and crackling fingers of St. Sergii and covering all of Russia, it is no wonder that its soil is *sacred*, as was so solemnly stated by both Foreign Minister Andrei Gromyko and Marshal Nikolai Ogarkov. However, our Hieromonk Tikhon goes on in his narration of the St. Sergii cult:

The Church of the Life-Giving Trinity, built by St. Sergii, became the spiritual symbol of the gathering together of the Russian land. This church, according to the idea of its founder, was to become the centre of the cultural unification of the Russ wherein all aspects of Russian life would find their support and highest justification.

Under the influence of the books in the Trinity cloister the spirit of the Russian people was transformed. The Lavra library was founded by men who were at the head of Russian culture and life at that time. They were in close contact with Constantinople and with the main representatives of ecclesiastical life

in Byzantium. St. Alexii was in Constantinople for nearly a year; there he met Patriarch St. Callistus—the disciple of St. Gregory of Sinai—and Patriarch St. Philotheos, the beloved disciple of St. Gregory Palamas.

Finally, coming to the point of the political relevance of the mystical/military cult of St. Sergii for the present day, the *Journal of the Moscow Patriarchate* eases its way into the subject as follows:

It should also be noted that throughout the centuries of Russian history the monks of the Trinity Monastery were always in the vanguard of Orthodox patriotic movements. It is in this monastery that the revision of service books was begun. The Lavra became the center of the liberation movement during the Polish intervention at the beginning of the 17th century. After the Time of Troubles, the father superior of the monastery, St. Dionysii, sent to Moscow books from the Lavra library; he struggled to see that books took a proper place in Russian life. . . . In 1814, the Moscow Theological Academy was founded there, on the basis of the old Slavonic-Greek-Latin Academy. Many of its theologians, historians and philologists were recognized throughout the world. . . . And today too, the house of the life-giving Trinity is the spiritual center of the Russian Orthodox Church. As the Holy Archimandrite of the Trinity-St. Sergii Lavra, his Holiness Patriarch Pimen of Moscow and all Russia, the Primate of the Russian Church is under the blessed protection of St. Sergii. Here too are the Moscow theological schools! The local council of the Russian Orthodox Church took place here in 1971. Here the humble monks are working for the good and salvation of our people. "In order to understand Russia one must understand the Lavra, and to fathom the Lavra one should look closely and attentively at its founder," Father Pavel Florenski defines thus the important part played by St. Sergii, who was a great ascetic of the spirit, an enlightener and patriot, whose influence continues over his followers even today.

Thus the Moscow Patriarchate. It has, however, been argued over the last few decades: "What can the poor Russian Church do? It has no choice but to carry out the dictates of the KGB and of the Soviet state, or be eliminated altogether." The further argument has been made among theological circles in the West, that the Russian church is in fact striking a precarious balance on a risky tightrope walk, in the course of which the salvaging of so many millions of souls which would have otherwise been heathen, makes the price of obedient service to the state well worth the while. All this rationalizing becomes reduced to nonsense when one faces the fact that what the Russian Orthodox Church is doing today under presumed coercion from the atheist state, is

what its leading hierarchy did throughout its history: Preservation of the Byzantine cult of the state and *not works of salvation* has been the function of Russian Orthodoxy—a continuation of the function of the state-cults of the Roman Empire as transmitted to Eastern Orthodoxy by Emperor Constantine the Great and reinforced by Justinian two centuries later.

The Constantinian-Justinian style of Christianity is, to employ political shorthand, an oligarchical device for population control in empire management. It is founded on a systematically bestial conception of human nature: Man is a beast like every other beast, a creature of material needs, his behavior dominated by lust for pleasure and fear of pain. This conception of man dominates the mental map of the oligarchical mind. In theological terms, it is summarized and encapsulated in one single proposition: rejection of the Filioque clause in the Confession of Faith. Namely, whereas the Western Christian theological tradition holds that the Holy Spirit, the life-creating aspect of the Trinity, "proceeds from the Father and from the Son" (filioque in Latin), Eastern Orthodoxy, the enshrined oligarchical caricature of Christianity, rejects the belief that the Son can command and transmit the creative aspect of divinity. From this assertion then follows the conclusion that individual man is not endowed with the gift of creativity. There is no such thing as imitation of Christ in Eastern Orthodox tradition, no man being God's helper in the ongoing act of creation, thus no man being "in the image of God," the Creator or Composer of the universal process, as the founders of the Christian Church had envisaged man. By means of the theological rejection of the Filioque, man is reduced to a mere beast. And the political task of the oligarchical mind is how to manage and manipulate human society, this herd of beasts.

Hence the glorification of the Byzantine state in the U.S.S.R. today.

The clerical gamemasters of the peace movement

The subject of persecutions suffered by the Russian Orthodox Church in the hands of "godless communist" government is, upon inspection, somewhat ludicrous. The Russian Orthodox Church was treated slightly less harshly by Czar Peter the Great than it was by the fire-breathing Bolsheviks of yesteryear. Peter the Great tried to keep the Moscowfocused Byzantine atavism of the St. Sergii cult out of his affairs of state and gave the clergy a good beating as he moved the capital out of Moscow into Saint Petersburg/Petrograd. Peter the Great also abolished the office of Patriarch in the year 1700.

The 1917 Russian Revolution brought about a great amount of discomfort to the church, but not destruction. Ironically, the office of the Patriarch of Moscow and All Russia was reestablished on Nov. 5, 1917, only a few days after the Bolsheviks' ascension to power. The new Patriarch, Tikhon, initially opposed the Bolshevik government. In the

crucible of revolution, civil war, persecution, and violent coercion, a new long-term perspective began to be shaped by the Russian Orthodox Church. In 1920, Patriarch Tikhon declared that "the Church is apolitical under any social system." Right before his death, in 1925, he signed an Address to Believers where he advised: "Without transgressing against our faith or our Church, without allowing any concessions or compromises in the matter of faith, we must be sincere as citizens in our attitude to the Soviet government and work for the common good." This is a precise formulation of how matters stood between the Russian church and the 1925 Bolshevik regime before Stalin's purges and after Lenin's death. In the early years, church policy toward the Bolshevik regime was influenced primarily by conflicts over such issues as church land ownership and jurisdiction over education, rather than over profound ideological enmity (as far as the church was concerned). Also, the early expectations of an eventual early demise of the Bolshevik government made the church leadership "hedge its bets" with what then appeared to be viable opposition forces. When in the year 1939 the matter of who is the Russian state was finally settled with the conclusion of the final Stalin purges and the 16th Party Congress, the Russian church emerged as a partner of the government in the context of an exceptional enterprise: the Hitler-Stalin Pact!

The details, unfortunately, are not known. The broad outline of relevant facts appears as follows: The organized body of the Russian Orthodox Church in 1939 had been reduced to a handful of senior hierarchs in Moscow and Leningrad, all raised and trained during the pre-revolutionary period and all with the credential of regular apostolic ordination—members of what they like to call the "Royal Priesthood," a term borrowed from Saint Peter, denoting the apostolic continuity of the episcopate secured by the laying of hands of the original Apostles on the heads of their successors, and theirs on their successors' and so forth down to the present day. Beside this "Royal Priesthood," the Russian church had been reduced to a mere few hundred parish clergy, down from 51,105 in 1917, and some hundreds of operating churches, down from 54,174 in 1917. No monasteries and no seminaries were operating at the time.

Then suddenly, in 1939, Stalin moved his army into eastern Poland as Hitler's Wehrmacht took over the western portion. Renaming the conquered territory Western Ukraine and Western Byelorussia, the Red Army installed Bishop Nikolai, the former vicar of the Petrograd Metropolitanate, one of the few survivors of the "Royal Priesthood," as the archbishop of the conquered Polish territories.

This Bishop Nikolai, later Metropolitan Nikolai of Krutitsy and Kolomna, is a singularly important personality in understanding the Russian Orthodox Church. In later years he founded the peace movement and was a crucial inspirer of the Pugwash Conference movement, a personality perhaps more influential in world ecclesiastical politics than the Church of England's Herbert Waddams. Metropolitan Nikolai, born

Boris Dorefeyevich Yarushevich on Dec. 31, 1891, was the son of the dean of the Saint Alexander Nevski Cathedral of the town of Kovno. After receiving an honorary scholarship to study mathematics and physics at the University of St. Petersburg, he enrolled at the Theological Academy, and by the age of 24 he started publishing significant theological and historical works. His research work was guided by his protector, the powerful rector of the Academy, Archimandrite Anastasii Alexandrov, a prominent theologian, doctor of church history, and Slavicist. While at the Academy, Yarushevich and his rector were conducting a special missionary project in the working-class districts of Petersburg. He received his degree in theology on the basis of a dissertation on Byzantine and early Russian documents on ecclesiastical law, and was ordained priest two months after the outbreak of the First World War. Between then and 1918, he wrote extensively on history, law, archaeology, and he taught at the Theological Seminary on liturgics, homilectics, church archaeology, and German. In 1918 he was made dean of the Cathedral of Saints Peter and Paul and superior of the St. Alexander Nevski Monastery.

In 1922, at the age of 31, he was consecrated Bishop of Peterhof and made vicar of the Petrograd Metropolitanate. The man who consecrated him was Bishop Alexii of Yamburg, later the Patriach of Moscow and All Russia from 1945 to 1970. In fact, the Russian church from 1925 onward was ruled jointly by three very unusual persons: Bishop Nikolai (Yarushevich), Bishop Alexii (Simanskii, later Patriarch), and Metropolitan Sergii (Stragorodskii, Patriarch in 1943-44). All three of them were highly trained theologians and historians and their pre-1917 curriculum vitae indicates that they would have attained high ecclesiastical positions revolution or no revolution. In this sense, the continuity of the leadership of the Russian Orthodox Church was never ruptured by the Bolshevik revolution. Alexii was the son of the chamberlain at the imperial court, Vladimir Simanskii. The life of (Patriarch) Alexii and that of (Metropolitan) Nikolai beginning out of the See of Petersburg/Leningrad continue to overlap and interweave throughout their lives until death. These two are the original grand strategists of the Russian church. Nikolai, the younger, died first on Dec. 13, 1961, as chief of the Patriarchate's Department of External Church Relations. Alexii, the elder, died on April 17, 1970, having ruled as Patriarch of Moscow for 25 years.

The fortunes of these three men, Nikolai, Alexii, and Sergii, began to turn in 1939 when the first was appointed archbishop of the conquered Poland. Two years later, on June 22, 1941, the day of the Nazi invasion of Russia, Sergii, acting as Patriarchal Locum Tenens, beat Stalin by two full days in issuing his dramatic call to rally the faithful in defense of the Motherland. Alexii, operating out of the Patriarchate, funded with church collections the outfitting of a tank division, named after Dimitri Donskoi, and an air squadron named after Alexander Nevski.

On Sept. 4, 1943, Nikolai, Sergii, and Alexii the son of

the imperial chamberlain, met with the chairman of the Council of People's Commissars, I. V. Stalin, opening a new chapter in Russian history. Four days later, a number of theological publications surfaced and an extraordinary episcopal council of the Russian Orthodox Church was convened to elect the Patriarchal Locum Tenens Sergii to the dignity of Patriarch Sergii of Moscow and All Russia. He died eight months later and was replaced by the son of the imperial chamberlain Alexii, who led the church until his death in 1970.

At the end of the war, the results of the three religious leaders could be seen in the shape of a flourishing church: All 73 traditional dioceses of the Russian church had been reopened never to be closed again. The number of parish priests grew from a miserly few hundred in the 1930s to over 20,000; almost half of the churches of the pre-revolutionary period were reopened. Two theological academies and eight seminaries were reopened to train new clergymen. Patriarch Alexii was a close personal friend of the national hero of the day, Marshal Zhukov, the hero of Berlin. The Patriarch himself was decorated with five Red Banners of Labor, the medal "For Defense of Leningrad," and the medal "For Valiant Labor during Patriotic War."

From that point onward, the status of the Russian Orthodox Church would never again really diminish. True, from 1960 to 1964, Premier Khrushchev made a desperate effort to break the church, but this should be viewed properly in the context of Khrushchev's struggle against the marshals of the Soviet Union and not as an anti-religious obsession as is usually portrayed. Even though the 1960-64 "Khrushchev persecutions" did hurt the Russian church somewhat, their effect is generally exaggerated and at any rate was not long lasting.

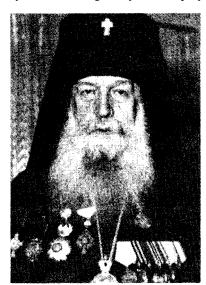
The main political fight in the Soviet Union from the sacking of Zhukov in 1957 to the demise of Khrushchev in 1964, was of the following general character:

Nuclear weapons of mass destruction had just emerged as the principal fact of life among states. Khrushchev and the Cominternist International Department of the Central Committee under Otto Kuusinen had opted for a McNamara-type approach of stripping all conventional capabilities and using their resources for the build-up of a serious nuclear deterrent, possibly even a nuclear first-strike capability. Zhukov and his marshals at the General Staff were in perpetual revolt against the Soviet McNamara and organized their opposition around Chief of Staff Marshal Sokolovskii, rallying to a military program known today as the Sokolovskii Doctrine, a militarily rational perspective of total war in the nuclear age, in which all three echelons of the total military effort strategic nuclear forces, strategic conventional forces, and tactical forces—are built up and organized to win a total thermonuclear war. The leaders of the Russian Orthodox Church, and primarily Patriarch Alexii and Metropolitan Nikolai, were viewing themselves as the successors of St. Sergii of Radonezh, the military/mystical inspirers of the Russian state. In agreement with Zhukov's and Sokolovskii's marshals, they undertook the task of wrestling from Khrushchev and the Central Committee the "back-channel" networks with the West which would have made the McNamara-esque "deterrence" strategy of Khrushchev possible.

The role of the Russian Orthodox Church in promoting military strength for the U.S.S.R. and peace and disarmament movements in the West, is unique in explaining to outsiders how Soviet policy making really works. Since Khrushchev was kicked out in 1964, and as a result of changes in the West in the aftermath of the Vatican II Council, the Soviet Union has redoubled the Khrushchevian peace-posture internationally and more than redoubled the Zhukov-Sokolovskii commitment to military supremacy. Metropolitan Nikolai's career will explain a great deal of this.

Nikolai, Patriarch Sergii and Alexii's partner since 1922, the sacerdotal proconsul of occupied eastern Poland in 1939, had a most extraordinary career during and after the war. From the standpoint of the church's war effort, he was the organizer of the victory in the field. In his special ukaze of July 15, 1941, Patriarchal Locum Tenens Sergii said the following: "Traveling from place to place in the front-line zone, Metropolitan Nikolai constantly upholds the morale of the local population with his prayers and archpastoral exhortations which, in its turn, lends moral support to the Red Armymen. I praise with all my heart this beneficent work of His Eminence the Exarch and consider it meet to grant him the possibility of extending his archpastoral service. In view of this, I consider it necessary to translate His Eminence to the vacant seat of the Metropolitan of Kiev and Galich, Exarch to All the Ukraine, and to bestow upon the newly appointed ruler, the traditional external distinctions of this see: the right to wear two panagias and to be preceded by the Holy Cross at divine services."

Later, throughout the period of the siege of Moscow by the German Army, as Sergii was evacuated to Ulyanovsk, Metropolitan Nikolai stayed in the besieged city as his deputy



Archbishop Alesky of Kalinin and Kashin, with medals won in fighting in the "Great Patriotic War."



Patriarch Pimen of Moscow and All the Russias

in the Diocese of Moscow and chancellor of the Moscow Patriarchate. Stalin decorated him with the medal "For the Defense of Moscow." His colleague Alexii the future Patriarch was during that time leading the spiritual side of the struggle in the besieged city of Leningrad. In his capacity as the Exarch of All Ukraine, Metropolitan Nikolai was appointed in November 1942, by the Soviet Council of Ministers, to the Extraordinary Commission to identify and investigate crimes of Nazis and Nazi collaborators in the occupied territories of the U.S.S.R. At the end of the war, in May and June 1945, Metropolitan Nikolai visited the Middle East and England where he met King George and the head of what was then called World Council of Churches-in-formation.

Next year, April 1946, Partiarch Alexii founded the Department of External Church Relations and made Metropilitan Nikolai its first chief. One of the first acts of the new department was the founding in April 1949 of the organization which today runs the "nuclear freeze" movement, the World Peace Council. The World Peace Council, founded by the Moscow Patriarchate during a Congress in Paris, is the classic Soviet "front" organization. Many people consider it "KGB." Metropolitan Nikolai, the boy-genius theologian of 1914 from the Petrograd Theological Academy, was a prominent member of its standing committee at the founding. He had been sent there by his Patriarch, the son of the imperial chamberlain.

More importantly, Nikolai played a historically exceptional role in shaping a long chain of events which today has led to the fact that West Germany's Evangelical Church—the organizer, inspirer, retainer, and funder of the Green movement and spawning ground of neo-Nazism—is also the leading force, in open and confessed collaboration with the Soviet KGB, of the unilateral disarmament movement in Western Europe. We quote from the official biography of Nikolai, published in the *Journal of the Moscow Patriarchate*:

Metropolitan Nikolai exerted great efforts for the development of relations between the Churches of the

Federal Republic of Germany and the Russian Orthodox Church, which was of special importance. The wounds of the war were still not healed. In the beginning of 1952, the Rev. Dr. Martin Niemoeller, President of the Evangelical Church of Hessen, Chairman of the Department of External Church Relations of the Evangelican Church in Germany, a prominent public figure and anti-fascist, came to the Soviet Union at the invitation of the DECR [Nikolai]. His meetings and discussions with His Holiness Patriarch Alexii and Metropolitan Nikolai laid the foundation of bilateral links. The visit also served to improve relations between the two countries. In June of 1954, a delegation of the Evangelical Church of Germany led by the President of the Synod Dr. Gustav Heinemann, paid a visit to the Soviet Union. This meeting marked the beginning of an active dialogue between the Russian Orthodox Church and the Protestant Churches of Western Europe, and led to the opening, in 1959 of the "Arnoldshain" theological conversations between representatives of the Russian Orthodox Church and the Evangelical Church in Germany. . . . In June of 1956 in Moscow, there were theological conversations between representatives of the Russian Orthodox Church and the Anglican Churches. The Anglican delegation was led by Dr. Michael Ramsey, Archbishop of York, and the Russian Orthodox delegations by Metropolitan Nikolai. In March 1956, a delegation of the National Council of the Churches of Christ in the U.S.A., led by its president Dr. Eugene K. Blake, paid a visit to the Russian Orthodox Church. It was received by His Holiness Patriarch Alexii and Metropolitan Nikolai. . . . During these visits, the two sides discussed theological questions and peace-making. (from JMP, 2, 1982).

During this period, Nikolai was also cultivating further relations with the Old Catholics in Holland and with various factions inside the Roman Catholic Church. Throughout this period until 1956, the Moscow Patriarchate, Nikolai and Alexii, were refusing to join the World Council of Churches, because the latter had been rejecting the Moscow-sponsored "peace movement" of the World Peace Council.

But in 1956, many important things occurred. First, there was the 20th Communist Party Congress of de-Stalinization fame. Then the emergence of systems-analysis in Soviet official thinking through the establishment of Institute of World Economy and International Relations (IMEMO) and other similar Soviet "think tanks." Then also the first rumblings of Lord Bertrand Russell's Committee for Nuclear Disarmament. The Pugwash Conference "back-channel" process was about to be launched. So, during 1956, Metropolitan Nikolai reopened correspondence with the World Council of Churches.

In 1958, the year of the First Pugwash Conference, "Metropolitan Nikolai, who led the delegation of the Russian Orthodox Church, met in Utrecht the delegation of the World Council of Churches led by Dr. Franklin Frey, Chairman of the Central Committee of the World Council of Churches, and Dr. W. A. Wisser't Hooft, WCC General Secretary. The meeting determined the subsequent entry of the Russian Orthodox Church into the World Council of Churches at its 3rd Assembly in 1961." (from *JMP*, 2, 1982).

When he died in 1961, Nikolai was an accomplished gamemaster in the grand Byzantine imperial style of church politics which he had so diligently studied during his precocious pre-revolutionary youth. He had the distinction of being the executor of the religious portion of Poland's division under the Hitler-Stalin Pact, in 1939, as well as the midwife, together with Martin Niemoeller, of the atrocious birth of the new Nazi-Communist movement of the 1980s under the aegis of the EKD, the Evangelical Church of Germany.

After his death, both the Patriarchate and the Department of External Church Relations remained firmly in the hands of the Solovyov-Dostoevsky theological tradition of the Petrograd/Leningrad Theological Academy. His old collaborator Alexii remained on the Patriarchal throne for another ten years. The post of the External Department was taken up by the flamboyant and charismatic young Metropolitan Nikodim of Leningrad, a protégé of both Alexii's and Nikolai's for years. Nikodim, a man of great flair, liked to drop about the rumor that he was a KGB General. He might well have been. However, for over 15 years until his death in 1978, wherever he operated around the world, in the various assemblies of the World Council of Churches, in the Russian mission in Jerusalem, at Mount Athos, in missions to Ethiopia, in peace conferences at Geneva, he always left the indelible impression of action from the vantage point of the thousand-year-old institutional memory of the Russian Orthodox Church. An Orthodox Church gamemaster in the style of Nikolai and Alexii, Metropolitan Nikodim had nothing to learn from the KGB.

Today, the External Relations post is held by Metropolitan Filaret (Vakhromeyev) of Minsk and Byelorussia, born in 1935, a 1961 graduate of the Moscow Theological Academy. He rose quickly to become rector of the Moscow Academy in 1966, one of the crop of new young Russian Orthodox leaders elevated alongside Alexii's chosen successor, the future Patriarch Pimen. Metropolitan Filaret coorganized the May 1982 Moscow conference where Pimen denounced beam weapons. He is the leading overseas activist of the Russian Orthodox Church/Moscow Patriarchate today: In 1981-83, his itinerary took him to the "Arnoldshain-IX" theological consultation with the Evangelical Church in West Germany, twice to Great Britain as guest of the Archbishop of Canterbury and the British Council of Churches, to France and Holland, with Patriarch Pimen to the United States and

to the United Nations in June 1982, to Switzerland for "ecumenical negotiations" with leaders of the Swiss Old Catholic Church.

Toward the millenary celebration of 1988

One ought to make a sharp distinction between two separate phenomena studied in this report. First is the epidemic spread of Russian Orthodox religious revival in the form of the mystical/military cult of St. Sergii of Radonezh, whose adherents number in the high scores of millions. Second is the emergence of the Russian Orthodox Church's hierarchy in position of high policy-making influence in cooperation with the Russian nationalist faction of the Soviet military leadership. The first phenomenon has its own reasons and its own history. In the long run, it is attributable to the inadequacy of the Marxist system of ideas and rationalizations to play the role of either a sustained motivating outlook of society, or a system of successfully administering a state. The accumulated frustrations, over decades, of the Soviet population, the evident large-scale bankruptcy of once-cherished public Marxian ideals, the epidemic spread of corruption in public life have driven an increasingly despairing and morally emptied-out population back to the certainty and warmth of true-and-tried sentiments associated with the religiosity of Holy Mother Rus.

The secure institutional position attained by the church during the 1939-45 period as a result of the strategy of Sergii, Alexii, and Nikolai was never really threatened during the four years of "Khrushchev persecutions." Later, in 1975, certain new drastic changes were made in the Soviet Law On Religious Associations which provided the free room for the subsequent epidemic spread of the fundamentalist revival. Of the 30-odd changes in this important law, three stand out as being of particular long-term significance: first, restoration of property rights to churches, or "freedom to acquire church utensils, cult objects, means of transport; rent, construct and purchase buildings for their needs in accordance with established procedure"; second, removal from local Soviet authorities of the right to close down churches or inhibit church activities; third, abandonment of the requirement that church members attending local, regional, and national religious conventions register their names with the central government.

These new liberties, together with the larger social and political forces at work and the successful long-term strategy of the church leadership in cooperation with the "Russian Party" in the military leadership, have created a massive and growing popular following for the cult of Holy Mother Rus within the Soviet Union.

With respect to the matter of the Russian Orthodox Church's dominant position in current policy making: The Moscow Patriarchate has displayed over the years an extremely sophisticated grasp of the strategic issues of the nuclear age. Nikolai's and Nikodim's careers are but a small piece of the evidence. The large piece, which also is the

crucial experimental evidence for our case, is their attitude toward President Reagan's offer for a laser-based anti-missile defense program. It is not accidental that Patriarch Pimen was the first to denounce the President's offer a full eight months before the President publicly announced it.

The implications of a laser-based technological breakthrough in general technological and industrial practice involve what amounts to the final destruction of the cultural matrix of Russian society based on the rejection of the *Filioque* or "dialectical materialism" (which is the same thing. The argument for this case has been amply demonstrated recently in the *EIR* and elsewhere in writings of Lyndon H. LaRouche, Jr. The relevant point is that of all the Russian political factions participating in the process of policy making, the Russian Orthodox Church has the greatest stake in this matter).

In the final analysis, the military leaders of the Soviet Union know that President Reagan's proposed policy makes sense from the standpoint of their national security. Economic policy makers and Marxist planners have been painfully aware for years now that their economy's basic problem is its systematic failure to technologically innovate on any meaningful scale. They know that U.S. society, despite its current problems, could easily lead a worldwide economic boom by assimilating in its civilian sector the technological spin-offs of the laser and high-energy-manipulation technologies associated with the anti-missile laser-beam effort. And they know that such a worldwide economic boom would pull up their own stagnant economy, even though it would leave it far behind in rank in relation to a thus-revitalized U.S. economy.

But such a development would kill once and for all the irrationalist, barbaric, "blood and soil" mentality of Holy Mother Russia. The uncivilized, Byzantine cultural matrix which for almost 1,000 years has been fostered and promoted by the Russian Orthodox Church would disintegrate. Hence, the ugly cult of St. Sergii of Radonezh, the cult of imperial state tyranny, the cult of the "Third and Final Rome," has been put forward. As the barbaric Korean Air Line massacre was meant to signal to the world, as *Literaturnaya Gazeta* published last August, the matter of laser-beam anti-missile weapons is a *casus belli*, an occasion for launching preemptive nuclear war as far as Moscow is concerned.

Nineteen-hundred eighty-eight will be the year in which the Moscow Patriarchate will celebrate the one thousandth anniversary of the Christianization of Russ. The Russian Orthodox Church hierarchy had intended, according to calculations based on their strategic build-up during the 1970s, that that year should be the year to mark Moscow's world-wide imperial hegemony, the "Third and Final Rome." The offer made by President Reagan is incompatible with this perspective. Therefore, it is on behalf of this Third Rome perspective that the current Soviet leadership is threatening to go to war.

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The new military posture of Moscow

by Criton Zoakos and Mark Burdman

The Soviet Union's public posture has undergone a dramatic qualitative transformation since the Sept. 1 KAL massacre in both international and domestic politics. The single most striking feature of this transformation is the catapulting of Russia's military chiefs into unprecedented public prominence.

The EIR's strategic analysis team has good reasons to argue that as of Sept. 1, 1983, the most important areas of Soviet decision making have been placed on military footing. In this sense, diplomatic and political events occurring in Europe, the Middle East, Africa, the Pacific rim, and elsewhere have a significance quite different than one might impute to them had they occurred in the pre-September 1 world political "geometry." Note that President Yuri Andropov has made no public appearance since that date. Also note that President Reagan's charges against the Soviet government respecting the KAL massacre were answered by Marshal Nikolai V. Ogarkov, Russia's chief of the General Staff, her senior uniformed soldier. Other senior military officers have been sharing the public limelight with Ogarkov, among them the Chief of Staff of the country's Air Defense organization, General S.F. Romanov, Ogarkov's own Deputy Chief of the General Staff Marshal Akhrameyev, and others.

Most alarming of all is the yet unverified but highly credible report that Army General Vladimir *Govorov* was included in the chain of command which ordered the shooting of the Korean Airliner. The significance of General Govorov confirming his order to shoot with Defense Minister Marshal Ustinov is the following: General Govorov heads up a very unusual military command: the Far Eastern Theater of Operations. This command structure is different than the Far Eastern Military District and the Transbaikal Military Dis-

trict, both of which are its subordinates. According to the Table of Organization of the Soviet Armed Forces, the "Military Districts" are the form of command structure applicable for peacetime operations. A parallel command structure exists, that of "Theaters of Operations," which replaces the "Military District" form of organization for wartime deployment. Military Districts and Theaters of Operations are not in any sense equivalent either geographically or in terms of assigned missions. Military Districts are geographical subdivisions of the territory of the U.S.S.R. The designated Theaters of Operations subdivide the entire surface of the planet, with the Commands of different Theaters of Operations assigned different geographic areas of responsibility. The Commands of these Theaters of Operations exist in passive operational form during peacetime. Active command responsibility is supposed to pass to them from the peacetime Military District commands only in time of war.

If the order to shoot the Korean airliner did not come from either the Commander of the Transbaikal Military District or from the Commander of the Far Eastern Military District but, as has been reported, from General Govorov of the Far Eastern Theater of Operations, we are obliged to conclude that some dramatic changes of command have taken place in the U.S.S.R. at the same time as the KAL Flight 007 was being coldbloodedly shot down.

As a result, experienced military observers and intelligence analysts around the world are studying Moscow's post-Sept. 1 moves from a military-strategic standpoint: If the Soviet Union deliberately used the KAL massacre in order to put itself on a military war-command basis and thus launch a countdown toward a thermonuclear strategic confrontation, then the question arises: where will the "other shoe" fall?

"What the Soviets are doing is reminiscent of the Nazis' 1938-39 irrationality," a British Conservative insider told EIR Sept. 14. "It is the policy of 'Schrecklichkeit', calculated insanity," he declared. A senior defense correspondent in Israel told EIR Sept. 13: "The Soviets have a new aggressive global posture, and this might soon affect us directly, in Lebanon. The feeling here, on the unofficial level, is that there was no mistake when the Soviets shot down that plane; it was done intentionally, from the top, in Moscow. They knew it wasn't a spy plane, they knew it was a passenger plane, and they didn't even try to force the plane down. For sure, there was no mistake. It signals that Soviet policy is becoming very aggressive against the West." An Egyptian official, commenting on the first-ever crackdown by Cairo authorities inside Egypt of a ring of terrorists of the Abu Nidal terrorist gang, told EIR the same day: "We know Abu Nidal is now in East Germany. This is all being run by the Soviets directly. It is part of a Soviet global plan to destabilize our country, part of the same plan which is now destroying Lebanon."

Flashpoints

As Lyndon LaRouche has stressed repeatedly since he first warned in April-May of this year that Moscow's strategy was defined by an irrationalist "Third Rome" imperial push, the Soviet leadership's fundamental strategy will be to launch new points of confrontation with the United States, up to the point of initiating an actual "Cuban Missile Crisis" showdown at some point in the near-term future, possibly triggering a thermonuclear world war in the process. The past months' Swedish sub affair, the deployment of Soviet Druze and Islamic-fundamentalist assets in Lebanon and Africa, and the Sept. 1-13 pattern of provocations in the Asian theatre have all been components of this strategy, with the KAL incident being the initiation-point into a vastly more dangerous strategic era.

Intelligence analysts at various monitoring points are on alert to anticipated Soviet moves in any or all of the following points over the next period:

- West Germany: A strategic provocation around West Berlin, or some major provocation launched in the direction of Munich or Hamburg, is considered "more than likely" over the concluding weeks of 1983. This would be linked to KGB deployment of the overtly terrorist wings of the "Greenie"-Peace Movement aimed against American military installations and other targets.
- Central Asia: The presence of upwards of 105,000 Soviet troops in Afghanistan represents the forward edge of a potential Soviet military thrust into Central Asia, including moves for the balkanization and disintegration of Pakistan and/or destabilization efforts in the Gulf oil-producing regions. The U.S.S.R. is in full operational coordination with the Switzerland-based Nazi International assets and with the British policy-making group around Lords Caradon and Carrington to create a crisis in Saudi Arabia, to interrupt the oil

flow into Western Europe and Japan. Soviet-backed efforts to block the Straits of Hormuz in the days or weeks immediately ahead are being viewed as increasingly likely in the post-Sept. 1 strategic context.

• The Far East: As an insightful commentary in France's Quotidien de Paris by commentator Beylau pointed out Sept. 13, the effect of Soviet actions around Kamchatka has been to propel Asia into the center of the world-strategic fight, potentially superseding Europe, the Middle East, Africa, and Latin America as the point where the Soviets will challenge America's global power position. Unconfirmed reports that the Soviets have installed SS-20 intermediate range ballistic missiles are one signpost to a new crisis on the Thai-Vietnam front, but other flashpoints may develop out of KGB-related efforts by the Society of Jesus and Libya's Colonel Qaddafi to support the destabilization of the Philippines, Indonesia, and other ASEAN countries. In anticipation of expanded Soviet regional moves, the Peking leaders are playing a delicate balancing act, opening channels to Moscow through the visit of Soviet envoy Kapitsa beginning Sept. 7, but also wooing the U.S.A. in the days leading up to the late-September visit to Peking by Secretary of Defense Caspar Weinberger.

In the Far East, the relatively strong historical commitment of the United States to development in the region, in comparison to the past 100 years' American policy toward other regions, might mitigate against Soviet destabilization and confrontation efforts, if the policy of President Reagan in his planned tour of Asia in November is vectored toward a strong technological, scientific and economic development policy.

• Africa: The failure of Paris and Washington to oppose the aggression of Colonel Qaddafi in Chad opens broader areas of Africa (Sudan, Cameroon, and others) to the challenge of the KGB's legions, *unless* the Sept. 12-16 visit by U.S. Vice President George Bush to Morocco, Algeria, and Tunisia signals the start of a new development-oriented American policy toward Africa. British sources are expecting a significant Soviet strategic move in southern Africa, most likely in Angola.

Lebanon and the Kissinger Problem

Of all the above options available to the Soviet Command, it appears that the Middle East region is the most tempting, especially in combination with a certain type of a "Berlin crisis." Note that all of Syria's Surface-to-Air Missile sites within Syria and Lebanon are hard-wired to be directly integrated into the PVO Strany (Air Defense) headquarters in Moscow. This transfer of command of Syrian Air Defense was carried out in late July during a visit of a large military delegation led by a senior Soviet military man to Damascus. The Soviets also have over 8,000 troops in Syria and a reported 500 uniformed personnel inside Lebanon. Soviet military presence in the region is complemented by several full-strength mobile armored divisions in Afghanistan, the Tran-

scaucasus and other borders with Iran. Thirdly, the Soviet military capability in the area is complemented by an impressive insurgency/destabilization capability now directly threatening Saudi Arabia, Egypt, Sudan and all the other Gulf countries. This complement includes, in the words of Lyndon H. LaRouche, Jr, "The most important single instrument behind the destruction of nations, the powerful Nazi International, centered in Switzerland around old Swiss Nazi bankers such as François Genoud of Lausanne. This Nazi International coordinates every known separatist movement—and associated terrorist gangs—known to this writer throughout the world, and is the leading, controlling agency behind 'Islamic fundamentalist' insurgency today." La-Rouche traced this network to the Nazis' RSHA and Abwehr "minorities division" intelligence services and, further back in time, to the "gnostic" cult operations of the type cultivated during the Byzantine Empire. This complement, as elaborated elsewhere, includes Qaddafi's terrorist teams, Ayatollah Khomeini's propaganda and combat units throughout the region, Abu Nidal's and others' terror networks, most of Lebanon's factious military gangs, and the Syrian Army under its present command.

This is the Soviet command's basic on-the-ground capability. It is further aided by a unique type of political backup, namely the political support given to the nation-busting efforts of Islamic fundamentalist insurgents from powerful factions in the West historically associated with the Bertrand Russell school of politics and currently identified with Henry Kissinger and Lord Carrington's influential circles. Incidentally, it is these Kissinger/Carrington circles in the West which now hysterically deny that anything at all changed in the U.S.S.R. since the KAL massacre.

American response?

Be that as it may, after President Reagan committed the United States to the preservation of the Lebanese nation-state and to firepower backup for the embattled national Lebanese Army, the Syrian government, at the prompting of Moscow, announced that such a U.S. policy would lead into a thermonuclear confrontation between the two superpowers: Syria's minister of state for foreign affairs Farouk Share said that a "military solution" by the United States in Lebanon would be "fraught with dangers and might go beyond the Middle East borders."

It may well be that the Soviet command is thinking along a confrontation scenario similar to the sequence: 1960—the crisis around the U-2 plane; 1961—Berlin Crisis; 1962—Cuba Missile Crisis. The alteration to this sequence might be a) a drastic condensation of the time-frame and b) the location for the actual thermonuclear confrontation to be not in Washington's but in Moscow's "backyard": the Middle East. Whatever the case may prove to be in future, one thing is certain: the KAL massacre is most certainly being used as the same kind of political pivot that the U-2 incident was for Khrushchev.

In the global context of President Reagan's maintaining a firm commitment to his March 23 policy of crash development of anti-ballistic missile systems in space to reinvigorate the U.S. military and technological capability, it may become increasingly possible for the United States to meet specific regional threats from the U.S.S.R. by a policy of support for sovereignty of nations and technology transfer to the developing sector.

It is noteworthy that the fighting in Lebanon tapered off during the Sept. 14-15 period, immediately following the President's statement, as U.S. Commander-in-Chief, authorizing U.S. Marine Commanders on the spot to use aircraft against invading Syrian-Druze forces when perceived necessary. Although the U.S.S.R.'s Tass news agency bellowed Sept. 13 that the United States was "preparing a new war in the Middle East" by "invading Lebanon," the firm commitment by the United States to deploy the close-to-14,000 Marines in the Lebanon war theatre to defend the sovereignty of the country may be forcing Moscow to think twice about pushing this situation too far too soon. The United States has also begun upgraded support for the Lebanese national army and air force, and on Sept. 15, the Lebanese Air Force was deployed for the first time over the strategically crucial town of Souk el-Gharb in the contested Chouf mountain region, as a warning to the Syrian-Druze-Iranian allied forces there that further provocations from them, toward attempted conquest of Lebanon's capital Beirut would be met with surgical strikes from the air against their artillery positions.

The biggest pogrom in history?

Sanity inside Lebanon will in large part depend on Israel disassociating itself from the policy course dictated by former Defense Minister Ariel Sharon and by his Mossad allies, and instead subordinating its regional strategy to an American-backed approach for defending the sovereignty and development of nations in that region.

Regional dynamics in and of themselves would not likely change Israeli policy. What might instead is the shifting perception of danger from the Soviet "Third Rome" imperialists in a *global* sense. It has not been unnoticed, for example, that, two weeks prior to the Sept. 1 Kamchatka incident, the Soviet military journal *Red Star* ran a diatribe against "international Jewish financial capital" as the "strike-force of American imperialism."

What has particularly struck Jewish-Zionist observers is not only this repetition of traditional "Black Hundreds" Russian 19th century anti-Semitism, but that the *Red Star* piece was the sounding-board for a gratuitous violent attack on the World Jewish Congress, founded by the late Nahum Goldmann and headed by magnate Edgar Bronfman. Since Bronfman has been the conduit for numerous western factions to arrange contacts and deals with Moscow, this attack signals that many of the bets of the past are off. The thought occurring to some astute individuals in Israel is that the Russians may be preparing the greatest anti-Jewish pogrom in history.

'Nevertheless, Marshal Ogarkov. . .'

by Lyndon H. LaRouche, Jr.

The following are the observations of Lyndon H. LaRouche, Jr. on the prepared announcement delivered to a Moscow conference on Sept. 9 by the Soviet Chief of Staff, Marshal Nikolai Ogarkov.

General Ogarkov's insistence that there was a cloud-cover

over the sea and land traversed by Korean Airlines Flight Seven, and his report that Soviet stations had been monitoring that airliner's radio transmissions, does not improve the Soviet Union's moral position in this affair, but makes it profoundly worse.

Shortly before the Soviet pilot butchered 269 civilian

'Sacrificing life for the motherland'

Marshal Nikolai Ogarkov, Soviet Armed Forces Chief of Staff, appeared for the first time ever at a Moscow press conference on Sept. 9, to give a formal-legal justification for killing 269 civilians on Korean Air Lines Flight 7. With maps, he illustrated the claim that the plane was on a spy mission coordinated with U.S. military intelligence. Ogarkov even lied on matters of detail, saying for instance that a Soviet fighter pilot, who was taped talking about the flashing navigation lights on the KAL jetliner he was about to shoot down, really meant lights on another Russian plane—never mind the fact that the taped flier refers to the lights "of the target"!

It can happen again, Foreign Minister Andrei Gromyko said earlier in the week, when he warned that other planes flying in Soviet airspace would get the same treatment: "No matter who resorts to provocations of that kind, he should know that he will bear the full brunt of responsibility for it." Ogarkov ominously praised the Air Defense fighter pilots who did the deed: "They have been discharging their duties with honor, and in the future, if need be, they will also perform their combat tasks."

Inside the U.S.S.R., the release of the official government story of KAL 7 and its endorsement by Ogarkov were the signal for a wave of propaganda aimed to psychologically condition the population for war. The press and broadcast media produced flocks of "aviation experts" to bolster Ogarkov's account. Special brainwashing is

designed for soldiers, whose special radio station is lately talking about "sacrificing life for the motherland, to fight the coming Third World War, should the imperialists force it on us." The weekly Literaturnaya Gazeta on Sept. 7 glorified Soviet Air Defense pilots as practically mythic heroes who defend the Motherland when they "turn the target into a flying explosion." In language characteristic of deepest, primitive Russian chauvinism, Literaturnaya Gazeta's A. Prokhanov, already known for calling an intercontinental ballistic missile "alive" and "a symbol of supreme spiritual flight, as Ivan the Great's church steeple was for our (15th century) ancestors," drew his own paranoid mental map, describing a visit to a ground command station in the far north: "I sit at the command point. I feel ... the global military confrontation gripping the whole earth today. . . . I feel the NATO . . . bombers, taking aim at our cities and villages . . . aircraft carriers, ready to move to our waters and attack those targets in the North Russian plain, by the naming of which your terrified and tormented heart gets ready to put itself under attack, to shield these sacred things."

Prokhanov glorified the Air Defense pilots, who think: "In front of you is the enemy, . . . behind you is the fatherland and its cities. And you are the only one who has the power to save them. This truth is present in the blue eyes of the major. . . . He feels his machine, his terrible-beautiful fighter, like a living being. Her smooth, heavy flight. Her capability for turning and gliding. Her 'corporeal' and 'spiritual' qualities. . . . Seizing the target in his radar sight, he speaks to her, as to a living being: 'Now come on, do your best, my friend. Come on, don't let me down, my dear.' And the 'dear' lets out the missile in front, and turns the target into a flying explosion."

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airline passengers, the airliner had broadcast its reported position to Japan air-control. The pilot's report reversed the numbers for the plane's approximate latitude and longitude, and reported a position which would have placed the airliner on its proper course, well out of Soviet airspace. If the statement made by General Ogarkov is accurate in reporting Soviet monitoring of the plane's transmissions, then the Soviet command has a copy of the airliner's broadcast of its position.

If there was a cloud-cover over Sakhalin, as the General's statement also asserts, then the evidence is that the pilot probably never knew he was over Soviet airspace. In that case, the shooting-down of a pilot leaving the vicinity of Soviet airspace was the murder of innocents.

Furthermore, if the airliner pilot had believed his navigational instruments, he would have been obliged to disregard any Soviet instructions radioed or signaled to him.

In this case, there was no willful violation of Soviet airspace by the airliner, but only a case for suspicion of some tampering with the airliner's navigational computer, perhaps at Anchorage, Alaska.

Nevertheless, all such considerations put to one side, the essential fact remains that the Soviet command shot down a civilian airliner when it might have averted such a tragedy by contacting Washington during the period of more than two hours the airliner is indicated to have been under Soviet observation.

'For the sake of argument. . .'

For the sake of argument, assume the worst, that some non-Soviet agency was more or less willfully tempting the Soviet command to shoot down the airliner, without the pilot's knowledge of this circumstance. Does that justify the Soviet command's shooting down the airliner? Would the Soviet command argue that the United States, for example, willfully put the baby in the cage with a hungry cannibal? Would the Soviet command insist that it is such a hungry cannibal? Would the Soviet command argue that the bureaucratic paperwork of standing policy commands it to behave as a hungry cannibal?

If we grant every argument of General Ogarkov's statement, the General is insisting that it is Soviet policy to behave like a pack of ravenous cannibals in such matters.

We do not argue that Soviet airspace is not inviolable by international law. Also, U.S. airspace is similarly inviolable, a fact which seems to be overlooked many times a year by the Soviet command. The Soviet command asserts it has a right to shoot down civilian airliners if it chooses to do so under similar circumstances. On the contrary, every civilized nation has the moral obligation to do everything possible to avoid shooting down a civilian airliner. It is the uncivilized character of Soviet legalistic self-righteousness in the matter which is approximately as horrifying, perhaps more horrifying than the act of shooting down the airliner itself. The Soviet Union might have at least telephoned the White House—it had a span of almost two hours to do so, and did

not.

This is the point which the Soviet command stubbornly overlooks, that it is its assertion of such standing orders which is horrifyingly immoral.

The underlying issue of policy in this case is Soviet imperviousness to the most essential principles of Judeo-Christian civilization, an indifference to Judeo-Christian morality as monstrous to us as the immorality of certain Swiss bankers who care not how many nations die as long as their usury is collected on time. Like certain currents of the Russian Old Believers and kindred spirits within the Russian Orthodox Church, or the monstrous religious beliefs of Ayatollah Khomeini, the Soviet arguments of policy in the matter of the airliner incident echo a hideous sort of pagan theology: that the Creator is not a creature of lawful reason, but of arbitrary will. The Soviet Union does not locate its sovereignty under the governance of any principles of moral law, but interprets sovereignty as a mere secretion of the arbitrary will of the Soviet people. The arbitrary will of that people, deemed secreted in the persons of leading Soviet bodies, is apotheosized as God.

A higher law

The existence of civilized behavior among nations depends upon agreement to the principle that there exists a higher body of knowable law which is the same for all peoples, and that nations and individual persons may seek to compose their differences in policy by submitting their wills to a search into that higher body of law they pledge themselves to seek in common.

One needs no Bible to know that such a higher law exists. As the great Indian patriot Bal Gangadhar Tilak emphasized, many thousands of years ago, in part of what is now the Soviet Union, there existed a pre-Vedic and Vedic people with a precise knowledge of astronomy which is awesome for us to discover existed at such an ancient time. Look to the stars, as did Johannes Kepler, and see that universal law rules us all. As we are able to follow Kepler in discovering the laws of astronomy, so we are able to adduce through our powers of reason other aspects of universal law.

No people has a sovereign right to impose any condition on the peoples of this planet merely because that people chooses to will such a condition to be brought about. It is the worst barbarism to argue the contrary; to argue on premises of the mere will of one people is the essential distinction of uncivilized beast-man.

That which distinguishes civilized man from the brutes is perception of the essential distinction between men and those mere cattle we rightly slaughter at the pleasure of self-interested policy. The evidence of that distinction abounds for all to see who are capable of becoming civilized.

Before man's discovery of technology, man existed much like a beast. An average of between 10 and 15 square kilometers of land-area were needed to sustain a human individual. The human population could never have exceeded much more than 10 millions individuals, with life-expectancy less than 20 years of age; tribes of brutish children in the main, whole tribes easily extinguished by unfortunate circumstances.

Today, through the benefits of technological advances, there are approximately 4.5 billions persons estimated. With technologies now within reach, this planet could sustain tens of billions of persons, at a higher standard of living for each than prevailed in the United States during the early 1970s. Man has demonstrated his potential to increase his mastery of this planet, of nature, more than a thousandfold. No beast could willfully increase its power over nature by even tenfold.

This manifest power of man to discover ever more perfectly the lawful composition produced by the Creator, reflects a quality in the person we associate with the divine. Man is capable of assimilating the Creator's lawful will into his own will, and to become thus a more perfect instrument of the work of the Creator.

Is this theology? Perhaps. It is also science. The stones and the heavens cry these truths out to all persons and nations capable of becoming civilized.

The law of sovereignty

It is not sufficient to know the lawful composition of this universe. It is necessary that one desire to act in conformity with that law. Since we each must die, what is truly our self-interest is to contribute something to perfection of knowledge and use of that law which shall be beneficial to those who come after us. We desire that those who come after us be of a condition fit to assimilate that law and to perfect its knowledge further. Thus, love for humanity on that account is the necessary quality of civilized humanity, without which mere formal knowledge of the law is morally sterile.

To love the law and to love the imparting of the benefits of knowledge of the law to others is the essence of human virtue, the essence of civilization. I can kill in war, but I can never crush the life of a helpless person within my power. That is the law which separates men from brutish half-men. It is to the degree that nations submit to that law that nations have rights of sovereignty under law. Otherwise, the profession of sovereignty is an immoral abomination.

The law of sovereignty took first civilized form through the work of chiefly Cardinal Nicholas of Cusa, beginning with his *Concordantia Catholica*. That doctrine of natural law as elaborated in exemplary form by Cusa is the essence of the Golden Renaissance which perfected Dante Alighieri's earlier designs, to cause the establishment of the first modern form of sovereign nation-state under King Louis XI of France. There were no sovereign nation-states in the proper legal sense prior to Cusa's doctrine. That, for the enlightenment of the Soviet command, is an historic fact. Either they accept that historic fact, or their arguments concerning sovereignty have no proper legal basis, but are merely some paganist concoction left over from the mud of barbarism.

The principle of sovereignty, whose authority is derived from the 15th-century creation of the natural law pertaining

to the nation-state form, cannot defy the body of law upon which the very existence of legal sovereignty depends. That was a point of law implicit in the code which Justice Robert Jackson elaborated for the Nuremberg Trials. It was the Nazis who asserted that the law of the sovereign state was derived from the premises of Holy Blood and Sacred Soil of some particular people, and at the close of the war, the Soviet Union joined in denouncing that principle of Holy Blood and Sacred Soil as a brutish abomination.

Soviet anti-Semitism

I can not separate my view of the Soviet Union's legalism respecting the airliner's destruction from the upsurge of a variety of official anti-Semitism in Soviet publications comparable to the worst seen in Czarist days of the pogroms and Okhrana.

It is true, of course, that being of Jewish parentage is not an absolute guarantee one will never become a gangster. It is also true that terrified people living under Nazi persecution, sometimes find elegance of moral judgment a luxury beyond their means. There is also the worst feature of Zionist practice, which springs chiefly from the Russian traditions of blood and soil taught to the Jewish victims of the Russian Empire's culture. If Soviet officials wish to complain against Zionism, let them cease discriminating, and denounce all those who premise doctrines of sovereignty on distinctions of Holy Blood and Sacred Soil.

The point is that the official Soviet anti-Semites do not limit themselves to complaining of crimes which happen to have been perpetrated by persons of Jewish parentage in some cases. They exploit such particular instances to foment hatred against Jews as Jews. This is racism! It is barbarism! It erupts in the same framework as the brutishness of the shooting-down of the airliner. It stinks of Fyodor Dostoevsky's literary confessions, the Dostoevsky on which Moeller van der Bruck based his doctrine of the Nazis' Third Reich! The same old crap starts again!

Naturally, the Soviets have no monopoly on production of barbaric doctrines. The United States itself has not fallen so far behind in its national productivity that we do not produce an adequate supply of the worst scoundrels on Earth. There is no nation so impoverished that it falls much behind on this point of national pride. The problem is, that whereas President Reagan, on March 23, 1983, offered the Soviet Union a negotiating basis for durable peace, the Soviet leadership, informed by the barbaric misconception of its sovereign will to which I have referred here, is running pell-mell toward early thermonuclear confrontation, and probably thermonuclear war. What has been pouring out of the Soviet Union since approximately March 23, 1983, is not offers to negotiate war-avoidance, but a whipping up of the world and its own population at home, for imminent nuclear warfare.

That, not the violation of Soviet airspace, is the only important implication of continuing Soviet efforts to justify the massacre of unwitting civilians.

Mexico: PAN scrambles to dodge charges

by Timothy Rush

The U.S. State Department, the FBI, and a fascist client party in Mexico, the National Action Party (PAN), are involved in increasingly desperate and contorted efforts to stop further investigation of their clandestine collaboration in manipulating Mexican internal electoral affairs.

This publication first revealed the existence of secret collaboration in August, 1982, and subsequent events proved that the link was even deeper and more sensitive than originally thought.

The collaboration issue became a major factor in the PAN's stunning loss to the ruling PRI party in Baja California Norte elections held on Sept. 4, especially after a U.S. group, the National Democratic Policy Committee of Lyndon La-Rouche, publicly called upon the Kissinger circles in the State Department and FBI to cease their intervention in a sovereign, neighbor country.

The PAN reacted with a series of incoherent falsehoods about LaRouche (see box) and the co-thinker political party in Mexico, the Mexican Labor Party (PLM). The neo-Nazi mental map of the PAN leadership was dramatically confirmed when top PAN ideologue José Angel Conchello, confronted by PLM organizers with his support for Hitler's slave labor projects, snarled that he would get LaRouche, "that filthy Jew from Philadelphia" (LaRouche is neither Jewish nor from Philadelphia).

This is the same mental need to label any enemy "Jewish" which erupted in one of the PAN's most influential defenders in the press, José Pérez Stuart of *Excélsior*, in regard to LaRouche-linked groups a year ago. At that time Pérez Stuart, a veteran of one of Mexico's most hard-core neo-Nazi gangs, the MURO, assailed the Mexican Labor Party as a central piece of "the Zionist apparatus" in the country. On Sept. 11, the ex-stormtrooper returned to the fray to charge that the PAN had lost the elections in Baja California due to groups "inspired by a type of Charles Manson who goes by the name Lyndon H. LaRouche."

The U.S. embassy, meanwhile, described the NDPC charges as "absurd" and "ridiculous in the extreme" in a widely-distributed release Sept. 8. Continuing a history of malicious and often illegal characterization of LaRouche and his activities going back more than three years, the embassy's public relations office, tied to the Kissinger stronghold, the U.S. Information Agency, stated that the NDPC "has been incorrectly identified as a branch of the Democratic Party. That is not the case; it concerns an independent organiza-

tion." The NDPC is the fastest growing political action committee in the Democratic Party, backing over 300 local candidacies across the United States and with over 20,000 members.

The PAN's KGB friends

The PAN's increasingly overt Nazi face is only half of what will trouble saner heads in Washington. Equally shocking—though not properly surprising, given the close connections of the Nazi International and the KGB in Qaddafi's Libya and in Lebanon—is that the only identifiable cheering gallery for the PAN, as its deep involvement with the Kissinger forces of the State Department has surfaced, is an amalgam of KGB assets in the Unified Socialist Party of Mexico (PSUM); the terrorist-tinged Fourth International (Trotskyist) grouplet, the Mexican Revolutionary Party (PRT); the "left," Jesuit-controlled press such as *Uno Mas Uno* and *Proceso*; and Jesuit-linked cohorts of Mexican Education Minister Jesús Reyes Heroles (See *Documentation*).

There is an additional irony for any Reagan administration forces who have credulously circulated the Kissinger lines that the PAN is "just another Republican Party like in the Unites States" and that "all that's involved is the creation of a two-party system"—the PAN's core ideology is virulently anti-American.

This embedded outlook has been forced to the surface by the insistence of both the PLM and the NDPC that now is the time to revive the collaboration between the two nations that characterized the high point of republican solidarity—the alliance between Mexico's Benito Juárez and the United States' Abraham Lincoln in the 1860s, when each faced the greatest peril to his nation's existence (Lincoln from the British-instigated secession of the South, Juárez from the Anglo-French sponsorship of a Hapsburg "emperor" in Mexico, Maximilian).

The Mexican daily *Ovaciones*, in an editorial Sept. 13 defending the PAN, went so far as to dismiss the Hapsburg invasion of Mexico as that "always controversial adventure of the past century," and those traitors inside Mexico who collaborated with the invaders, as patriotic Mexicans who merely "felt the Yankee danger."

The forces which have scrambled to defend the PAN from charges of collaboration with Kissinger networks in the State Department and to assert that the PAN was the subject of PRI

"dirty tricks" in the Baja California elections, are all from the "left."

- "The resources of the PAN are definitively from inside the country, not from abroad."— Jaime Trejo, spokesman of the Unified Socialist Party of Mexico (PSUM). Ovaciones, Sept. 8
- "Absurd charges. . . . I will not say more because I don't want to give any credibility to someone whose Mexican satellites are mercenaries. . . "—Antonio Gershenson, PSUM congressional deputy. Ovaciones, Sept. 8.
- "The NDPC, the agency through which the economic resources to the white-and-blue party [PAN] would be provided [sic], 'has been mistakenly identified as a branch of the Democratic Party'."—*Proceso* magazine, Sept. 12, turning the NDPC charges inside out to protect the PAN. *Proceso* is edited by "left" Jesuit asset Julio Scherer Garcia.
- "The agency making the charges is headed by an individual called Lyndon LaRouche, instigator of a small but active group of youngsters, all identical, called the Mexican Liberal Party [sic]. This makes the charge, true or false, an unacceptable intervention itself."—Punto, a rag published by dissident "left" journalists, Sept. 12.
- "If electoral campaigns are going to take the same tone as that of Baja California's, rough times are ahead."—Rafael Segovia, close collaborator of Education Minister Reyes Heroles, professor at Colegio de Mexico, Sept. 8.

On Sept. 9, the advisory board chairman of the NDPC, Lyndon LaRouche, responded to PAN charges that he had "interfered" in Mexican affairs with NDPC demands that the State Department and FBI cease covert aid to the PAN. Excepts follow:

Representatives of the PAN have charged falsely that I am "an American millionaire" meddling improperly in the internal affairs of Mexico.

As many in Mexico know, my technical assistance is available to all patriotic parties of Mexico, and to the institutions of government of the Republic. It is true that members of the Mexican Labor Party (PLM) have a special relationship to me through our common membership in an international association modeled upon Plato's, Leibniz's, and Dr. Benjamin Franklin's specifications for an academy, but I have no organizational or financial connection to the PLM itself. In matters bearing upon the affairs of the Republic of Mexico, I deal directly with the governing party and proper channels of government.

However, if any agency attempts to subvert the Mexican constitution from outside, my anger is aroused, and I will act promptly and vigorously to defend Mexico against such interference. The 1823 Monroe Doctrine, as drafted and explicated by then-Secretary of State John Quincy Adams, defines it to be the interest of the United States to defend the sovereignties of the republics of the Americas against foreign interference. . . . This is my policy. . . .

The Republic of Mexico is presently in danger, with certain subversive forces operating within Mexico steered from insidious circles in Western Europe and other locations. Foreign missionaries, anthropologists, sociologists, and institutions affiliated with the Switzerland-based Nazi International are among those prominently complicit. . . . Even some men of good will in and around the government of the United States have a misapprehension of the scope and impact of what they see as "pressure" upon the government of Mexico, and appear in my best judgment blind to the true intent of some of the private and other agencies engaged in what are mistakenly viewed as merely "political pressure" tactics. I fight for Mexico's sovereignty and security in Washington, D.C. and elsewhere.

As for my rumored "millions," this is a myth concocted by a hired propagandist for the interntional drug-lobby, Dennis King, who during a period in 1979 was associated with an attorney not unknown to Acapulco, Roy M. Cohn. From such quarters one does not expect accuracy. . . .

I have received no income for years, and have no personal possessions but some clothing and so forth, and a dog given to me by my wife. Except when residing with my wife in Europe, I move from one hotel and safe-house to another, as assigned to me by my organization. The largest item of expense incurred on my account by my organization is a large security-disbursement, a disbursement made necessary by my would-be assassins, assassins steered chiefly by some of the same circles presently targeting Mexico for destabilization. I am rich only in my marriage, my friends, and my work, and wise enough at the age of 61 years to desire nothing more.

Viva Mexico!

PAN reactions to LaRouche

The PAN's characterizations of Lyndon LaRouche, advisory board chairman of the National Democratic Policy Committee, have so far yielded the following extraordinary diversity:

- "We'll get that filthy Jew from Philadelphia."— José Angel Conchello, former PAN president, in Mexicali, Baja California Norte, Aug. 19.
- "... a multimillionaire gringo..."—Gerardo Medino, PAN congressional floorleader, on the floor of the Mexican congress, Sept. 7.
- "... one who aspires to become the first socialist president of the United States."—Abel Vicencio Tovar, president of the PAN. *El Heraldo*, Sept. 8.
- "Lyndon LaRouche, a former director of the Central Intelligence Agency. . . ."—PAN congressional deputy Altamirano Dimas. *El Heraldo*, Sept. 13.

Lyndon LaRouche rejects certain U.S. officials' statements on Mexico

The PAN and its KGB-linked left support apparatus has attempted to distort the NDPC's very specific charges regarding intervention of Kissinger circles in the State Department and the FBI into Mexico. Some PAN supporters have substituted "Reagan Administration" for "State Department operatives," and attempted to portray LaRouche's statements as a partisan Democratic move to embarrass a Republican administration in Washington.

In a parallel effort to befuddle public opinion, PAN deputy and former presidential candidate, José González Torres, charged on the floor of the Mexican congress the first week of September that the crushing of the PAN in Baja California meant that Mexico had "gone socialist" and "moved dangerously into the Soviet orbit." He was not original: the Kissinger-linked circles in Washington who are floating the fable that the PAN is just the "Republican Party of Mexico" have also been pumping the lie that "Mexico has gone communist" into channels leading to the White House. Radio Free Europe directed James Buckley recently authorized a commentary calling Mexico communist. A particularly offending source of the lie is Daniel James, a "journalist" of 25-years' experience as an intelligence operative in Mexico, who was a featured speaker at a Houston closed-door planning session on Mexico sponsored by Kissinger in early June.

In a release Sept. 12, LaRouche highlighted the serious consequences of this misinformation supplied the White House, in terms both of Mexican and broader Central American policy.

"Daniel James and James Buckley are guilty of lying to President Ronald Reagan and other U.S. influentials by spreading the big lie that 'Mexico is already a communist state,' and others have circulated as fact wild, irresponsible and empty gossip alleging that the problems of Mexico are financial corruption by former Presidents.

"It has also been attributed to U.S. official sources that Mr. Will Wertz [NDPC West Coast Coordinator] erred in reporting official U.S. financial contributions to the PAN. What Mr. Wertz stated on this point is the fact that there is relatively massive financial support for the cause of the PAN from fundamentalist, organized-crime, and other private cir-

cles in the U.S.A. He also said, when asked if there was official funding of the PAN by the United States, that he knew of no official funding, but could not of course rule it out.

"To my knowledge, U.S. policy toward Mexico has two tracks. What is probably known to President Reagan is that his government has a policy of pressuring Mexico to submit to IMF conditionalities. I doubt most strongly that the President has been informed that certain elements of the U.S. government are supporting a civil war in the Republic of Mexico. I have asked about this matter repeatedly in Washington, and it is my judgment that this is the true state of affairs. I also believe that if the President knew the full truth of the situation, he would become very angry at those abusing his trust to the point of consciously supporting an attempted destruction of the political integrity of Mexico.

"The problem is this. As I first warned on a nationwide U.S. television broadcast of November 1976, there are circles including the influential George Ball and William Paddock who are on public record with voluntary statements insisting that they are committed to reducing the population of Mexico to as low as 30 millions by the end of the present century. These circles have introduced this malthusian policy of genocide against Mexico and other nations into U.S. State Department policy since approximately 1966-1967, as State Department 'population policy,' and in such forms of policy statements as the Global 2000 and Global Futures reports produced and issued by the Carter Administration.

"President Reagan and many of his immediate circle are devout Christians who reject such immoral malthusian policies, and are not properly informed that certain elements of their own government are conspiring to conduct policies contrary to the President's most deep-felt moral commitments. Any personality with experience in the operation of the complex apparatus of modern national government is fully aware how such sly evasion of the moral commitments of a head of state are accomplished in many governments to greater or lesser degree.

"Therefore, I have no difficulty in giving my support to my President as morally the best President we have enjoyed in a long time. Since he is a moral person, he will come to recognize that my policy toward the Republic of Mexico is that truly in the best interests of both the United States as a nation and his administration, too. Nor, have I ever made my commitments to the welfare and sovereignty of Mexico a secret around Washington.

"Gentlemen such as George Ball, Henry Kissinger, and Lane Kirkland, are a different matter, as are the policies of Kissinger's former mentor and present business-partner, Lord Peter Carrington of Britain. I regard their policies toward Ibero-America in general, as downright evil, as well as their duplicitous behavior toward the President in other areas of policy-shaping.

"The strains which have arisen between the governments of the United States and Mexico are chiefly the outcome of massive and sustained lies circulated against Mexico, and about the situation in Central America, among influential circles in the United States. The lie that 'Mexico is already a communist state,' is one calculated to inflame misinformed official Washington.

"The lie is circulated, for example, that the flow of arms to the insurgencies in Central America is condoned by the government of Mexico. This false information is circulated around Washington by some of the same Israeli and other gun-dealers who are selling weapons at as high as \$300 a rifle above U.S. price to both sides in the Central American bloodletting. It is true that there are certain gentlemen of Middle Eastern and U.S.A. connections, not only Israeli connections, engaged in this traffic, using certain offices in Mexico for some of the negotiations. The Mexican government has complained of this as loudly as it dared, in face of threatening rebukes to Mexico for mentioning such arrangements.

"The principal basis for the charge that 'Mexico is already communist' came from certain U.S. financial speculators who were enraged when actions of former President López Portillo, in imposing exchange-controls, caught these fellows with some of their lucrative deals of looting Mexico in mid-stream. To these speculative vultures a 'communist' is anyone who interferes in the success of their business-deals, no matter how immoral and contrary to U.S. vital interests those profiteering ventures might be. There are also certain U.S.-based banks, who care nothing for vital U.S. strategic interest in preserving the internal political and economic strength of this hemisphere, who confuse 'U.S. vital interests' with their own vulture-like lust for looting every economy of Ibero-America to a point of economic collapse.

"I say to Daniel James and James Buckley: 'To say that Mexico is a communist state is not only a lie, which you ought to know to be a lie, but it is a very dangerous lie. What would you gentlemen propose to do by aid of spreading these falsehoods? Would you have the United States bury every soldier and marine of the U.S. forces in a Thirty Years War throughout all of Ibero-America, while the world is collapsing enough already in the Middle East and Africa today, and

perhaps the Pacific and Indian Oceans' basins tomorrow? This hemisphere must become united and economically and politically strong. If the destabilization of Mexico proceeds, what will spread through South America will be a holocaust, such that we can all kiss the United States good-bye as well.'

"We, of the republics of this hemisphere, are brothers and sisters, with a common cultural and moral heritage based on the best fruits of Western European civilization. We share the common heritage of Leibniz, of Dr. Benjamin Franklin and his allies from the court of Spain's Charles III, from the common heritage of the Marquis de Lafayette's work as well as the work of Alexander von Humboldt. We are the colonies created out of the best of old Europe, colonies created in this hemisphere to become true republics, taking the best of old Europe and hopefully leaving the worst behind.

"There are many good peoples and nations in this world, but the affinity among the republicans of this hemisphere is of a special quality, a special intimacy in common roots and common purpose. We must at last fulfill the dream of the ideas of 1776 and 1789, the dream of U.S. Secretary of State John Quincy Adams for a community of principle among the republics of this hemisphere. We must unite, in an hour when all civilization is immediately in peril, not to unite against the other nations and peoples of the world, but to make our unity a beacon of hope for them all, a force for great good throughout this planet.

"Let us rise above the petty passions of the moment. Let us reflect on the fact that we are each mortal, and that all those pleasures of the flesh, all delights of the Seven Deadly Sins, are buried with us in our graves. Let us unite for that higher pleasure which is our joy at employing our brief mortal lives to create something of enduring benefit to the generations of humanity which come after us. Let each nation adopt for itself its proper part in serving that higher purpose for all humanity, and let each person within the nation rejoice that his contribution to the work of his nation is therefore of universal service for all humanity to come.

"It is we, whose cultural heritage is that of St. Augustine, of Cardinal Nicholas of Cusa's leadership of the Golden Renaissance, and of the mobilization of the republicans of the Old and New World under Franklin, who are richest in the capacity to grasp and act upon this higher principle among the nations of the world. Let us unite at last, as brothers and sisters dedicated to a common good. Let us clean from our places of policy-making those lustful hedonists of Dante's 'Inferno,' the traitors, the liars, the hypocrites, the looting thieves, who place their own lusts above the interests of nations and humanity as a whole.

"In the names of Lincoln and Juárez, let our republics become truly united at last. Let not the great work of centuries, the dedication and blood of republican patriots of the centuries of this hemisphere's development, be wasted for the sake of a handful of too-powerful bunglers and the lusts of evil conspirators."

The Soviets violated treaties to ready nuclear weapons in space

by Marsha Freeman

The Soviet Union—the only nation in the world that has destroyed satellites in space and has developed the capability to orbit nuclear bombs—has violated every treaty it has signed banning weapons in space. The current imbalance in space weapons capabilities between the two superpowers is due to the fact that the United States has observed these treaties, including the Atmospheric Test Ban Treaty and the Outer Space Treaty.

For the past two years, the Soviets have been trying to persuade the United States, through the United Nations, to agree to a ban on the deployment of anti-satellite (ASAT) weapons in space. The Soviets, who have already tested such devices on orbit, have no further need for testing. They are capable of deploying these ASATS at the point of war without U.S. knowledge, or they could keep the ASAT's in harmless Earth orbit until needed, without anyone knowing of their existence.

It is highly unlikely that the current U.S. administration would agree to such an ASAT treaty. First, the United States has not yet tested an ASAT, while the Soviets have, and, in addition, the Soviets have insisted that the treaty include a halt to Space Shuttle flights, because, they claim, the Shuttle could be used as an anti-satellite weapon.

In the current strategic situation, it is important that the U.S. population is aware of the Soviet's current space-weapons capabilities.

Orbiting nuclear bombs

On Sept. 17, 1966, the Soviets began conducting a series of tests with their generic Cosmos satellites—tests which had "odd trajectories." Instead of going into Earth orbit, these vehicles arced up far above the altitude considered normal for reconnaisance satellites, and then fell back to Earth without completing a full circuit of the globe.

In November of that year, Defense Secretary Robert McNamara hastily called a press conference to reveal that the

Soviets were testing what the United States called a Fractional Orbital Bombardment Systems, or FOBS—fractional, because it completed only part of an Earth orbit.

The FOBS system, McNamara stated, was designed to drop a nuclear bomb on a target from outer space within a fraction of an orbit. The Soviet test vehicles soared to an altitude of 1,120 kilometers and traveled about a fourth the way around the globe before falling on a simulated target. Military experts agreed that the goal of FOBS was to circumvent America's first line of defense against ICBM attack, the Distant Early Warning system of radars, or DEW line.

The DEW line, whose radars are pointed north along the horizon, was designed to spot Soviet missiles coming over the North Polar ice cap at an altitude of about 140 kilometers, giving the United States about 15 minutes notice before any bombs struck. However, if the Soviets could lob a missile toward the United States over the South Pole rather than the North, and at an altitude as high as the Soviet test vehicles had been observed to orbit, the U.S. early warning system would be rendered virtually useless.

The best that the DEW line would do, would be to detect the FOBS when it was about 700 kilometers away, giving only a three-minute warning before the warhead went off.

In his discussion of FOBS in the 1982 book, Space War, David Ritchie states that "McNamara suggested [at his press conference] that FOBS was designed mainly for use against relatively 'soft' targets such as the Strategic Air Command bases." James Oberg, a U.S. expert on Soviet space cabilities, has suggested that the target could have been the DEW line or other anti-missile early warning radars themselves.

The Soviets tested the FOBS system until 1971. It is likely that, since by that time the United States had developed reconnaisance satellites that could detect a Soviet lift-off, the FOBS system had no great advantage as an offensive ICBM capability. Infrared sensors would tell the U.S. command that a volley of rockets had lifted off, and since the great

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circle route over the North Pole is the shortest Soviet-U.S. route, the more lengthy FOBS trip would be of no advantage.

It is the case, however, that were the Soviets intent upon a first or preemptive nuclear strike, the FOBS surprise attack on any U.S. anti-missile radars could be effective. The U.S. military would not know whether a nuclear-armed device had been launched. Though there have been no recent FOBS tests, the Soviets hold this frightening capability in their space-nuclear arsenal.

Could it be that while observing the tests, the United States misjudged Soviet "intention"? In his book Soviet Space Exploration: The First Decade, noted space expert William Shelton quotes amply from Soviet military sources on their plans for offensive space weapons.

Shelton quotes a 1965 speech by Soviet Col.-Gen. V.P. Tolbubko stating, "Powerful missiles are being created that can ensure delivery to the target of nuclear warheads both on ballistic and orbital trajectories and that are capable of maneuvering within that trajectory." Since 1963, the Soviets had developed satellites with very high maneuverability on orbit.

In 1966, the U.S. military became increasingly concerned about the Soviet FOBS capability when Cosmos 49 and 56 demonstrated that five of these satellites could be placed into orbit with one booster. Shelton quotes Major Gen. I. Barushev who, in an article, "Anti-Cosmic Defense," writes that he assumes that the United States, like the Soviet Union, "is quite capable of orbiting nuclear weapons."

In 1963, Soviet Foreign Minister Andrei Gromyko told the United Nations that the Soviets wanted a treaty to ban the "orbiting of objects carrying nuclear weapons" in space. U.S. Ambassador Adlai Stevenson stated that the United States had no intention of orbiting weapons of mass destruction. On June 16, 1966, the United States and Soviet Union drafted treaties to ban weapons in space. The U.S. version included only the stationing of weapons on celestial bodies. The Soviet version included all of space. The United States accepted the Soviet version and both countries signed it during 1967.

For four years after the treaty was signed, the Soviets continued to test the FOBS system. To this day, only the Soviets have demonstrated the capability to orbit nuclear weapons is space.

An ASAT treaty?

On Aug. 19, 1983, Foreign Minister Gromyko sent a letter to the secretary-general of the United Nations, asking that an item be included on the agenda of the current 38th session of the General Assembly. This item was the "conclusion of a treaty on the prohibition of the use of force in outer space and from space against the Earth."

The Soviet Union, he continued, "is seeking to avoid the militarization of outer space. . . . Of particular danger in this respect are the plans to create and deploy various spaceweapons systems capable of destroying targets both in space and on the Earth."

The United States has been concerned about Soviet ASAT activities since their first series of in-orbit tests in 1968. In March 1977, the United States proposed a U.S.-Soviet working group be established to address limits on ASAT systems. By that time, the Soviets had performed more than a dozen

Exploratory talks began in June 1978, and negotiations in 1979. No agreement was reached and the talks were postponed, first due to the invasion of Afghanistan and later due to the change in U.S. administration.

According to Keith Payne, the vice-president of the National Institute for Public Policy and editor of the new book, Laser Weapons in Space, there is little chance that the talks will be resumed. On Nov. 23, 1981, the Reagan administration gave an official reply to Gromyko's 1981 ASTA treaty "offer."

What would the Soviets lose if they signed an ASAT treaty? Probably less than nothing, even if they did not cheat on it. First, they do not need to test more conventional ASATs. Second, their ground-based laser ASAT system would probably not fall under the treaty.

"It smacks of hypocrisy for the Soviet Union to seek a treaty that would prohibit the stationing of weapons in outer space when in fact it is the only country that has already deployed a weapons system for destroying satellites," the U.S. spokesman stated. "The existence of the Soviet ASAT system clearly complicates this entire issue. My delegation is of the view that when the Committee on Disarmament begins its discussion on the question of outer space arms control, primary emphasis should be placed on the threat posed by the Soviet ASAT system."

In June 1980, just a year before the first flight of the Space Shuttle orbiter Columbia, the Soviets added a demand that there be a halt to the Shuttle program.

The Soviets have unquestionably demonstrated two different techniques for knocking out satellites in orbit in their test programs. Overall ASAT testing has continued on an aggressive basis and was only halted for a four-year period during the era of détente between 1972 and 1976.

The most crude were ASATs that simply exploded in the vicinity of another vehicle, hitting it with shrapnel. These systems were good for only one-time use. More recently, the Soviets have tested ASATs that can "throw" material at a satellite, without exploding themselves.

Since at least 1975, Western military experts have suspected that the Soviets were developing lasers for ASAT deployment. At the end of that year there were reports that the Soviets had "blinded" two U.S. spy satellites over Asia by using intense radiation from the ground. The Pentagon denied the satellites had been "blinded" and stated that they had been "dazzled" by large fire along a natural gas pipeline.

In 1976, Dr. Malcolm Currie, Defense Department director of Defense Research and Engineering, stated that the United States is "investigating the vulnerability of our satellites to radiation from lasers and . . . examining techniques for reducing the effects of such radiation." This is called, "hardening" the satellite.

What would the Soviets lose if they signed an ASAT treaty? Probably less than nothing, even if they did not cheat on it. First, they do not need to test more conventional ASATs since, of their more than 16 tests, 10 have already been successful. Second, their ground-based laser ASAT system would probably not fall under the treaty.

Third, there is no reason that the Soviets could not deploy ASATs into orbit without any other nation knowing about them. Only when the ASATs were quickly maneuvered into another orbital plane near another satellite would the United States know that this one of a thousand Cosmos satellites was an ASAT. David Ritchie has pointed out that the Soviets could also maneuver an ASAT to attack a target in less than one orbit, demonstrating a "pop-up" ASAT capability which would only be used when an attack was in progress.

The argument has been made that, since the Soviet AS-ATs have only been tested to an orbital altitude of less than 600 miles, they do not threaten the military communications and reconnaisance satellites that the United States has 23,00 miles up in geosynchronous orbit. However, space experts including James Oberg have pointed out that the operational Soviet heavy-lift Proton booster is capable of taking an ASAT to geosynchronous orbit, though this has not yet been tested.

Under the proper circumstances, the Soviets could deploy nuclear-tipped missiles into a fractional orbit to hit the United States in a surprise attack. At the same instant, they could blind and destroy the satellites that would warn the United States that such an attack was underway.

The United States is now trying to catch up to at least the Soviet ASAT capability, while undertaking an aggressive anti-ICBM beam weapon program. Only then will the military capabilities in space be "balanced."

U.N. conference on Palestine plots Middle East radicalization

by Thierry and Mary Lalevée in Geneva

The International Conference on the Question of Palestine, held from Aug. 29 to Sept. 7 in Geneva, Switzerland under United Nations auspices, was an anti-American orgy led by senior Soviet officers and collaborators of the Swiss-based Nazi International.

Not one delegation to the conference, cozily protected from outside reality in the U.N. palace, felt moved to comment on the barbaric act of the Soviet Union in shooting down the Korean commercial airliner Sept. 1. As if nothing had happened, the conference ended with a rhetorical call for a joint conference of the United States and the Soviet Union with the Palestinian Liberation Organization (PLO) and Israel to solve the Arab-Israeli conflict. A complementary resolution, also ignoring the present international crisis and the massacres in Lebanon, rhetorically repeated a call for the rights of all states to exist in the region. Although Israel was not mentioned, it was implied that its right to exist would be acknowledged provided a Palestinian state could be created beside it.

For participants, who were members of official delegations and non-governmental organizations (NGOs) gathered in defense of the Palestinian people against such atrocities as the 1982 massacre of Palestinians living in the Sabra and Chatila refugee camps in Lebanon, the failure to condemn the Soviet massacre was more than severe moral weakness. Journalists at the conference picked up the argument, "What's 300 people killed, when so many others are killed every day in Lebanon or elsewhere?"—indicating the cynical view that the criminality of a massacre depends on who perpetrates it.

Behind the scene controllers

Three delegations dominated the conference from behind the scenes: the Soviets, the Libyans, and the Iranians. Smelling the danger, the Palestine Liberation Organization (PLO) had reportedly tried until the last minute to convince U.N. General-Secretary Pérez de Cuellar to either postpone or cancel the event, because PLO leaders knew it would devolve into a closed session of the radical delegations and the supporters of "driving Israel into the sea," a conception of Palestinian interests not shared by such PLO leaders as Dr. Issam Sartawi, who was killed in Lisbon April 11 by the Syrian-controlled terrorist Abu Nidal. Most of the terrorist-support networks that had contributed to Sartawi's murder had representatives in the room. To placate them, the PLO adopted an outright radical tone.

The PLO's capitulation was obvious the first day, when AbdRabbo of the PLO executive read a welcoming statement from Arafat denouncing the Reagan Mideast peace plan and blaming all the evils of the Middle East on the United States. This statement even omitted any references to the Israeli peace movement represented in the room by Uri Avneri and Matiyahu Peled, who later that day issued a press release to say how shocked they were.

PLO Foreign Minister Farouk Kaddoumi made up for the lapse in his speech the next day, and Arafat followed suit when he finally arrived at the conference on Sept. 2. Sources report that Arafat should also be credited for the final resolution, which was far milder than the anti-American hysterics aired in the plenary sessions.

Despite a final show of Arab unity, hostility was obvious in the back rooms and the corridors. Arafat's arrival five days after the beginning of the conference was telling; reportedly, he wanted to avoid crossing paths with Syrian Foreign Minister Abdul Halim Khaddam, who left Sept. 31. The Syrian delegation made a point of never applauding any PLO declaration. Backing Syria was the Iranian delegation of some 15 members, led by Foreign Minister Ali Akbar Velayati, who unleashed a scorching attack on the PLO and Arafat personally.

While the Libyans made no public statements, they acted. On Sept. 1, not waiting for Geneva to end, they convened a summit in Tripoli of Palestinians opposed to Arafat to create a "Committee to Monitor Arafat's Activities," led by Syrian-backed rebel Abu Saleh.

The Soviet sent more than 20 representatives—the biggest delegation at the conference—led by Middle East troubleshooter and crisis expert Vladimir Vinogradov, a top foreign ministry Mideast operative. Vinogradov was ambassador in Cairo in 1967, and ambassador to Lebanon in 1975. His last diplomatic post, from 1979 on, was Teheran. In his entourage was no less than Yevgenii Primakov, the Soviet KGB expert on Middle Eastern affairs, in his capacity as director of the Oriental Institute of Moscow. The conference reeked of the influence of Geidar Aliyev, Soviet deputy prime minister and crafter of Moscow's "Islamo-Marixst" card.

Unusual meetings

But speeches denouncing the evils perpetrated by American imperialism were only the window-dressing. For the

numerous Non-Governmental Organizations which had obtained the coveted NGO status by submitting applications claiming to "share the aims of the conference" (the World Jewish Congress was rejected), it was clear that the U.N. palace became a safehouse for gatherings that under any other auspices, would have put the police forces of any European country on alert. Groups denounced by governments present in the room as "dangerous" and "terrorists" enjoyed the protection of the largest security deployment ever seen in tranquil Geneva, including the Swiss regular army's tanks, helicopters, and trained dogs, Swiss police, and the U.N. security apparatus from Geneva and New York. After a few days, it became obvious to many correspondents that the heavy security was also aimed at preventing almost all contact between journalists and the delegations.

The speech by former Indonesian foreign minister Abdel Gani betrayed the real political purpose of most of the NGOs. Gani lavished abundant praise on the "great Grand Mufti of Jerusalem Al Husseini, the first freedom fighter of Palestine." The Grand Mufti was reported to have met personally with Adolf Hitler to set up fascist organizations in the Middle East. Such a statement could not have been made out of mere opportunism or stupidity. It indicated the ends of the coalition of forces at the conference: the Islamic fundamentalists, the Muslim Brotherhood, known terrorists, and old and new Nazis.

The fundamentalist-Nazi coalition was epitomized by the representatives of Islam and the West, the Club of Rome/ Muslim Brotherhood front. Its secretary-general Marcel Boisard was in Geneva under the cover of the U.N. Unitar organization, and its vice-president Ma'arouf Dawalibi attended as chairman of the World Muslim Congress. The former prime minister of Syria and head of the Muslim Brotherhood, Dawalibi, is also known to have sponsored the translation of Hitler's Mein Kampf into Arabic. Another associate of Islam and the West, Salem Azzam, attended the conference as chairman of the Islamic Council of Europe, the headquarter of the Muslim Brotherhood in Europe. Azzam, together with Ahmed Ben Bella and Said Ramadhan of the Geneva-based Islamic International Center, leads the European triumvirate of the Brotherhood, aided by his second in command, Muazzam Ali, who belongs to Pakistan's Muslim Brotherhood, the Jamaati Islami. Azzam, under his pseudonym of "Abu Mohammed," is also a leading member of the Egyptian national front of Gen. Saadeddim Shazli, which boasted responsibility for Sadat's murder.

Outright Nazis attended the conference as part of a French delegation. Sabdeen Jabara from Detroit, a renowned supporter of the radical PLO splinter group, Popular Front for the Liberation of Palestine (PFLP), was there, joined by the "November 29th coalition" of the Puerto Rican FALN and the Black Liberation Army. All were heavily lobbied by Libya's latest offshoot, the Tripoli-based "International organization against all forms of racial discrimination" of Dr. Anis al-Qasem.

Bilateralism afflicts U.S.-Japan talks

by Richard Katz

Together, the American and Japanese economies comprise one-third of the entire world economy. What these two nations together do can shape the entire planet. Cooperation on new technologies or infrastructure projects in the Pacific Basin—as discussed in the interview below—could reverse the current downward spiral of the world economy.

Yet, it seems that almost all U.S.-Japanese discussions these days focus strictly on bilateral issues: trade frictions, demands that Japan "do more" on defense, and so forth. More often than not, particularly in trade matters, the bilateral frictions cannot be made manageable without improvement in the world economy. Nonetheless, instead of outflanking the bilateral problems through cooperation on the global scene, the leaders of both countries endlessly rehash debates over how many oranges Japan will import, and how many more anti-submarine planes it will procure.

The myopia inflicted by this "bilateralism" was demonstrated in stark terms at the sixth Shimoda conference Sept. 1-4. The conference—named after the Japanese city in which the first conference was held in 1967—brought together 40 top American and 40 top Japanese political and business leaders for four days of intense closed door interchange. Press was allowed in on the condition that no one's comments be cited by name.

Sponsored by the Japan Society of New York and Tokyo's Japan Center for International Exchange, the conference, held in the farm country of Virginia, included such prominent Americans as David Rockefeller, Under Secretary of State W. Allen Wallis, Hewlett Packard Co. chairman and former Defense Deputy Secretary David Packard, former Treasury Assistant Secretary Fred Bergsten, Exxon Senior Vice-President Jack Clarke, and former United Auto Workers President Douglas Fraser. Japanese discussants included former Ambassador to the United States Nobuhiko Ushiba, Ministry of International Trade and Industry (MITI) "elder statesman" Naohiro Amaya, Fuji Xerox President Yotaro Kobayashi, former Foreign Minister Saburo Okita, and Sony chairman Akio Morita.

The conference seemed almost like a television re-run of a negotiating session, with very few new ideas or proposals. The sharpest debate of the conference was one among the Japanese participants about how to respond to American trade demands.

The discussants took little time to evaluate the potential for new technologies, the decline in world trade, or the international debt crisis. There was some probing about the U.S. situation when Japanese participants inquired whether U.S. production growth would expand beyond consumer durables into investment. Several American business and political leaders replied it would not, certainly not in 1983 or early 1984. They also warned that no major initiatives to remedy American economic difficulties could be taken until after the 1984 elections. Several Japanese criticized the high level of U.S. interest rates, but they focused primarily on the effect on the yen-dollar exchange rate, and secondarily on American capital investment, rather than on the world economy.

The security discussion, or rather "negotiation," seemed as though it might have taken place any time in the last four years. The strategic reality outside the conference hall—Euromissiles, Mideast strife, or the political ramifications of the KAL 007 downing by the Soviet Union—was hardly mentioned. Nor was there discussion of how to reduce East-West tensions and other instabilities. Conference participants simply wanted to negotiate Japanese military buildup under presumption of continually growing tensions.

Some American economists repeatedly brought up a proposal that Japan deal with the U.S.-Japan trade imbalance by artificially raising the value of the yen. Tokyo could accomplish this by restricting capital outflow from Japan and promoting capital inflow. The entire presumption of this proposal was that little could be done to heal the basic economic illnesses that create currency turmoil. After hours of such discussion, an American participant brought the conference back to reality: Brazil, he pointed out, was going from crisis to crisis each day, and might even declare a debt moratorium one day; any restriction of Japanese capital outflow would only increase that danger.

This year's conference was markedly different from the lively exchange of ideas at the 1981 Shimoda conference [see EIR Oct. 13, 1981]. Perhaps because that conference was a discussion of differing evaluations of the Soviet Union, the China Card policy, the Middle East, North-South relations, and the world economy, and what the appropriate responses would be to these nations and policies. Perhaps the more limited bilateral focus of this year's agenda is responsible for the different results.

Shimoda 'Summary of Discussion'

Editors and rapporteurs at the Shimoda conference drafted a "Summary of Discussion" which, they report, "aims at

providing the reader with a sense of the major issues, and the major points of view, expressed during the two and half days of intensive discussion. It . . . should not be taken to represent a consensus view of the participants in the conference."

The full text of this and other documents from the conference will be presented in a book to be published by the Japan Society of New York and the Japan Center for International Exchange in Tokyo. Excerpts follow:

[The conference attendees recognized] the extreme difficulty of agreeing on positive proposals for resolving these problems [in the Japan-U.S. relationship]. Everyone recognized the need to bring exchange rates into better alignment, to develop macroeconomic policies with an eye to the needs of the global economic system and not solely the domestic political one, to find ways to ease the human pain of adjusting the structures of our economies, and to resist the deceptively alluring palliative of protectionism. But it would be wrong to suggest that these several hours of discussion have brought us much closer to finding ways to accomplish these goals. There was a tendency of both Americans and Japanese to regard their own political constraints as insuperable, and to be disappointed in the lack of flexibility by the other. . . .

[In regard to trade and economic issues] there was a tone of greater urgency about the threat of American protectionism in the face of still very high U.S. unemployment and a bilateral trade deficit reaching almost \$20 billion. . . . Of special danger to the U.S.-Japan relationship is the high budget deficit, requiring the United States to maintain high interest rates to prevent a resurgence of inflation. . . .

Japanese participants were especially concerned that continued high interest rates, causing exchange rate "misalignment," will continue to fuel the trade imbalance, that Japan will be blamed for this imbalance and become a lightening rod for complaints about the massive global trade deficit the high dollar value is causing. . . . Both sides recognized that Japan had continued to take many liberalizing measures. U.S. participants, however, noted that most Americans still hold the perception that their market is wide open, while Japan's remains relatively closed. . . .

Some Americans suggested that trade tensions might be eased and adjustment facilitated if it was agreed, on an industry-by-industry basis, to limit imports temporarily to a certain market share. This proposal was vigorously opposed by other Americans and Japanese who argued that in the long term such arrangements would sap the competitive vitality of U.S. and Japanese industries, eventually leading to higher inflation and slower growth. . . .

[T]here was great concern about increased competition from the less-developed countries, and broad agreement that in the face of this increased competition, both the United States and Japan must move into more knowledge-intensive industries. It was pointed out, however, that in the United States, many workers in the industries most severely affected by imports are minorities without the education and technical skills to shift into the high-growth, knowledge-intensive industries. Some doubted whether the high technology industries would provide enough employment to absorb the displaced workers. . . .

In regard to North-South relations, participants agreed that . . . both Japan and the United States have a stake in the ability of those nations to pay their debts and to continue their economic growth. . . . Some concern was expressed that American aid policies were rigid and unsympathetic to the needs of Third World countries. . . . In response to these criticisms several American participants argued that the United States has always met its commitments to multilateral financial institutions . . . it was argued [that developing country] proposals in UNCTAD [United Nations Committee on Trade and Development] have been unrealistic and should not be accomodated. . . . Several Americans noted . . . the major American contribution to the development of Third World countries brought about by trade policies that result in the United States being the recipient for half of the [exported] manufactured products of the entire developing world.

There was criticism expressed at Japan's failure to raise the percentage of GNP it spent on Official Development Assistance. . . .

[Regarding security issues] although Japanese perceive threats in local and regional terms, while the United States sees them in global terms, there is no question but that the Soviet invasion of Afghanistan, the rapid and extensive buildup of the Soviet fleet, and the potential shift of Soviet SS-20s from Soviet Europe to the Soviet Far East have all contributed to a heightened sense of threat, and a greater understanding of the indivisibility of the West on security issues.

But Japanese participants, while noting these changes, also stressed the limits on Japan's defense buildup . . . and that the tentative consensus that has been forged on defense could easily crumble under external pressure. . . . Many [participants] warned against embracing unrealistic expectations about what Japan would actually do in the military area for the foreseeable future. . . . Even the most enthusiastic supporters of a Japanese role in sea lane defense recognized that developing a capability to play a significant role would take a considerable amount of time and that it could not fully relieve the U.S. Seventh Fleet of its responsibilities in this area. . . .

[S]ome participants warned that, counter-productive or not, Japan's comparatively low level of defense spending would inevitably become the target of American criticism, particularly in light of the huge and growing imbalance in bilateral trade. . . .

Criticism was voiced, however, over the much more fundamental question of how much emphasis should be placed on the military dimension of security. Several participants argued that Japan's security contribution to the Western alliance could best be made in non-military areas. Strategic economic assistance, for example, to Turkey, Egypt, Pakistan, Jamaica, Thailand, and elsewhere has represented a real contribution to mutual security.

'U.S. beam defense emphasis is reassuring for allies'

Japanese defense expert Makoto Momoi attended the Shimoda conference. Currently guest research fellow at the Tokyo daily Yomiuri Shimbun, Momoi joined Japan's National Defense College in 1954, and later served as the dean of the Faculty of Defense Studies. Momoi, along with Prof. Masashi Nishihara, interviewed below, gave off-the-record comments on the Soviet downing of KAL 007, but both stated that they did not have enough information to make a qualified judgment at the time of the interview. Momoi was interviewed by Richard Katz on Sept. 3.

EIR: The Northwestern Pacific now is an area armed to a degree not seen in years. A U.S. carrier is being deployed on the Vladivostok side of Japan, rather than on the Pacific side. There will be F-16s at the new northern Japan base of Misawa. The Soviets are moving in SS-20s and Backfires, and there are recent reports of Soviet mine sweepers going through the straits.

Momoi: But this has been very evident since 1975. We wondered how the United States had a scenario in which the most likely case was for the Russians to go to the Persian Gulf rather than the Northwestern Pacific. The Soviet Union has acquired global simultaneous capability. Whenever they start a conflict, say in Africa or somewhere else, they can always use the resources they have in the Northwestern Pacific.

EIR: Prime Minister Nakasone discussed the idea of Japan blocking the straits between Japan and Korea, through which the Soviet Vladivostok fleet would have to go in time of war. Do you think Japan would have the realistic capability to do this, now or in the medium term?

Momoi: Capability of mining or blockading the straits is one thing. Doing it prior to the outbreak of conflict, or in the middle of conflict, is another matter. We can do it after conflict has broken out, and when the Russians want to come back, we can stop it. But if I were a Russian strategist, I wouldn't start a war until I deployed most of my fleet *outside* the straits.

EIR: Andropov made a speech the last week of August saying that if agreement on intermediate-range missiles were reached in Europe, then Moscow would agree to destroy the SS-20s, and *not* move them to Asia. Is this just for public relations, or is it more?

Momoi: This is a change from previous Russian statements. Gromyko said in Germany earlier this year that they would move SS-20s to Asia and target Japan if Japan allows a new U.S. F-16 base in Japan. That was really lousy diplomacy.

That simply provoked the Japanese. Now, Andropov has changed his stance. But I don't know if the military planners in Japan believe him. It's hard to believe he would destroy missiles.

We are facing a stronger threat than we have been used to. The Soviets have 120 SS-20 launchers in Asia, with three warheads per launcher. We are also facing about 130 submarines, including 35 missile-carrying submarines, plus other missiles, and aircraft carriers. These additional 20 to 30 SS-20s mean only a marginal increase in the threat, unless we are delighted to be killed twice. Therefore, we are using the SS-20s as a political-military needle against the Soviet Union—just like we use the northern territories—without expecting that the Russians will agree.

EIR: In light of this buildup, Reagan's March 23 proposal for defensive beam weapons is very important on two counts. First, it changes the strategic doctrine from Mutually Assured Destruction to emphasis on defense—and Reagan offered to share technology with the Soviets. Also, the technology spinoffs from building beam weapons would help the economy in ways that producing conventional arms would not.

Momoi: In terms of concept, the Russians have been putting emphasis on strategic defense like anti-missile systems. Also technologically, it was the Russians who started to spread the rumors that they were developing charged particle beams and so on. But the U.S. Congress and Pentagon under Carter denied this, and denied what General Keegan [formerly of Air Force intelligence] said. The United States is always late on this. The United States has pride in its technology and thinks, "Oh, the Russians cannot do it." Then they find that it's true.

Now the United States is putting emphasis on defense and laser beams. This is good, particularly from the standpoint of reassuring the allies. It's very reassuring for us to learn the United States is not trigger happy.

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

Momoi: No. We are discussing this inside. Maybe it's the first time it's been disclosed. Of course, now I'm out of government, so I can say these things.

EIR: Is your view regarding beam weapons a minority view or a consensus?

Momoi: I think it's a majority opinion among enlightened people. Amateurs say it's "Star Wars" or that the United States is bluffing.

EIR: Do you think the Soviets might agree to joint or parallel development? They have generally been attacking this, up to the Erice conference Aug. 20 to 23 on "Technological Bases for Peace," in which they agreed to explore this idea in cooperation with U.S. scientists.

Momoi: That's a good question. If you look back at the

history of arms-control proposals, that has been the Russian tactic: if they are ahead, they say nothing. If the United States is catching up, then they want an agreement to prevent the Americans from moving too quickly.

'Moscow buildup toward Japan is backfiring'

Masashi Nishihara is Professor of International Relations at the Japanese National Defense Academy. He was interviewed at the Shimoda conference by EIR's Richard Katz on Sept. 3.

EIR: You said in your background paper for this conference that Japan and the United States might have different conceptual frameworks on security, and this might put Japan into a different, or even conflicting, attitude from the United States at the time. You mentioned in particular Defense Secretary Caspar Weinberger's concept of "horizontal defense" that might involve Japan in a conflict not of its own choosing because of some incident in the Persian Gulf.

Nishihara: The United States would like to develop a multitheater strategy. If a conflict starts in the Middle East, it would like to be able to cause military tension in other areas, for example Japan and the Northwestern Pacific. In this case, if Japan's national interests happen to match the Americans', this is fine. But if Japan does not agree, then Japan might not want to go along with it.

There is another problem. If there is a nuclear conflict, the battle may happen over Japanese territory, causing a great deal of damage. Suppose, after that, the United States reaches a compromise with Moscow and stops the war. The United States may not be damaged, but Japan would be destroyed. The superpowers would be involved, but they might, in effect, sacrifice the Japanese or European theaters for their own survival. This fear is rather strong among the Japanese, not just among the people, but also among some of the strategists. Of course, even strategists don't think nuclear war is a strong possibility, and this is an ultimate case. This presents another possible conflict between Japanese and U.S. security interests.

EIR: Right now the Sea of Japan area is becoming a cauldron of tension in an unprecedented way.

Nishihara: Well, the Soviet Union thinks the Pacific Ocean is very important to them. And they have built up their power. Therefore, the United States has to balance this.

EIR: Do you think one of reasons for renewed emphasis on the northwestern Pacific is Reagan administration reaction to the fact that the "China card" is less reliable than people used to think it was, so direct U.S. presence and Japanese military buildup is needed?

Nishihara: I don't think that's the cause. I would like to think the main reason is the Soviet increase. U.S. cooperation

with China still continues. Defense Secretary Weinberger is going to China.

EIR: Of course. I just meant that the momentum had slowed. And the Chinese are improving their ties with the Soviet Union. If that trend continues, will that lead the Soviets to change the pace of their Asia buildup?

Nishihara: If Sino-Soviet ties improve, there could be some impact on Soviet policy, maybe slowing its pace of buildup in Asia overall. But I don't think they will reduce their buildup toward Japan. Their major objective remains to separate Japan from America. They threaten Japan, hoping Japan will try to accommodate to those threats by creating some distance from the United States.

EIR: Do you think that's working or is it backfiring?

Nishihara: It's backfiring, but I don't think Moscow really understands that. I think the Soviet Union believes that if it continues to apply pressure, Japan may consider a more neutral position.

EIR: Do you think Moscow has given up on the idea of major Japan-Soviet economic cooperation for the medium term, or on a reduction of tensions? In other words, do you think Moscow is presuming a continuation of tensions for the next several years, and will rely on what you called the intimidation strategy?

Nishihara: I think so, because U.S.-Soviet relations are bad. And I think they realize that Japan-Soviet relations are a function of American-Soviet relations.

EIR: One issue that was not discussed here is the relation between economics and security. The IMF austerity against Southeast Asian countries is similar to their policy toward Latin America; perhaps a year behind. This will undermine the political stability of Southeast Asia. Yet, Secretary Shultz on his last trip supported this kind of austerity. In contrast, Japan's concept of "comprehensive security" seems to embody a relationship between economics and security. How does that work in this situation? And what does this mean for a U.S.-Japan "division of labor" in which Japan takes on the economic underpinning of security responsibility? For example, Shultz said that Japan gives Pakistan more aid than does the United States.

Nishihara: The Japanese economy is in serious recession, and cannot do as much as we would like. Still, the Nakasone administration has given much aid to South Korea, Singapore, and so forth. In a way, we are taking over the responsibility the United States used to bear. In that way, there is a sharing of roles. But, if the United States really has to cut back, and Japan then has to take over much of the aid, this will cause a new problem, because then ASEAN will become dependent on Japan. It is better for aid to be diversified, to avoid ASEAN-Japan tension, or to avoid any sense of U.S.-Japan competition for economic influence.

Prospects for Pacific Basin technology transfer

Sueo Sekiguchi, professor of Economics at the Institute of Social and Economic Research of Osaka University, Japan, is deeply involved in researching and promoting Pacific Basin economic development. He is co-author with Lawrence Krause of Economic Interaction in the Pacific Basin. He now heads a Japanese task force on the question of capital investment in the Pacific Basin, whose report will be presented at a late November conference in Indonesia. The following interview was conducted by Richard Katz Sept. 3 during the Shimoda conference.

EIR: I wanted to ask you about a topic not really discussed here at Shimoda. That is the question of what Japan and the United States can do together to promote world economic recovery and then development. One idea that has interested EIR is Pacific Basin development. I understand Prime Minister Nakasone is interested in this, as are some of President Reagan's advisers. Do you think this might be a topic at the Reagan-Nakasone summit in Tokyo in November?

Sekiguchi: I'm not sure how interested President Reagan is in this idea. Nakasone has certainly expressed interest in public.

The idea that we in Japan are now pursuing originally came about during the Ohira administration [1978-80], when a report was written promoting Pacific Basin development. But the report was very vague. Some Americans said the report should have proposed a more concrete agenda. This was not done in order to take into account the view of the members of ASEAN [Association of South East Asian Nations, including Thailand, Philippines, Indonesia, Malaysia, and Singapore.] The ASEAN nations are concerned about any effort that would weaken ASEAN alidarity, particularly a political structure with a gigantic role for the United States and Japan.

EIR: What is being done now to promote the Pacific Basin, particularly in the area of capital investment and industrialization?

Sekiguchi: In June of 1982 a number of groups from different countries held a Pacific Basin seminar in Bangkok. At that time, a number of task forces were set up, which are scheduled to report back at a conference in Bali, Indonesia this November. Among them are task forces on trade in manufactured goods by a Korean group, and technology

transfer and capital investment by a Japanese group. I am leading the task force on capital investment.

I must stress that these reports are all in the preliminary stage, and they may be revised before being finally presented at Bali. So, what I am telling you is only preliminary ideas.

The Korean draft emphasizes that there has been a remarkable change in the composition of production in the so-called Newly Industrializing Countries [NICs]. There is a change in their comparative advantage to more skilled production away from just raw materials or low-skill assembly. In fact, the Koreans say that one day the combined economies of Korea and ASEAN may overtake Japan.

The ASEAN countries are growing very fast, and would like to do so even faster. Therefore, the industrialized countries like Japan and America must import more manufactured goods from Korea and ASEAN. The Korean draft stresses that import barriers against manufactured goods must be ended. In the future, active measures to help promote imports of manufactured goods from developing countries could be undertaken. The Japanese response has been that there aren't any significant barriers.

In addition, the Korean preliminary draft says consideration should be given to setting up multilateral trading companies among the developing countries, sort of semi-governmental institutions to help promote trade among Korea, the ASEAN countries, and between the developing and advanced countries. Perhaps this idea goes too far, but all of this will be discussed before any final presentation is made at Bali.

EIR: What is the Japanese report saying?

Sekiguchi: There are two Japanese reports, one on investment, the other on technology transfer.

The developing countries need a high-growth economic strategy in order to develop. That means that they need a lot of direct investment from the outside. The ASEAN countries want the direct investment, but they are concerned about foreign domination, e.g., multinationals owning large amounts of equity in their countries' corporations. They argued at the UNCTAD [United Nations Committee on Trade and Development] conference for a New World Economic Order. But they are not radicals.

Our paper does not have a specific solution but we are trying to pose the problem in clear terms. So we need to discuss this more.

EIR: What about the technology transfer report?

Sekiguchi: We had a few practical proposals. One is to establish an information center and a translation center in the Pacific Basin. This is to help governments and firms of developing countries, because they have a handicap in access to information about technologies, environmental protection, and so forth. A second idea is to create a regional

cooperation center in providing practical education and training to middle management people in the region, and also some factory workers to help their skills. Also, that regional center should invite some middle-echelon government officials in charge of these investment matters to improve their capabilities in policy innovation. Everyone welcomed these ideas. The centers will probably soon be established by funds from all the countries in the region.

But there are also some controversial measures. LDC delegates want technology transferred without foreign equity control. Advanced people say if some technology is developed by an advanced country private firm, then trade in that technology should be done on a purely commercial basis. One idea that was controversial is that governments should aid the transfer to developing country companies on concessional basis. For example, public agencies could buy licensing rights and then sell them to developing country firms. The innovating firm would get its full fee and the recipient would get technology without giving up control. But this is all very vague and preliminary. We may have to revise this idea.

EIR: Let me locate this discussion in terms of economic strategy. The 1971 Japan Industrial Structure Council report and earlier Japanese Pacific Basin proposals had stated that Japan's own industrial progress to the "knowledge-intensive era" hinged on the industrialization of the developing countries. But now, because of the economic recession and longterm low growth of the world economy, many people fear a "boomerang" effect. For example, in the early 1970s Japan helped Korea build Pohang Steel, but now there is hesitancy to help expand that because of fear of saturated markets. Japan's attitude toward Korea seems to be a test cast for its approach to the entire developing sector. In regard to ASEAN, currently Nakasone is talking about helping renovate existing factories, rather than helping to build new ones.

Sekiguchi: Though the Japanese government officially declares Japanese industry should move to higher technology industries to make room for industrial exports from NICs and ASEAN, it is also true in the private sector there is concern about the "boomerang" effect from developing countries.

When Prime Minister Fukuda visited ASEAN in 1977, he promised \$1 billion in aid for big projects, but feasability studies found it difficult to pinpoint the best projects. We took many years to find good projects, and some are going on. But successors are trying to find smaller projects.

About Korea, I understand that at recent Japan-Korea ministerial meetings, the Korean government listed 300 items of technology they wanted transferred from Japan. According to Korean economists, they do not want grants. They want to buy, but they claim the Japanese companies are reluctant even to sell the technology. The Japanese government counterpart responded by saying that almost all transactions should be made on commercial basis. This disappointed the Koreans.

EIR: This means the Japanese government would not encourage the firms to sell the technology, but would stand aside. Yet, in the early 1970s, Nippon Steel had helped build the Pohang Steel plant, with the encouragement of the Tanaka administration under your knowledge-intensive strategy. It seems to me that Korea has the same relation to Japan, on this point, that Japan had to the United States 20 years ago. Now, because of the world economic slowdown, it seems some Japanese have a similar fear of Korean advancement that some Americans have toward Japan.

Sekiguchi: On the first point, The Japanese government can encourage the private companies to sell technology, but the private companies may not accept that.

The executives of Nippon Steel are in a very difficult position. They did cooperate to establish that first plant. Now steel imports from Korea to Japan are now increasing very rapidly. Of course, back in the early 1970s, Nippon Steel thought that they could transfer this technology and equipment for producing ordinary steel and then shift to higher technology. Japanese steelmakers are now rather specialized, e.g., seamless pipe. Now, Pohang Steel requests transfer of technology for specialty items like seamless pipe. So Nippon Steel is very cautious.

In the late 1960s, Japanese steelmakers accepted voluntary export restraints to the United States. If the Korean steel producers accept that kind of arrangement, then Nippon Steel might be more willing to transfer the technology. But Koreans resist this.

EIR: If there were growth and technological advancement in the world economy, and markets for advanced goods, then I don't think Japanese or American firms would have such objections to transferring capital-intensive middle-technology industries to the NICs.

In order to spur that kind of world recovery, we at EIR are promoting massive infrastructure projects in the Pacific Basin. For instance, Indian irrigation and hydroelectric projects that could stop the problem of so many plants operating at half of capacity, due only to lack of energy. This project could double India's capacity, and would require tremendous input of equipment and so forth from the United States and Japan. That is only one example.

Sekiguchi: So far we have not discussed that kind of idea at our conferences. Personally, I think it's a good idea. I suppose major funding must come from government for major projects. I think it is feasible, but under current budget atmosphere in Japan or America, I think it is very difficult. If the United States and other governments support this, then Japan will certainly participate, but I don't think the Japanese government would initiate this kind of idea.

Andean Report by Valerie Rush

Mafia under the gun in Colombia

Betancur's declaration of war on the drug mafias threatens to go all the way to the top.

With his appointment of Rodrigo Lara Bonilla as the new Justice Minister last month, Colombian President Belisario Betancur shot the opening salvo of a long-overdue war on the drug mafias in that country. The congressional investigation opened up on the infiltration of "hot money" into politics has since turned into a nationwide debate on how the mafias have succeeded in capturing entire chunks of the economy, the national government, and even territory.

In the span of just one month:

- The Colombian Supreme Court has upheld the constitutionality of that country's extradition treaty with the United States, giving the green light for arrest warrants against leading kapos of the drug mafia, such as cocaine-king and cult leader Carlos Lehder Rivas:
- The government is preparing legislation for the creation of an Italian-modeled Special Investigatory Commission empowered to look into the money flows—origins, destinations, investments—of any and all Colombian citizens;
- The civil aeronautics agency, on orders of the Justice Ministry, has grounded over 100 airplanes belonging to prominent drug traffickers, pending charges against them, and is mapping out the clandestine airstrips used by them;
- The National Narcotics Council has been given strengthened powers, including centralization within its offices of all national purchases of chemicals—such as hydrochloric and

sulfuric acid—used to refine coca paste into cocaine;

- Investigations of several Congressmen—including the Liberal Party's mooted next presidential candidate Santofimio Botero—for involvement in the drug trade and related corruption charges have been opened up, and efforts to get immunity lifted in some cases are already underway;
- The government has proposed political reform legislation which would restrict the electoral campaigns of all political parties to 1) the 90-day period before the election itself and 2) financing from a special government fund, to be complemented by minimal private contributions limited by government law. Self-financing of campaigns, similarly, would be severely restricted.

The effect of putting teeth into the government's war on drugs has been to force the "citizens above suspicion" who stand behind the drug trade—the millionaire lawyers, the pin-striped bankers, the politicians—to surface in defense of their pocketbooks. Former president Alfonso López Michelsen, under whose 1974-78 administration the country was literally delivered over to Dope, Inc. through a series of banking, taxation and investment "reforms," appears to be the number one fish caught on Betancur's hook.

López was first publicly tied to the "hot money" scandal when it was revealed that his former campaign manager, drug legalization advocate Ernesto Samper Pizano, had accepted multi-million-peso contributions from Colombia's "cocaine kings" Carlos

Lehder and Pablo Escobar in return for promises to legalize the drug trade under a López presidency.

López's family, particularly his first cousin Jaime Michelsen Uribe, are Colombia's leading bankers who have accumulated vast fortunes by laundering the marijuana and cocaine dollars coming into the country. Michelsen Uribe, as head of the Bank of Colombia, is currently facing extensive government investigations into his notoriously corrupt banking practices and López is apparently now joining him on the hot seat.

The López machine has done its best to fight back. When Justice Minister Lara Bonilla first opened up his congressional investigations, Congressman Jairo Ortega Ramírez—an associate of trafficker Pablo Escobar—came up with "evidence" allegedly proving that Lara himself had accepted drug money for his electoral campaigns.

Ortega's flimsy evidence, rejected out of hand by President Betancur and the majority of the Congress, was nonetheless picked up by the daily El Tiempo, long-time mouthpiece of the López machine and used in an editorial to call for Lara's resignation. The weekly rag La Semana, owned by López's son, was the first to publish Ortega's libelous charges against Lara. And two of López's representatives on the newly-formed bi-partisan "Morality Commission" opened up the commission's proceedings with a call for Lara to resign his post, the better to defend himself in Congress.

By taking his war on drugs this far, Betancur has been eminently successful in flushing the enemies of Colombia out of their prestigious hiding places. By using the power of existing laws to their fullest, Betancur now has the unique opportunity to end the empire of Dope, Inc. in Colombia for good.

Kissinger Watch by M. T. Upharson



Why Henry was sad

The best way to describe the effects of Henry Kissinger's frequent trips around Latin America is to say, "Familiarity breeds contempt." Folks down there don't like Kissinger even one little bit. Knowing that Kissinger hates their friend LaRouche worse than anything going, people down below have been known more than once to raise mention of LaRouche's name in just the way to make Kissinger pretty upset.

The first week of September, for example. One morning the leading Mexican newspaper, Excelsior, had a big spread about LaRouche as its number-two front-page item. The same day, LaRouche's name came up in the Mexican Congress, as some members of congress proposed to have Mexico's fascist party, the PAN, outlawed for violations of the Mexican constitution and national laws. So, that night, there was LaRouche's name all over the television news throughout the country. The news got back to Kissinger's circles, and they weren't pleased about it, not one little bit.

The other shoe dropped in Caracas, Venezuela, right in the official proceedings of the OAS meeting there. In the envelope of official materials passed out to the official delegates and press, there were three poses of Venezuela's finance minister, one of them showing the finance minister happily reading a recently issued book. You couldn't miss the printing on the cover of the book: it was the latest biography of LaRouche. While some of the Latin American folks tried not to grin too undiplomatically under those circumstances, Kissinger's friends were not at all happy about that picture.

Even those Soviet fellows hanging around in Latin America, who hate LaRouche about as much as Kissinger does, couldn't help but see a funny side to the whole business.

This sort of thing hurts Kissinger's ego. It also hurts his pocketbook. Nowadays, you don't find Kissinger doing much diplomacy without his picking up a bit more than a spare piece of change on the side.

When he was trying to steer U.S. policy in the Middle East, last fall, he was brokering land-grab swindles on Israel's West Bank, which gives you a fair idea of how Kissinger defines U.S. Middle East interests. About the same time, Kissinger, Britain's Lord Peter Carrington, and some other notables cooked up a new company called Kissinger Associates, Inc., taking fat fees for muscling governments around Latin America and elsewhere. Just to keep Kissinger Associates' fat profits rolling in, Henry had himself put on one of the State Department's organizations as head of a Central American Commission: probably the worst case of corruption in government this season—but that appears to be the drift of the way Henry does things lately. Makes a fellow wonder whether Kissinger leaves anything over for U.S. interests after Kissinger's business interests have been taken care of first.

Once folks start laughing at a fellow like Kissinger, he's going to have trouble selling his services, and might just have to take up some new trade, like selling used cars. Next thing you know, the same fellows who've been hob-nobbing with Kissinger and praising him to the skies, will soon be saying "Henry who?" to the reporters.

If things keep going as they did the first week of September, the best thing Henry can do for himself, and for the United States, too, is to defect to Moscow while he still has some shreds of political market-value left.

Dr. K's friend Craxi to step down?

According to Italian political experts, one of Henry Kissinger's protégés, Prime Minister Bettino Craxi, may announce his resignation soon.

You all probably remember it was Henry who ordered Bettino to collapse the Italian government and make his bid for power last April, while Henry was visiting Italy on one of his Trilateral Commission junkets. (That was the time he ran out of the country through the U.S. Embassy to give the slip to the subpoena of the Rome D.A., who had a few questions to ask him about the murder of Aldo Moro.)

Folks say Bettino might fall over the Lebanon crisis. If Craxi removes Italian troops from Lebanon, his government will be charged with cowardice. If Italian troops die in the coming Soviet-directed assault in Lebanon, Craxi would fall for that reason.

To avoid humiliation, Craxi may choose to resign before being forced to make the decision. Experts conjecture that Craxi's statement of resignation will be on the following lines: "I have discovered that the position of Prime Minister of Italy is a boring, unimportant duty, far beneath a leader of my great talents. A politician with a gnat's brain would be suited for the position. Therefore, I am stepping down in favor of my esteemed friend Amintore Fanfani."

International Intelligence

India AEC head: nuclear is our 'best bet'

India's new Atomic Energy Chairman Raja Ramanna told an early-September Bombay press conference that India's "best bet" on the energy front is to "generate nuclear energy" and especially fast breeder reactors.

Noting that nuclear fusion reactors and accelerators for breeding had "great possibilities in the coming years," Dr. Ramanna underscored India's recent decision to establish a new research center at Indore to concentrate on fusion, lasers, and accelerators.

Dr. Ramanna told the press that he wanted to "give the highest priority" to nuclear power generation and that it was a "matter of pride" that India had developed "world-class capability to set up nuclear power plants with 90 per cent indigenously manufactured components and equipment."

He further stated that India's nuclear program has to some degree been hampered by "denial of vital imports for the Indian nuclear program" because of a policy of "discrimination" against India on the nuclearenergy development question.

French call: answer Moscow with beams

The national committee known as France et son Armée (France and Her Army) has issued a call endorsing President Reagan's policy of developing strategic energy-beam defense against nuclear missiles as the only realistic answer to Soviet brutality. The call has been signed by Gen. Revault d'Allonnes (CR), Compagnon de la Libération; Jacques Cheminade, general secretary of the Parti Ouvrier Européen (POE); François Tavernier, vice-president of the Union Syndicale des Cadres Dirigeants, and Edouard Frederic-Dupont, Paris deputy (Vth circonscription), who is close to the Gaullist Rassemblement pour la Republique. Deputy Jean Brocard, PR, in a statement to EIR Sept. 8 sent a similar message to President Reagan.

The call of France and Her Army says in part:

"The committee France and Her Army condemns the act of barbarity committed by the Soviet authorities. . . . This decision reveals the state of mind of the men who reign today in Moscow. These men have warned us that they are ready to violate the most elementary principles of the rights of people and nations in order to achieve their imperial aims. They want to make Russia into a Third Rome, as the Nazis wanted to transform Germany into the Third Reich.

"France and its Army endorses research, development and installation of beam weapons (lasers), which will allow us to stop the irrationality and the adventures of the Russian leaders, by replacing nuclear terror with Mutually Assured Survival.

"We fully support the decisions in this direction defined by President Reagan in his March 23 speech.

"We call upon the President of the French Republic to support such decisions publicly as well, and to direct that a program to produce beam weapons be launched in France, to protect first the Plateau d'Albion and the Ile Longue, and then our whole territory."

'Regional autonomy will help depopulate India'

The nation of India is "far beyond its population capacity. India's population should not be beyond two-thirds of what it is now. Mrs. Gandhi has been very unsuccessful in her approach; there is too much romanticism, sentimentality, and self-interest involved," said Club of Rome co-founder Alexander King on Sept. 13. Asked how the goal of eliminating 200 million Indians from the face of the earth could be accomplished, King indicated the importance of "more regional autonomy," since such autonomy could "help a lot in making the needs of the population more obvious. . . . There would be more of a sense of self-management in controlling the population."

To back up his case for genocide, King has launched a campaign "against the notion of population density," which is known as a crucial idea in the work of economist and EIR founder Lyndon LaRouche. "We must replace this with the idea of carrying capac-

ity. This is going to be a very important issue in the next two years. I recently spoke to President Senghor of Senegal, and he said that his country was *under* populated, since it had only one-eightieth the population-density of Belgium. But this is entirely wrong! Senegal is *over* populated, because of the desert. Even potentially, Senghor is wrong, since Senegal has no water."

King will keynote a major conference of Asian parliamentarians on this idea in March, 1984—in New Delhi! Another conference on the same theme is scheduled by the Club of Rome, for Helsinki, Finland, in July 1984.

King indicated that the Club of Rome has plans for major expansion into Poland and into Colombia, and that President Belisario Betancur will support a Club of Rome conference in Bogotá on "War and Peace" beginning on Dec. 15 of this year.

King expects continued high-level cooperation from Soviet circles. A conference is due to take place in Budapest, Hungary, from Sept. 26-30.

Genscher gets 'positive signals' from Soviets

Despite the stormclouds over Asia, Africa, and the Mideast, West German Foreign Minister Hans-Dietrich Genscher came out of his meeting with Andrei Gromyko in early September full of "optimism" that Europe would fare well in its Intermediate Nuclear Forces negotiations with the Soviet Union.

Genscher, whose liberal Free Democrats are the coalition partners of the ruling Christian Union parties, commented that he got very positive signals and indications that the Soviets were willing to consider transferring the French and British missiles into the START negotiations on strategic weapons. The meeting took place at the Madrid session of the Conference on Security and Cooperation in Europe.

In contrast, West German Defense Minister Woerner gave an interview to several German newspapers, in which he emphasized that the Korean airliner shooting was an act of premeditated, calculated murder, which came from the highest level of Soviet military command.

Jesuits get new head

When the Jesuit order met on Sept. 13 to elect a new superior general, it took them only 45 minutes to pick an "eastward"-looking scholar instead of the reported choice of Pope John Paul II.

The choice of Dutch Middle East expert Rev. Peter-Hans Kolvenbach has led some analysts to predict that under his direction the Jesuits will shift emphasis from "liberation" in Central America to the Middle East.

Kolvenbach is a linguistician who spent over 15 years teaching linguistics and Armenian at St. Joseph's University in Beirut, Lebanon. For the past two years, he has been the rector of the Pontifical Oriental Institute in Rome, affiliated with the Jesuit Gregorian Pontifical university. During his years in Beirut, Kolvenbach was also the Jesuit superior for the Near East. According to sources, Kolvenbach also has extensive connections with the Russian Orthodox

Asked to comment on the new Jesuit general, Pope John Paul II declined, saying only that Kolvenbach was not known to him personally.

Turkey says separatists backed by Iran, Syria

When Iranian Foreign Minister Velayati visited Turkey in August, he listened to protests about his government's efforts toward creating an "independent state of Kurdistan" in Turkey, as part of a broader effort to destabilize that country.

The Swiss Neue Zürcher Zeitung (NZZ) reported Sept. 9 that the Turks are also angry with Hafez Assad's regime in Syria for giving aid to the Armenian Secret Liberation Army (ASALA) for provocations against Turkey. The Turks have accused Syria of giving sanctuary to the ASALA, and of not keeping its word about keeping the ASALA under strict control.

The Turks are so concerned about such goings-on, the NZZ concludes, that Turkish Foreign Minister Turkmen recently held secret meetings in Anatolia, Eastern Turkey, at the NATO base in Diyarbakir, with a top American admiral to discuss joint measures to stop these destabilizations.

A Turkish government official in Europe told EIR: "The Turkish government has warned the Syrian government three times about the ASALA activities originating out of Syrian territory. President Assad has denied categorically that ASALA has been involved in operating from Syria, but we have evidence, we know the places where they are operating from, in the northern part of Syria, near the Turkish border." Asked what the Turkish government evaluation was of Soviet KGB involvement in this question, he said: "I think the KGB must be coordinating this. The Syrians could not do something like this by themselves." He further said that the question of Libyan dictator Qaddafi's links to ASALA and various Kurdish groups was a subject of investigation by security authorities in Ankara.

Was KAL 7 shot down to cover SALT violation?

The Soviet destruction of KAL Flight 7 may have been related to Soviet plans to test a new missile in violation of SALT, according to reports published in the New York Post and elsewhere.

The night of the Korean Air Lines massacre," Niles Lathem's article in the Post begins, "U.S. spy satellites caught the Soviet Union red-handed violating SALT accords."

The Soviets were planning to test the PL-5 ICBM over Kamchatka on the night and in the area where KAL 7 was downed, senior U.S. intelligence officials are reported to have leaked on Sept. 13.

The PL-5 is said to a new heavy ICBM which far exceeds the SALT limit of a 5 percent increase in the capacity of new missiles. Lather quotes U.S. officials as saying the Soviets deliberately encrypted 98-100 percent of the missile's telemetry and radio data to try to prevent U.S. intelligence from monitoring the test. Such camouflage is also in violation of SALT.

Briefly

- OLEG BITOV, the cultural affairs editor of the KGB's Literaturnava Gazeta newspaper mysteriously disappeared in Venice during the week of September 5, and has not been seen since.
- SWISS AUTHORITIES are alarmed about a sharp rise in drug addiction and drug-related crimes in Switzerland during 1982-83.
- FORMER PRESIDENT Ahidjo of Cameroon has been making contacts with leaders of the Muslim Brotherhood in France as part of his bid to re-assume power in that West African country.
- HELMUT KOHL said at a rally that "We are all one big peace movement." The CDU party of the West German chancellor is campaigning in state elections in Hesse with two slogans: "Build Peace With Fewer Weapons" and "Save the German Forests."
- FUSION ASIA, an English-language quarterly journal of science, technology, energy, and economics. will make a mid-September debut in New Delhi, India, announced Dr. Steven Bardwell, editor-in-chief of Fusion magazine. The new magazine will be printed in India and marketed throughout Asia, with distribution points in Sri Lanka, Bangladesh, Pakistan, Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Japan.
- AURELIO PECCEI was in Poland the first week in September, arranging cooperation with Polish government and church layers through the newly established Polish Association for the Club of Rome. "We don't bring up demographic issues with the Poles, since this won't work," said Peccei's sidekick Alexander King. "We appeal to their interest in the impact of new technologies on industrial development. This is the foot in the door, for being able to discuss other issues at a future point."

PIRNational

Can U.S. policy stand the heat?

by D. Stephen Pepper

In the wake of the cold-blooded Soviet decision to shoot down the KAL 7 jetliner and escalate the drive toward thermonuclear confrontation with the United States, the Reagan administration has redoubled its efforts to gear up America's strategic defense, and has publicly re-emphasized the U.S. commitment to develop defensive beam weapons to end the threat of nuclear war. Defense Secretary Caspar Weinberger took the occasion of his keynote address to the Air Force Association in Washington on Sept. 12 to reiterate the President's March 23 strategic doctrine: "To those who say we should not pursue this new technology I say we have no choice."

Weinberger's address, virtually blacked out in the U.S. press, puts back on the agenda of strategic priorities the one potential for reviving America the Soviets fear most—a beam weapons-driven technological revolution ensuring U.S. military and economic survival.

Secretary Weinberger encompassed the theme of security and prosperity in a discussion of "the importance of human ingenuity." He told the Air Force Association, "It is fortunate that nature gives us a steady supply of younger men because we cannot get along without imagination. It was imagination that made Leonardo da Vinci cry, 'There shall be wings.' It was imagination that made Wilbur and Orville Wright build them. And it is imagination that we will need as we try to create a safer, more prosperous, more peaceful world for ourselves and our children."

As an exemplary "new idea," Weinberger cited President Reagan's announcement "that the United States would take a new look at emerging technologies to see whether we could at some point in the future develop a defensive system that could intercept and destroy strategic ballistic missiles before they reach our own soil or that of our allies. The naysayers have already proclaimed that we will never have such technology, or that we should never try to acquire it. Their arguments are hardly new."

Weinberger called the strategy of deterrence based on instant retaliation "an uncomfortable way to keep the peace" and attacked those who cling to the doctrine of Mutually Assured Destruction. "There will still be some who close their minds to the dream of a world where fear of nuclear weapons is wiped away," he noted. "It is possible that in this dangerous world we actually fear to look upon a vista of greater safety, that we fear mankind will once again be disappointed in the quest for a lasting peace. But just as those first aviators had the imagination to look into the future and the courage to help shape it, let us also bring imagination and courage to the future, which it is our responsibility to shape."

Weinberger's speech is a forceful response by the Reagan administration to the Kremlin's determination that the U.S. political and policy leadership can be cracked by turning up the heat all around the world—the determination that lay behind the command decision to shoot down KAL 7 and murder 269 human beings. That action set in motion new laws governing superpower relations that greatly accelerate the momentum toward nuclear war. Although the decision to shoot down the jet arises from a military mode of thinking dominating Moscow policy and already identified by Lyndon LaRouche last April, the incident marks a qualitative shift, a turning point that American policy-makers and politicians hysterically deny.

Reagan's Democratic competitors have responded in such

a way to call into question their sanity, their morality, or both. The six main announced contenders for the presidential nomination, as *EIR* documented last week, all attacked the President for not doing enough while denying that there were any long-term implications of the shootdown to require them to drop the nuclear freeze. All that has happened since then is that George McGovern has announced his candidacy on a straight arms control line.

The right wing has been even more absurd in its tantrum at the Soviets. The storm center of this reaction has been Howard Phillips, Richard Viguerie, Phil Crane and their allies in such groups as the Moral Majority and the American Conservative Union. These circles, in urging a knee-jerk reaction, have been much more venomous toward the President than the liberals. Things have gone so far that in this moment of crisis, Viguerie and Phillips announced the search for a candidate to oppose Reagan. These individuals' fundamental blunder is their inability to admit that the Russians are seeking a confrontation, and if we fuel that attitude, we will lose. It is a sound measure of Reagan's sanity that, despite the infantile ravings from this circle, he has avoided exactly the traps which the right wing would have us fall into.

Indeed, it was the conservatives who denied the President the support of a unanimous vote in the Senate for a resolution condemning Soviet actions. The fact that the leadership resolution had been drafted by Sen. Jeremiah Denton (R-Ala.), a man who has directly experienced the harshness of war, did not deter Senators Armstrong, Symms, and Helms from trying to block it. They put forward an amendment to the resolution to recall the U.S. ambassador and temporarily suspend all negotiations: just those steps the Soviet Union would welcome from Reagan. Then, in a moment of great cleverness, they called for declaring the Polish debt in default, a move that might bring down the West's rickety credit structure. All amendments were voted down.

Think tankers right and left: no method

The sharp divisions that dominate the country's reaction are reflected in the reports of in-depth discussions this writer conducted recently with resident think tankers responsible for pronouncing on policy. Although the individuals quoted here are two conservatives and two liberals, common to all of them is the denial that anything special happened with the shooting down of the jet. For the conservatives it was simply the demonstration of what they had always known and which remains unchanged, the brutal, criminal nature of the Soviet system. For the liberals it represented some kind of aberration due to Soviet paranoia or a military cold coup, which should not, however, prevent us from conducting business as usual.

Milton Katz of Harvard University Law School characterized the incident as "damned foolishness."

Katz is a member of the European Security Study Group, whose study seeks to prove that Europe can be defended through conventional arms buildup without nuclear weapons. Hence he has a vested interest in dismissing the shootdown as anything that would provoke rethinking of his group's

strategic assessment. Beyond that, Katz is a leading advocate of incremental austerity, that is, reduction of military and cost of living expenditures. But he finds that the political remedies to curtailing the worldwide demand for higher living standards are not at hand. "How to accomplish this is the stickler," he laments.

Or, in essence: "If reality demands that I give up my pet prejudices and positions, well, the hell with reality." While Katz is the most outrageous in this practice, it ran through all my discussions. Stanley Hoffman, also of Harvard, explained the incident as "standard operating procedure. . . . This may not be very reassuring, but that's pretty much the way it was, local commanders making autonomous decisions." This self-consoling thesis relieves one of having to rethink the strategic realities of the world in light of the decision to shoot down the jet. Hoffman maintains one of the canned explanations of the event, namely, a military decision made without due political considerations. The critical factor in Hoffman's response is: "I don't know of any Soviet who thinks they [the Soviets] have achieved strategic superiority." Neither Hoffman nor any other liberal "thinker" is prepared to entertain the significance of the shootdown from exactly that standpoint—as a crucial demonstration that the Soviets not only think they have achieved superiority but are prepared to act on it in a provocative way.

Conservatives are much more inclined to accept that standpoint and therefore are closer to reality (this however does not apply to right-wingers). Both William van Cleave at University of Southern California and Edward Luttwak at Georgetown University's Center for Strategic International Studies grasp the point that the Soviets committed a deliberate act of brutality to achieve the political effect of terrorizing and intimidating their enemies. Van Cleave formulated it thus: "We are on course for a confrontation, not excluding a nuclear confrontation, and the Soviets are convinced that we will draw back from it before they will."

But van Cleave has no policy proposal to make to avoid a Cuban-missiles confrontation except to plunge ahead by recalling ambassadors, etc. The reason is that he is skeptical of beam-weapons defense and therefore can see no way out but trying to draw the line in terms of the incident itself. Luttwak did see that the most important response to the crisis is not in relative degree of tough actions now, but in next year's defense budget. For him the most important effect of the event is to give Reagan "license to revert to his own instincts," that is to assert his commitment to a defense modernization policy. Luttwak also asserts, almost certainly correctly, that it means the end of the planned spring 1984 summit, which is bad news for Henry Kissinger. But on Soviet intentions, he sees merely continuing brutality.

What this reveals is that among politicans and think tankers alike there is little or no consistent method to evaluate reality. Instead, what passes for thinking is the impressing upon events of each person's prejudged positions. The striking exception to this is Lyndon LaRouche and the National Democratic Policy Committee that he has shaped.

Kissinger crowd meets in Vail, Colorado to gouge President Reagan's defense budget

by Kathleen Klenetsky

The posh ski resort of Vail, Colorado, played host to a high-level meeting of former world leaders, chief executive officers from fifty major international corporations, U.S. government representatives, and various self-proclaimed policy experts in late August at which a major new onslaught against the Reagan administration was launched. Particularly targeted was the administration's commitment to rebuilding U.S. military strength, including the development of a beamweapon defense capability.

Sponsored by the American Enterprise Institute for Public Policy, a prominent Washington-based think tank which cultivates a pro-Reagan image, the three-day meeting indulged in an orgy of Reagan-bashing, with one speaker after another castigating the President for a host of alleged failures, especially in the areas of economic policy and U.S.-Soviet relations.

Titled "The Gerald Ford Second Annual World Forum," the conference drew such celebrities as the former President and ex-heads of state Valery Giscard d'Estaing of France, Helmut Schmidt of West Germany, James Callaghan of Britain, and Malcolm Fraser of Australia for a discussion of "the world in transition."

But it was keynote speaker Henry Kissinger who overshadowed all the other attendees—and who, when not presiding over press briefings, spent his time quietly planting the rumor that President Reagan "will get the Giscard treatment in 1984," i.e., will be turned out of office by high unemployment.

An orgy of Reagan-bashing

Though the meeting—which cost business-sector participants \$4,000 each to attend—had been billed as being principally concerned with the Pacific Basin economy, two subjects actually dominated the proceedings: 1) How to use the U.S. budget deficit to wreck what remains of U.S. defense capability—especially the beam-program—and impose greater domestic austerity; and 2) How to head off the threat of a Third World debtors' cartel. Conference organizers said that a key purpose of the meeting was to forge a coalition of leading businessmen to intervene in the budget fight when Congress returned from the summer recess.

The conference's anti-Reagan tenor was apparent from

the opening forum, a \$50-a-plate affair held at a plush new "town hall" in the area's most expensive district, Beaver Creek. Providing the entertainment were Giscard, Schmidt, Fraser, Callaghan and poor Jerry Ford—who still can't walk and chew gum at the same time, but nevertheless managed to echo the attacks on Reagan.

While all the speakers criticized Reagan, Schmidt was the most offensive. Nattily dressed, sporting a silk paisley ascot around his neck, and frequently turning for succor to his blue enamel snuffbox, Schmidt lambasted Reagan for failing to sell out U.S. national security for the sake of a new arms control deal with the Soviet Union.

Current world leaders have "established the wrong priorities," Schmidt piously declared. "For example, Nicaragua is not nearly as important as the INF and START negotiations in Geneva." There has to be a "balance of forces between the U.S. and the Soviet Union," he said, but "this can't be achieved by the arms race." Schmidt blasted the U.S. administration for "not providing leadership in the arms control arena," and praised the "policies of the Nixon-Ford-Kissinger period" as "the right policies" which "should be continued." During the Kissinger era, Schmidt elaborated, "We had the ABM treaty and SALT I. Even Carter managed to conclude SALT II. It's about time the present administration came to some agreement on arms control." When this reporter asked Schmidt what he thought of Reagan's beam defense plan, Schmidt sneered, "I believe in cooperation between allies, not in unilateral pronunciamentos."

Schmidt heaped praise on the U.S. Bishops' Pastoral Letter endorsing the nuclear freeze, and, in a statement rivaling the pre-World War II appeasement mentality, averred that "It's wrong to think that the West can militarily outproduce the Soviet Union" because "the Russian people have shown themselves to be capable of infinite sacrifice." Therefore, we have no choice but to seek an arms control deal with the Soviet Union.

More austerity and less defense

The other speakers were no less critical of the United States. But Malcolm Fraser took the prize for most tortured logic when he blamed the U.S. budget deficit for the severity

of the Third World debt crisis. While correctly pointing out that high U.S. interest rates have contributed to the intolerable increase in developing-sector indebtedness, Fraser falsely claimed that high interest rates are a direct result of budget deficits. In what became one of the key themes of the conference, Fraser stated that unless the Reagan administration acts to reduce the deficit by drastically cutting government spending, interest rates will remain high, and a Third World debt collapse might be unavoidable. "It all goes back to the U.S. budget deficit," intoned the former Australian prime minister.

Fraser's equating of the debt crisis with the American budget underscores what bizarre arguments the pro-IMF and BIS circles are prepared to use in their battle to convince the President that he must adopt a radical austerity program, including cutbacks in defense spending. The budget deficit question overshadowned other issues at the meeting's first press conference, where Gerry Ford called on Congress to cut the budget deficit by adopting a policy of reduced federal spending, emphatically including the delay of some military projects, and new taxes—for example, a surcharge on imported oil. "Everybody is going to have to give a little," Ford said.

Ford's remarks were echoed by numerous other speakers. Economist Paul McCracken, a member of the president's economic advisory board, and his colleague, Morgan Guaranty board member Alan Greenspan, told another press briefing that the budget deficit must be cut by at least \$140 billion. To do that, they said, a combination of new taxes and further cutbacks in both military and domestic spending programs must be enacted. "Like any household that has inadvertently overcommitted itself, the country faces some very hard choices," said Greenspan. "Although it's difficult to explain to people why taking something they already have away from them is for their own good," he continued, politicians will have to make this their major political message.

Both McCracken and Greenspan were far more vehement in private discussions about the need to slash the defense budget. The two put out the word that Defense Secretary Caspar Weinberger and National Security adviser William Clark are "the two biggest obstacles" to securing administration agreement for major military budget cuts.

The two economists were joined by Rep. Barber Conable (R-N.Y.), the ranking member of the House Ways and Means Committee, who complained that "there's a general mood of economic optimism, so it's difficult to get people to accept the need for austerity." Nevertheless, said Conable, "somebody has to deal with the question. Austerity is necessary. Medicare must be dealt with. Nobody will enjoy this process."

The pain and agony school of economics found other proponents, including Bill Brock, the Reagan administration's special trade representative, and Herb Stein, a former Council of Economic Advisers chair and now a fellow at American Enterprise Institute. Brock told reporters on the closing day of the conference that "the most dominant issue

discussed in the last 24 hours was the deficit," and that "We are going to talk a lot longer about the price of the failure of the Congress and administration to resolve this problem." Brock specifically cited the defense budget as an area to be cut, telling reporters that military spending "is not sacrosanct" and will have to "shoulder its part of the burden" of budget-cutting.

Third World debt—'sacrifice is required'

According to several participants, including Alan Greenspan, the other principal agenda item was the looming Third World debt crisis—and especially the potential for a debtors' cartel. "We're extremely concerned about the debt situation, especially how Mexico and Brazil are dealing with it," said one attendee. "There's been a lot of discussion about how close the Third World is to declaring a debt moratorium." Another source reported that "the sense of the meeting is that the Third World has said 'screw you' to the international banks on the debt problem." Schmidt, Callaghan, Fraser, and Giscard all noted the severity of the problem in their remarks.

After opening his press briefing with a slap at President Reagan—declaring himself in agreement with Helmut Schmidt's earlier comment that both the arms talks and the question of Brazil and Mexico "are far more important than Nicaragua"—Henry Kissinger launched into a discussion of the debt problem, declaring that the bankers' strategy isn't to encourage economic development, but to create among debtor countries, "the *perception* we care more about their economic growth than about debt repayment."

Asked by EIR how he thought the United States should respond if the Third World declared a debt moratorium, Kissinger replied: "I hope it will not occur, because it will lead to confrontation between us and the debtor nations." In a barely-concealed threat, Kissinger pointedly noted that it will also "inhibit the extension of new loans which these countries need for their economic growth." Kissinger then stated that "We need to talk to these countries, especially Mexico and Brazil, about the kinds of sacrifices they should make to put their houses in order." Asked what specific sacrifices he had in mind, Kissinger mumbled, "They need to reduce the excesses that have led to excessive borrowing."

Though Kissinger was less than specific, one of his closest cronies, Alan Greenspan, disclosed to a reporter that the international banking community plans to demand a direct interest in Third World equity as a condition for new loans—even though this would violate the national sovereignty of the countries in question (see *EIR*, Sept. 13, 1983).

Kissinger made it plain at his press conference that he intends to use his position as chairman of the administration's Latin American Commission to further the banking community's strategy for dealing with the debt problem, announcing that the group will examine a broad range of economic issues in the course of its work.



John Glenn: Middle-of-the-road Malthusian

by Kathleen Klenetsky

Ask any political pundit to describe what Democratic presidential aspirant John Glenn's appeal as a candidate might be, and you'll probably be told that the Ohio Senator is "middle of the road," "a traditional Democrat," "a candidate capable of appealing to a broad spectrum of Democratic constituencies, as well as to the business community." Glenn may not be too bright, the pundits will acknowledge—but he still might be sold to regular Democrats as a less revolting alternative to Fritz Mondale.

Indeed, the major media and the national polls portray Glenn as the one Democratic contender who might conceivably give Reagan a run for his money, on the grounds that he could appeal to a wider constituency than his rivals. Glenn's straw-poll win at the New Jersey State Democratic convention in mid-September fueled speculation that frontrunner Mondale's lead may be evaporating—the AFL-CIO notwithstanding.

Glenn may come across as a centrist, just bland enough to avoid spontaneously alienating whole sectors of the electorate, but his orientation differs little in substance from the other five candidates in the Democratic "six-pack." Judging from his two-term Senate record and his campaign pronouncements, the Ohio Democrat is just another fraud palmed off on the American voters by the Harrimanite gang that controls the Democratic party.

Glenn revealed his true colors over the Soviet shooting down of the Korean airliner. On Sept. 13, he became the first Democratic presidential candidate to openly criticize President Reagan's handling of the incident. In a speech to the Foreign Policy Association in New York, Glenn accused Reagan of using the KAL affair "to try and sell" an MX-missile program that "doesn't make sense" to Congress and the American people.

Earlier this summer, Glenn publicly stated that, if elected President, he would not necessarily order a retaliatory strike

should the Soviets launch a nuclear attack on a secondary U.S. city.

Non-proliferation: 'centerpiece' of Glenn's campaign

Nothing is more revealing of Glenn's mentality than his pivotal role in passing the Nuclear Non-Proliferation Act of 1978, a modified version of the post-World War II Baruch plan. Known as the Glenn-Percy bill after its two main sponsors, Glenn and Sen. Charles Percy (R-III.), and considered by the Carter regime as one of its crowning achievements, the Non-Proliferation Act culminated a decades-long effort by the neo-Malthusians to cut off all nuclear-related exports to the developing sector. Ostensibly aimed at preventing the spread of nuclear weapons, the act drastically undermined the ability of the Third World to support its population and inflicted permanent damage on the U.S. nuclear industry.

Glenn strategists report that the Ohio Senator will make this genocidal legislation the "centerpiece" of his presidential primary campaign. Glenn plans to take full credit for engineering the legislation, according to campaign research director Michael Wack, who recently disclosed that one of the main goals of the campaign will be to "get across the fact that Glenn felt so strongly about the non-proliferation issue that he literally, physically, sat down and wrote the bill himself—and that's rare in the Senate." Moreover, Glenn intends to push to strengthen the bill and possibly for creation of a "new international regime" to close up any loopholes.

Glenn's campaign managers hope that the new stress on this issue will bolster their man's standing among the ultraliberal wing of the Democratic Party—"the type of Democrat who tends to dominate party caucuses and vote in the primaries," as one politico put it—away from such established "peace candidates" as Mondale, Gary Hart, and Alan Cranston. "We want to make sure that the voters realize that the

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non-proliferation question is really a peace issue," a Glenn spokesman revealed. "Too many people still think that Glenn is a Johnny-come-lately to the peace movement, but by showing how involved he was in non-proliferation, we're sure that people will recognize that Glenn has been active in the peace movement a lot longer than some others I could mention. In fact, when you think about it, Glenn is the true peace candidate."

But Glenn's decision to go big with his stand on nonproliferation could do more to undermine the former astronaut's cultivated middle-of-the-road image than any other element of his slick presidential packaging.

The national security threat

The "peace candidate" sobriquet fits Glenn only if "peace," thanks to Orwellian mediaspeak, now means any effort designed to gravely undermine U.S. national security. According to a report issued by the Fusion Energy Foundation, the withholding of nuclear technologies from developing nations, which Glenn's Nuclear Non-Proliferation Act and earlier related measures ordained, has caused the death of more than 110 million people since 1960. The study also projected that in the remaining years of this century, another 125 million people will die. By placing onerous conditions on the export and development of energy-producing devices desperately required by the developing sector for its agriculture and industry, nuclear non-proliferation has not only been a killer, but has also created political and economic instability throughout the Third World, which the Soviet Union has been quick to exploit.

A case in point is India, which has been one of Glenn's major targets. U.S. relations with India, potentially one of America's most crucial friends in the Third World, could easily become a casualty of "non-proliferation."

Under the Glenn-Percy act, the Carter administration temporarily held up fuel shipments for India's Tarapur plant, a light-water reactor built by the United States in the 1960s, due to a furor over India's mid-1970s explosion of a nuclear device which led to never-substantiated allegations by environmentalists that India was using spent fuel to develop a nuclear weapons capability. Glenn personally led an unsuccessful Senate floor fight to continue the ban when Carter moved to rescind it.

This summer, when the Reagan administration proposed to sell India spare parts for the plant, Glenn again took up cudgels, introducing a resolution to the Senate on Aug. 4 to block the sale. Glenn and his seven co-sponsors further demanded that India compromise its sovereignty by providing guarantees on its nuclear program, including a ban on the use of peaceful nuclear explosives for industrial and agricultural development. As a result, India—whose dependence on coalgenerated electricity has severely hampered industrialization plans—has hinted it might go to the Soviets for assistance and has now developed its own nuclear-plant construction

ability, further reducing its obligations to submit to international inspection.

Although claiming that Glenn doesn't oppose nuclear power in the developing sector, one of the Senator's top aides recently criticized Indian Prime Minister Indira Gandhi's "unfortunate statements" about her country's intention to maintain an independent nuclear capability, and reported that Glenn intends to pursue the issue during upcoming Senate hearings.

The Third World isn't the only victim. The U.S. nuclear industry has been brought to the edge of collapse because the Glenn-Percy bill shut off almost all its export markets. By conservative estimates, the bill cost the United States more than 2 million man-years of high-skilled jobs, over \$4 billion in steel orders, and more than \$20 billion in export dollar earnings in the first few years of its life. While the United States could have had the lion's share of the nuclear export trade, the Nuclear Non-Proliferation Act effectively handed the market over to West Germany, France, Italy, and Canada.

Even before the bill had been passed, the Shah of Iran cited the uncertainty caused by such legislation as the main reason why Iran had to renege on its intended purchase of eight nuclear reactors from American manufacturers. The loss of export earnings due to the Glenn-Percy bill has contributed significantly to the near-bankruptcy of the U.S. nuclear industry today, making Glenn's loud-mouthed criticisms of Japan's aggressive export policies doubly hypocritical.

Glenn's sabotage of nuclear power is consistent with his attitude toward science and technology in general. Despite his much-publicized background in the space program and recent statements about getting NASA back on track, Glenn maintains the view that equates science and technology with computers and telecommunications rather than with fundamental breakthroughs in basic research of the kind that made space travel possible. Last spring, for example, Glenn warned an audience that "a word of caution" must be applied regarding technology's promise, because it "can cause lost jobs, environmental destruction, nuclear disaster and an Orwellian nightmare of government control. We must be masters of the new technology, not its servants or victims," said Glenn, adding, in an obvious reference to himself, "We must have leadership that understands the potential of modern science, both for good and for evil."

Strategic policy: Ban the Beam

Glenn's bias is also apparent in his military-strategic policy prescription. In March 1983 he climbed aboard the nuclear freeze bandwagon, issuing a statement that "I strongly endorse the Kennedy-Hatfield nuclear freeze resolution." His only cavil was that "it doesn't go far enough." More importantly still, Glenn strenuously opposes U.S. development of a beam-weapon-based defense capability. According to one of his chief advisers, Glenn "absolutely opposes any military

use of space," including for anti-satellite capabilites, and "would like to sit down with the Soviets and work out a ban on weapons in space" as one of his top priorities as president. In explaining this position, the aide reported that Glenn believes "there is a bigger danger posed to peace by the proliferation of nuclear weapons in Third World countries than by the Sovet Union," and rather irately contended that Glenn is "the real Mr. Star Wars" because "he realizes that space is not the place for weapons" whereas Reagan—"the false Mr. Star Wars"—"wants to put weapons all over space."

Glenn's support of the nuclear freeze and his opposition to a beam defense for the country are features of a strategic outlook that would make the United States a virtual hostage to the Soviet Union. Glenn hysterically denies that the Soviet Union is committed to a nuclear war-winning doctrine, and insists that what the United States and its NATO allies must emphasize is conventional rather than strategic forces. In a major statement on military policy issued by the Harriman-controlled Center for National Policy last spring, Glenn detailed some of his other major military proposals, which included:

- Scrapping the MX missile in favor of a small, mobile missile, a proposal also favored by Henry Kissinger.
- Reducing U.S. troop levels in Europe—which would make Western Europe more vulnerable to Soviet encroachments.
- Replacing the Joint Chiefs of Staff system with one modeled on the British. In Glenn's view, this measure would greatly reduce the influence of the military services over both military policy and military procurement, and would enable the central military staff to make "hard program choices."
- Building up the U.S.'s conventional deterrent. Significantly, Glenn motivates this proposal by stressing that the United States may have to fight a series of wars with Third World countries: "Third World threats to American interests are secondary when compared to the Soviet menace," Glenn noted in his Center for National Policy piece, but "they are neither negligible nor ignorable. If we concentrate too much on the Soviets in our weapons and in our deployment of forces, we may run limited but still substantial risks in conflicts that have little to do with the U.S./Soviet rivalry."

Glenn's statements put him squarely in the camp of those policy circles which see U.S. military capabilities as primarily an instrument for debt-collection in Third World countries rather than for defending the nation against its avowed enemies. But it all fits with the genocidal consequences of his "non-proliferation" profile: The biggest proponents of a U.S. military meddling in the developing sector are men like former Defense Secretary Robert McNamara and the population-control fanatics in the State Department, who can see no faster way to curb population growth among what they consider to be "inferior" races.

Part II of this candidate profile will deal with Glenn's strategic and economic policies and his recent activities in Ibero-America.

'Auschwitz' bill passes

by Marianna Wertz

The California legislature cast a final vote on Sept. 15, passing Senate Bill 762, which extends the "durable powers of attorney" to healthcare provisions. The Senate vote, on concurrence with the assembly's amendments, was 28 to 3; the assembly's vote was 71 to 0. The bill has been denounced by pro-life, minority, trade union, and religious leaders from around the world as "Nazi euthanasia" legislation. SB 762 will become state law unless it is vetoed, as its opponents have urged, by Republican Gov. George Duekme jian within 12 days.

SB 762 grants the power to "pull the plug" of a patient to any designated friend or relative, through authorization as an "attorney in fact." As the bill itself states, it would "authorize the attorney in fact to make health care decisions for the principal before or after the death of the principal, including those which would dispose of the body or parts thereof. . . ." In fact, the only medical procedures excluded are commitment of the patient to a mental institution, psychosurgery, shock treatment, sterilization, and abortion.

The California bill was prompted by the well-publicized murder indictment of two California physicians who disconnected the life support systems of Clarence Herbert, a comatose patient at a Kaiser-Permanente HMO in Harbor City. Convinced by the physicians that her husband was "hopelessly ill," Mrs. Herbert consented to the removal of all life support systems. When Mr. Herbert continued to breathe on his own, the doctors also removed his feeding tubes. He died six days later; dehydration was listed as a major cause of death.

A municipal court judge dismissed the murder charges brought by the Los Angeles District Attorney against the two doctors in early 1982, but Superior Court Judge Robert Wenke reversed the decision. The physicians' appeal of their indictment for murder and conspiracy to commit murder is now pending in the second division of the California Appellate Court.

The bill's sponsor is Sen. Barry Keene (D-Vallejo), whose district includes Ukiah, former home town of euthanasia advocate and cult leader Jim Jones. Keene was also the sponsor of the nation's first "death with dignity" bill, California's 1976 Natural Death Act.

California legislature

'Doctors would become hangmen'

Opposition to SB 762 has been mobilized by the Club of Life, the international pro-life organization whose Sept. 16 conference on "Medical Science and the Fight Against Genocide" featured Sandra Bardenilla, the nursing supervisor at Kaiser-Permanente who first brought Clarence Herbert's case to public attention. California Club of Life spokeswoman Evelyn Lantz submitted testimony in opposition to the bill in hearings in the Judiciary and Ways and Means Committees in the State Assembly in August. Appearing as the only vocal opposition at that time, she said:

"Those legislators who believe they are acting out of compassion in supporting this bill should look a little more closely. This bill could be named 'The Accelerated Inheritance Act of 1983.' It seeks to legitimize a petty, greedy scheme where relatives can pull the plug on their loved one before expensive hospital costs eat up the entire few thousand dollars inheritance. Insurance companies have also been big promoters of the 'right to die' legislation. They expect to save a lot of money. Is this the kind of 'enlightened' outlook you wish to support?"

Mrs. Lantz also pointed to the testimony of Dr. Leo Alexander, a high-ranking American physician at the Nuremberg trials of the Nazi war crimes, which included euthanasia. Dr. Alexander testified that "systematic murder by the Nazi doctors began with small beginnings in the euthanasia movement."

The same points of attack were taken by Dr. Frank J. Higgins, president of the Baptist Ministers Conference of Los Angeles and Southern California, in motivating passage of a resolution opposing the bill in early September. Dr. Higgins told the representatives of hundreds of black Baptist churches, "The insurance companies are trying to save money by pulling peoples' plugs." The resolution passed the conference Sept. 12. It states in part:

"Whereas, the first step into the nightmare of Nazi genocide was the subjection to euthanasia of those chronically ill persons whose lives were discarded as 'not worthy to be lived'; and

"Whereas, the medical profession is under increasing pressure to cut costs by eliminating the treatment of the critically ill, especially those who are indigent; and "Whereas, our commitment under the U.S. constitution and the Judeo-Christian tradition to preserve life justifies a crash program comparable in magnitude to the Apollo space project to solve the chronic diseases including cancer and heart disease. . . ." It resolves to call on Governor Deukmejian to veto SB 762.

Telegrams to Governor Deukmejian have been pouring in from Europe as well. A very important message was sent by Dr. Hoppe, first president of the Marburger Bund, a physicians' association in West Germany: "As a practicing physician and a president of a large German doctors' association, I heard with deep concern about the impending passage of the 'Euthanasia' Bill SB 762. I urge you strongly to refrain from signing this bill, should it be passed, as it would degrade doctors to hangmen and patients to 'useless eaters.' Your veto of this bill would be a great service to humanity."

Fight in right-to-life ranks

The "official" right-to-life lobby in California initially opposed SB 762 as "suicide by proxy." That opposition, by the Pro-Life Council, was withdrawn before the Assembly voted under counterorganizing pressure from Ken Mitzner, an official of the Jewish Life Issues Committee. Mitzner argued for what might be called "preventive genocide": such legislation will pass anyway, so the right-to-life position should be to support the best possible amended version.

Following heated arguments with Club of Life spokesmen and assembly opponents of the bill, the Pro-Life Council's legislative consultant submitted a statement in opposition to the bill. Cited in the Pro-Life Council's paper are two important points:

- 1) The bill's Section 2438 grants "health care providers immunity from criminal prosecution, civil liability and professional disciplinary action while operating within the provisions of this bill. . . . This section therefore becomes a blanket immunity."
- 2) The Pro-Life Council charges that while insurance companies and health care providers may not condition admission to a hospital or insurance on a requirement that a patient execute a durable power of attorney, the legislation in no way excludes the lowering of fees or costs to a signer of a power of attorney.

Opposition to SB 762 has been focusing on the only remaining point of attack: the veto by Governor Deukmejian. The Club of Life issued 100,000 flyers throughout California, titled "SB 762 is One Step to Auschwitz." Mailgrams are being sent from hundreds of community leaders throughout the state with the message that "SB 762 is nothing less than enabling legislation for the systematic murder of those whom society finds too expensive to keep alive." One of the signers on this mailgram is George Valencia, Civil Rights chairman of the League of United Latin American Citizens (LULAC) in California, who told his supporters "They might as well get out the ovens. That's what this bill is all about."

National News

Soviets back out of U.S. beams conference

The delegation of Soviet scientists scheduled to attend a U.S. conference on beam technologies in San Francisco, "Beams '83," sent a telegram Sept. 12 to conference organizers saying that the delegation would not attend.

"U.S.S.R. delegation cannot attend the conference. Hope possibility to discuss our problems in future," telegrammed L. Rudakov, a leading scientist in the Soviet laser fusion program.

The conference—viewed as a follow-up to the recent meeting of Soviet, U.S., and European scientists' meeting in Erice, Italy, which agreed to set up an international commission to study the feasibility of beam weapons—is sponsored by the U.S. Department of Energy, the Office of Naval Research, the Air Force Office of Scientific Research, the Defense Advanced Research Projects Agency, and Lawrence Livermore National Laboratory.

Conference organizers stressed that the State Department had provided visas for the Soviet delegates; so there was no U.S. barrier to their attendance.

Building Trades mobilize for Clinch River Breeder

The Building and Construction Trades Department of the AFL-CIO has expanded its campaign for funding of the Clinch River Breeder Reactor program by taking out a full-page ad in the *Washington Post*. The ad called on Congress to approve the program if it is not willing to waste 30 years and \$5 billion of investment.

The ad, which appeared Sept. 14, called for Congress to approve \$1.5 billion of federal funds—the level of congressional funding proposed under a new plan which also seeks to increase private funding for the project to \$1 billion. Hearings will be held in mid-September.

The Building Trades argued that the

United States will fall behind Japan, France, and the Soviet Union in nuclear breeder technology if the Clinch River program is not funded to the proposed level.

In its fight for Clinch River, the Building Trades Department has initiated a Committee on Jobs, Environment, and Technology, which includes the U.S. Chamber of Commerce, the National Black Caucus of State Legislators, the National Conference of Black Mayors, as well as individual unions.

Tsipis tells Velikhov: You blundered at Erice

MIT professor Kosta Tsipis, the physicist involved in the Pugwash Conference "back channel" discussions with the Soviets, met with Soviet laser specialist Velikhov after the August Erice seminar of U.S., Soviet, and Western European scientists in Italy and told him "what a blunder he had made in signing the agreement" to form an international beam defense study commission.

Tsipis argues that beam weapon defense systems are impossible to develop.

In reporting his own remarks to the Soviet scientist to EIR Sept. 12, Tsipis said, "Until we spoke with him, he didn't understand what a blunder he had made." He lamented that the agreement is "an enormous victory for Teller and Reagan."

Tsipis believes the study commission will come into being but maintains that it will reach conclusions consistent with his views against beam defense.

Mr. Jackson goes to Europe

Announced presidential aspirant Jesse Jackson, accompanied by Congressional Black Caucus leader Ron Dellums (D-Calif.), embarked Sept. 12 on a week-long European tour taking him to British slums, Dutch royalty, and Green Party leaders.

Jackson, a proponent of Andropov's nuclear freeze, had also planned to go to Mos-

cow, but canceled that leg of his trip after the Soviets murdered the KAL 7 passengers. He still plans to go to Warsaw.

Jackson's London itinerary Sept. 12 included a meeting with the U.S. ambassador to Britain and a tour of the Brixton slums, the site of rioting last year. Further stops include:

Sept. 13—the Netherlands, where Jackson is to meet Queen Beatrix, speak before the Commission on Foreign Policy in The Hague, and make a foreign policy presentation to the Free University in Europe's drug capital, Amsterdam.

Sept. 14—Frankfurt. Jackson is to tour American military bases in West Germany, in part to expand his black voter registration drive to black GIs.

Sept. 16—West Berlin. Jackson is to meet with Green Party representatives, the organizers of West Germany's "Hot Autumn" anti-U.S. demonstrations. He will also take a walking tour of Turkish ghettoes in West Berlin with Turkish immigrant leaders.

Jackson's tour, which was reportedly arranged by a rock music agent, was given advanced billing in *Der Spiegel*, the West German pro-Green weekly whose publisher Rudolf Augstein is a convicted drug smuggler. *Der Spiegel*, in its two-page spread on Jackson, calls him a "black messiah." Under a picture of Jackson at the podium in epauleted shirt is a quote from the minister-turnedwould-be-President: "Jesus was a demogogue, too."

Nicaragua may become 'second Cuba'—Ikle

Undersecretary of Defense for Policy Fred Ikle told the Baltimore Foreign Affairs Council Sept. 12 that a failure to extend financing to the Nicaraguan anti-Sandinista rebels could allow Nicaragua to become a "second Cuba" and that in cutting off funding, "The House, in effect, voted to establish a sanctuary for the Sandinistas."

With rhetoric reminiscent of the Johnson administration on Vietnam, Ikle said, "As long as Congress keeps crippling the President's military assistance program, we will have a policy always short of suc-

cess. . . . The President's policy for Central America has not been given a chance to work. Congress has denied the President the means to succeed."

Said Ikle, "We must prevent consolidation of a Sandinista regime in Nicaragua that would become an arsenal for insurgency. If we cannot prevent that, we have to anticipate the partition of Central America. Such a development would then force us to man a new military front line of the East-West conflict, right here on our continent."

The New York Times, which obtained an advance copy of the speech, reported that the speech had been approved the week before by White House aides, over the objection of the State Department.

The issue of funding for the Nicaraguan rebels has been used by Harriman Democrats to score points against President Reagan and to fuel the "left" side of the "right vs. left" scenario being played out in Central America. With Henry Kissinger's increasing influence on Central American policy, there is reason to believe that the "Malaysian monkey trap," which Lyndon LaRouche has persistently warned the President of, is being reset for Reagan.

Both the extremely harsh tone of the speech and the use of Ikle, the scion of a major Swiss banking family, to voice it, suggest a move afoot to divert Reagan's attention from the broader U.S.-Soviet strategic crisis. The trap of U.S. military escalation in Central America would further alienate the Contadora countries (the Ibero-American nations working to develop a peaceful solution to the Central American conflict), and provide a new raison d'etre for the "peace movement" back home.

'Reagan needs standby authority on economy'

Rep. Carl Perkins (D-Ky.) entered the following statement in a recent issue of Congressional Record, in which he underscored the important connection between the nation's military preparedness and its economic health.

"Faced with this situation [Soviet provocations, war in the Middle East, war in Central America], it is imperative that this Congress look to the defenses of this country and its interests around the world. If that means more funds and more expenditures, we will just have to dig down and come up with the money.

"And while we are about it, we might as well give the President some standby authority to deal with the economic crisis upon us, as well as with the military and diplomatic crises.

"People in my district are in serious economic straits, not withstanding all of the ballyhoo that recovery is underway. They tell us that the interest rates are declining but somehow the people who charge the high interest and the people who have to pay the rates have not gotten the word yet. People are still going bankrupt.

"I think we ought to give the President some standby authority to control the interest rates that are crippling our ability to meet the military threat from abroad."

Catholic Vets denounce **Soviets and Freeze**

The Catholic War Veterans of the United States of America, at their national convention in Philadelphia in August—before the KAL shooting—denounced Soviet aggression, opposed a nuclear freeze and, "took exception" to the National Conference of Catholic Bishops pastoral letter endorsing the freeze.

In the resolution on the freeze, the Catholic Veterans stated they "oppose an immediate nuclear weapons freeze with the Soviet Union and support President Reagan's Strategic Arms Reduction proposals." The resolution noted that the Soviet Union "has continued to promote violence and aggression around the world" and that the "Soviet military threat to the world continues to grow.

The veterans' resolution on the bishops' letter also denounced the "prejudged statements of Archbishop John R. Quinn of San Francisco to the effect that a 'soldier could disobey an order even in wartime' and 'not carry out such an order, even if it was issued by the President of the United States."

Briefly

- SEN. PETE WILSON, in contrast to the eight pro-freeze Democrats who voted against the U.S. defense appropriation, said the Senate bill was not enough. The California Republican has made a sharp aboutface on defense issues and recently called for developing beam weapons.
- HOUSE **SPEAKER** TIP O'NEILL (D-Mass.), who has led numerous partisan battles against the Reagan administration, announced Sept 12 a "united front" between the Congress and the White House on the U.S. military presence in Lebanon. "We want to work together [with the White Housel for the betterment of the world. . . . If the Syrians think the parties are divided, I think they'll find they are wrong."
- SEVERAL HUNDRED people demonstrated on the East steps of the Capitol Building in Washington, D.C. Sept. 15. urging the nation to "Build Beams Now." Organizers of the rally, sponsored by the National Democratic Policy Committee, displayed 50,000 signatures on petitions gathered across the country in support of a crash program for the development of defensive beam weapons. The rally preceded a presentation by NDPC Advisory Board Chairman Lyndon LaRouche in Washington on programs to develop the Indian and Pacific Ocean Basins. The 45-minute rally concluded with chants of "American Citizens Have a Dream: Feed the World and Build the Beam.'
- THE BALTIMORE Campaign of National Democratic Policy Committee-backed candidates scored a victory Sept. 13 against the "liberal-KGB" networks in the city's municipal Democratic primary elections. Those networks' star candidate. Councilman Mary Pat Clarke, was defeated by a wide margin in her bid for City Council President. All NDPC candidates, including council president candidate Debra Freeman, were defrauded and credited with less than 2 percent of the vote. When she ran for Congress in 1982, Freeman was credited with about 20 percent and told that her actual vote was double that.

Editorial

Nations are being murdered

Hitler in his wildest fantasies of world domination did not imagine a plan so hideous as that which guides the thinking of leading world strategists today. We face today a resurgence of the plan for world empire that has characterized oligarchical strategy from its beginnings. But even the very term empire may be misleading for those accustomed to life in a saner period of world history. For today's empire builders, the goal is not merely to place the populations of the darker-skinned nations of the world under their sway. They do not intend to capture Africa, the Middle East, the nations of Asia. They intend, rather, to destroy them.

It is not the Soviet Union versus the United States, nor any other clash of national interest that is guiding world history today. It is the battle of those committed to the policy of empire, versus the forces of the nation-state. That is what guides the behavior of the Libyan madman in the employ of Swiss and Venetian oligarchical interests. Qaddafi is not stealing land. He is destroying. That is what is determining the battle in Central America. It's not Soviet expansionism we have to fear there; it's religious cults. The same is true in the Middle East. No one is out to rule the Middle East. Some evil forces are out to destroy it.

Where is the proof? Unfortunately, if you are willing to look, it is almost everywhere:

- "Keeping Lebanon stitched together is a desirable American diplomatic interest, but it is not a vital national interest," editorializes the Now York Times of Sept. 15, 1983. The problem, you see that this nation was "a precarious creation to begin with."
- Or, listen to Alexander King, co-founder with Aurelio Peccei of the Club of Rome International, on the subject of India: "India's population should not be beyond two-thirds of what it is now. Mrs. Gandhi has been very unsuccessful in her approach. There is too much romanticism, sentimentality." How to eliminate the 200 million excess eaters? "More regional autonomy" could "help a lot. . . there would be more of a sense of self-management in controlling the population."

How did it start? The problem, in its current form, goes back to the 1920s and Bertrand Russell. Russell then envisioned a one-world empire, a rule by the Anglo-Saxon races over the benighted darker skinned peoples, who were to be left in their "natural state" of technological backwardness, their unfortunate tendency to overpopulate to be cured by periodic famine and war. After the Second World War, Russell tried to implement it as an Anglo-American empire. It was to be called a one-world government, and would possess a monopoly over science, technology, and the world's nuclear arsenals. To achieve it, Russell, the pacifist, called for a preventive nuclear strike against the Soviet Union. But the Soviets got the bomb, so Russell changed his plan to call for two empires, and went back to his former advocacy of pacifism, promoting the talks with the Soviet Union that led to the Pugwash conferences on arms control.

By 1958, Khrushchev had accepted the Russell plan by way of the Pugwash negotiations. The Soviets agreed to accept the doctrine of MAD (mutually assured destruction) as put forward to the Soviet delegations at the Pugwash II conference by the deranged Dr. Leo Szilard. This was the Dr. Strangelove who called for the superpowers to periodically agree to conduct limited nuclear wars against each other's urban population centers to "relieve tensions." The Soviet leadership, for their own reasons, bought MAD, and made the decision to work with the racist, imperialist Russell against forces in the West committed to the development of nations through technological progress.

That was the beginning. The two empires began to become one. Not conflicts of nations over national interests, but Malthusian maniacs, supranational interests dedicated to world rule, have come to determine world strategy. We are now near the endgame. Either we return to the principle of national sovereignty, based on a community of principle among nation-states devoted to the material and technological progress of their populations, or Russell's plan will come into being.

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