

EIR

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**The Mondale-Kissinger threat
to U.S. national security**



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EIR

From the Managing Editor

In this issue, we present the Dec. 5 statement by the chief of the Soviet armed forces, Marshal Dmitrii Ogarkov, that Soviet missiles are now off the coasts of the United States, i.e., a very few minutes' flight span away. This declaration was ignored by the U.S. news media, which chose to portray the speech as accommodating, if anything. To our knowledge, Ogarkov's declaration has appeared only in the U.S. Information Agency's Foreign Broadcast Information Service.

We also present the transcript of a Nov. 30 speech by Lawrence Livermore Laboratories physicist Lowell Wood, warning that precisely such a submarine missile deployment has taken place, insisting that Western survival requires energy-beam strategic defense systems, and arguing that the Soviets are many months ahead of the United States in the development of such systems.

Our Special Report anatomizes Walter Mondale, the standard-bearer of those who say that absolutely anything must be tolerated to avert a nuclear attack—except a crash beam-weapons program. *EIR* has already exposed the fact that Mondale is advised by the strategists who tried to install a Soviet proxy in Grenada; that Mondale is part of an effort to bust the labor unions who have been mobilized on his political behalf; and that Mondale supports the Federal Reserve-International Monetary Fund destruction of industrial-based growth worldwide. Now we demonstrate that Mondale's machine is the machine controlling the growing plague of child pornography, the machine that promoted the Reverend Jim Jones with full knowledge that he was a violent cultist.

This raises a question, not about Mondale—how many candidates, after all, have sold themselves to evil networks?—but about the depth and many-sidedness of this evil. Who could wittingly promote such policies and practices? It is not so simple as a communist plot to undo the West. Consider the fact that Mondale's controllers, as this Special Report shows, are determined to slash the world's population. Based in the West and in the Soviet Union, these are the would-be eliminators of "lesser races" and "useless eaters." Their methods are multiple for undermining morality and strategic sanity. They have determined most of history since World War II. May this year be the last year they are free to deploy their Mondales and Jim Joneses.

Susan Johnson

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George Tames/The New York Times

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Choice facing Washington: SDRs or national defense

by Kathy Burdman

Financial circles close to Britain's Lord Peter Carrington the first week of December openly announced that unless President Reagan agrees to cut the U.S. military budget and forego large expenditures for a crash beam weapons defense program, a world financial crisis will erupt. Lord Carrington is the leading opponent of beam weapons in Europe, the Neville Chamberlain who seeks to appease the Soviets by promising never to build such defense systems.

If Reagan goes with a crash beam program, "the markets will react very, very negatively. . . . There would be a major rise in interest rates, and it would be the end of the 'Reagan Recovery.' . . . The Reagan deficit has already added 2-3 percent to the U.S. long-term bond interest rates. If Reagan makes another major defense initiative now, rates will definitely go way up," and the President's re-election campaign is over, an aide to Lehman Brothers Kuhn, Loeb Chairman Peter Peterson stated on Dec. 5.

This is no mere traders' threat. Peterson heads the Bipartisan Budget Appeal group of former Cabinet secretaries which includes Carrington's leading U.S. peacenik allies, such as former Defense Secretary Robert McNamara and former Treasury Secretaries Henry Fowler, Micheal Blumenthal, and C. Douglas Dillon—all of whom are now business executives with big clout on Wall Street. The Peterson "Gang of Five" has put out the word on Capitol Hill that the markets will "blow out" if Congress passes Reagan's request, the aide said.

Instead, Carrington's friends are insisting that President Reagan put all available cash into their plan, contained in the

recently passed U.S. IMF quota bill (see *EIR* Nov. 29), to set up a huge new Special Drawing Rights fund at the IMF. The SDR fund is meant to back up their schemes for a "new Bretton Woods" reorganization of Third World debt and world currencies.

"If the timing of the defense budget coincides with another blowup of the debt crisis, then Reagan has a contradiction on his hands," Peterson's aide concluded.

Beam weapons *Nyet*. . .

Within the past week, calls for cuts in the U.S. defense budget threatening President Reagan with a blowup on various markets has included every leading spokesman for the International Monetary Fund. Almost all of them are on record demanding the new Bretton Woods scheme.

Topping the list was IMF Managing Director Jacques de Larosière, who on Dec. 5 told the American Enterprise Institute that President Reagan's budget is responsible for the world debt crisis. High U.S. interest rates—allegedly a result of the budget deficit—were, he said, responsible for "almost a fifth of the total current account deficit of non-oil developing countries."

Therefore the U.S. budget must be slashed. "It will come as no surprise that we in the Fund strongly favor early and substantial action to achieve a credible reduction in fiscal deficits over the medium term in a number of countries, particularly in the United States. This could do more than any other single policy action to bring down interest rates and reduce uncertainty."

De Larosière went on to demand stricter IMF political power of "surveillance" over the U.S. budget and economy, and threatened a world collapse were this not done. "The institutional framework," he said, "already exists in embryo, in the surveillance responsibilities of the IMF. It is of the utmost importance that these techniques of collaboration are developed and refined. If they are rejected in favor of autarkic solutions, then the foundations of our present international economic system will be swept aside to the detriment of all."

BIS Chairman Fritz Leutwiler sounded the same theme the next day in Philadelphia, at a conference sponsored by former IMF director Johannes Witeveen's Group of Thirty and the Global Interdependence Center. "Industrial countries," i.e., the United States "have a responsibility to provide sound fiscal and monetary policies. . . . Budget deficits are larger than ever," he warned.

And on Dec. 6, New York Federal Reserve President Anthony Solomon threatened directly at the same conference that if the budget is not cut now, the Fed will drive up interest rates immediately. Solomon denounced Reagan's "loose fiscal policy" saying that it necessitated a "tight monetary policy." His speech caused the U.S. Treasury bond market to collapse 1 percent the next day.

Other attacks this month by Carrington's networks on the U.S. defense budget include:

- The Global Economic Action Institute, run by Carrington's ally Lord Harold Lever, former British Labour Minister, and former Treasury Secretary Robert B. Anderson. Its just released first report threatens that because the world is on a dollar standard, "the issuance of all national currencies against dollar reserves . . . poses a potential threat to international finance" unless the U.S. budget is cut. "The fiscal and monetary policies of the U.S. are central to the maintenance of a stable international economy . . . lack of commitment to this principle in the United States has led to excessive capital market borrowing."

- Fed Chairman Paul Volcker stated publicly in a Nov. 21 speech that "the President . . . was wrong" when he complained recently about tight money. Only if Reagan cuts the deficit will rates fall, he stated. The longer the deficits go on, "the greater the risks on the financial markets and on the economy generally."

- White House Chief Economic Adviser Martin Feldstein, Milton Friedman's protégé, announced Nov. 21 that the deficit is too big, and that it has been caused by "increased defense spending." He said that the entire rise in the deficit from 2.3 percent of GNP in 1980 to 4.2 percent in 1988 will be due to the Reagan defense budget.

. . . SDRs Da!

The same people attacking the Reagan defense budget want the money spent instead on expansion of SDRs, to turn the IMF into a world central bank. If Reagan announces a full crash-scale beam weapons budget, Volcker will walk into the Oval Office and say, "Mr. President, I need \$50 billion (or more) SDRs. You will have to choose between my

program for saving the U.S. banking system, and your defense budget. Give up this Star Wars spending spree, or you will be responsible for the collapse of the world banking system and lose the election."

The plot began in early November, when Lord Carrington's close associate Sir Alan Walters, monetary adviser to British Prime Minister Margaret Thatcher, warned the White House that the U.S. banking system is about to go under. In an overt political manipulation, Walters told White House Councillor Ed Meese and Reagan campaign director Sen. Paul Laxalt that if the U.S. banking system's assets were put up for auction, they would be found worthless. This has reportedly made Meese and Laxalt "hysterical on the issue of U.S. banks blowing up," insiders say.

The SDR scheme contained in the IMF bill passed on Nov. 18, officially removed the right of the U.S. Congress to veto a new SDR allocation. Sources close to Volcker said that the purpose of this unconstitutional measure was to set up a new \$12 billion SDR "Interest Guaranty Fund" at the IMF. Because the plan links debt and currencies, it means the IMF is becoming a true world central bank. Under the plan, the new IMF fund would allow Third World debtors to repay their debts not in dollars, but in Brazilian cruzeiros, Mexican pesos, and other so-called "blocked accounts."

The plan was first proposed by the Lever-Anderson Global Economic Institute, the same group which has been criticizing the U.S. defense budget, in their first report. "Special domestic accounts should be used to ease debt repayment problems," they write. "A significant percentage of the debts . . . could be paid in local currencies into special domestic accounts held by central banks or a special agency created for that purpose. Eventually payment of interest could also be paid into these accounts if new borrowings would otherwise be needed to finance interest payments."

Part of the "equity" plans already implemented to "stretch out" debt in Mexico, Argentina, and Brazil, are prototype currency programs. Under a current IMF plan, the private-sector parts of Mexico's foreign dollar debt are being transformed into Mexican domestic pesos, held as "blocked accounts," owned by the creditors, at the Mexican central bank. The Mexican central bank has thus far been translating the pesos back into dollars and paying creditors.

But the blocked accounts have not yet been made permanent. If they are, they will have to be *guaranteed* by some supranational authority.

Asked who would be the "higher guarantor" for what is already Brazilian sovereign state debt, an administration source said, "the IMF and the U.S. government. They will guarantee these cruzeiro accounts, and the U.S. bank regulators will have to change their rules to allow such as payment."

By doing this, the IMF is implicitly setting some sort of cruzeiro/dollar currency rate. The IMF is backing up private bank debt with direct guarantee, something it has never done before. Finally, since nothing stands behind the SDR but the U.S. dollar, what is really happening is that the United States is footing the bill for all of it.

How the Soviet Union is taking control of Europe's 'underground economy'

by David Goldman

One preliminary result of *EIR*'s investigations of the international "underground economy" suggests that the Soviet Union's foreign financial presence in Western Europe is becoming dominant in illegal money transfers, ranging from forbidden trade in high-technology goods to street-level narcotics traffic.

While the capture in November by Swedish customs officials of American computers illegally bound for the Soviet Union made headlines, the most important qualitative development in East-West trade relations went virtually unnoticed by the English-language media: the Nov. 16 meeting of the Swiss-Soviet trade commission in Moscow. The Soviets formally proposed, and the Swiss formally accepted, to correct the Soviets' trade deficit with Switzerland by purchasing Swiss technology and "know-how," not merely for domestic use, but for third-country projects undertaken by the Soviet Union. In this case, the *Neue Zürcher Zeitung* noted, Swiss firms would act as silent advisers and contractors for Soviet projects in third countries.

This event suggests that the publicity hype concerning the attempt to transport computers to Russia via South Africa and then Sweden is misleading. The alleged culprit, a German national named Richard Mueller, has already been arraigned before a Luebeck court on charges of collaboration with the financial side of Soviet intelligence. Mueller, operating through a Swiss-based shell corporation funded with the nominal minimum of 50,000 Swiss francs, reportedly employed Hamburg trading companies to arrange the sale, but was tracked by U.S. customs.

Implied is that a technology-weak Soviet Union, desperate to obtain Western computer technology unavailable at home, depends upon Western criminal networks to meet urgent requirements. To what extent the Soviets are, indeed, hurting for Western computer technology is open to question, but as every trading company in Hamburg and Zürich has known for years, both the Swiss and "northern" routes into the Soviet Union have been open for years. The Soviets have had access via Switzerland not merely to Western computer, but also military technology, to the extent they might need

it. Their satellite, Iran, has had open access to Western industrial goods, including weapons and spare parts, via the port of Hamburg, under the personal sponsorship of West German Foreign Minister Hans-Dietrich Genscher.

The stagnating volume of European-Soviet trade is not an accurate measure of the developing relationship between the Soviets and Switzerland, West Germany, and other European nations. First, there is no reason to assume that official statistics bear any relation to actual trade-volume levels. The Soviets now sell 600,000 barrels of oil per day on the European markets, according to the published estimate of Wharton Econometrics, in exchange for arms supplies to both Iran and Iraq, as well as Libya. In return for Soviet weapons, the warring parties in the Persian Gulf have handed the Russians the means to control the margin of price developments on the European oil market, with an annual cash value of close to \$7 billion. This amount is roughly equal to Soviet purchases of West German goods reported for 1982.

Most Soviet oil reaches Western Europe through Switzerland, although most of the oil bartered from the Arabs never touches the Soviet border; it will simply be credited to the Soviets' bank accounts after sale in Rotterdam or elsewhere.

What the Soviets do with these funds is not known. However, it has been widely reported (by the Paris newspaper *Le Monde* Nov. 19, and by former New York Federal Reserve official Scott Pardee in Philadelphia Dec. 5) that the Soviets have recently taken net foreign exchange positions of \$1 billion *per day*, speculating in favor of the U. S. dollar during the dollar's recent uptrend. It is not likely that the Soviets have the bank credit to conduct such speculative transactions, according to well-informed Western European banking sources, especially since both U.S. and German banks have been under pressure to reduce such lines to the Russians. More likely is that the Soviets are backing all such transactions with cash deposits.

Apart from the Soviets' growing importance on European oil markets, the already important presence of the Soviet Union on European gold markets is supplemented by 50 to 100 tons per annum of unregistered gold exports, largely

through the large London bullion houses, which are even less scrupulous about reporting than the Swiss. How difficult this is to trace may be seen, retrospectively, in light of the recent gold robbery at a Brinks warehouse in London. Days after the break-in, British police complained that the gold—all three tons of it—was probably already melted down and untraceable. Although the robbery itself had international repercussions (the amount involved was roughly triple the usual tonnage of gold traded in a day on the physical market) the extraordinary ease with which such an amount might be dispersed reflects a pre-existing network capable of handling as much gold as the Soviets might care to feed in, without risk of detection.

The northern route

Although the Swedish computer case does not shed much light on Soviet technology dependency, it nonetheless provides an interesting lesson in geography. The large Digital Equipment computers ultimately en route to Russia were shipped, first, to South Africa, off-loaded for Hamburg, and sent on to Sweden for final delivery. One of the Hamburg's oldest and best-known financiers explained in a recent discussion, "To understand the city of Hamburg, the first thing to know is that we are 40 miles from the East German border. Hamburg was the principal trading city for Germany when the Elbe (the river dividing East and West Germany) was its principal river; our hinterland is now the East. Since our business was always based on our port, the center of German banking went south to Frankfurt after the division of Germany. But our business here has always looked eastwards."

The huge Hamburg port, inland from the mouths of the Elbe, is Europe's largest center for transshipment of goods, including goods going East; this may include American spare parts for Iranian equipment or weapons systems, or French weapons destined for the Mideast, or whatever the Soviets may care to buy. It is also the vehicle for a good deal of the Soviets' grain purchases in the West, through Hamburg firms closely associated with the large American grain-trading companies.

This is the only city in West Germany where bankers will speak frankly of European independence from the United States—the so-called "third way." It is also dominated by such figures as Erich Warburg, the principal advisor to former Chancellor Helmut Schmidt, and, until his bank failed in November, Alwen Münchmayer, the leader of Willy Brandt's trade delegations east during the 1960s and 1970s.

Narcotics traffic

Information developed from Paris police sources suggests Soviet political protection for the sudden, massive expansion of the Paris heroin traffic, with dangerous implications for French internal politics. The Russians are buying their way into the higher levels of French political corruption, a step above the Marseilles gangs who have been pushed out of the market for heroin.

Heroin traffic, with annual turnover of several billion francs per year in Paris alone, is managed as an apparently "hermetically sealed operation" by Chinese networks operating out of the traditional Golden Triangle centers as well as Pakistan, but functions in France via "Indochinese refugees" entering France with British passports; the refugee traffic is protected politically by Régis Debray. Debray, the current minister without portfolio who made his name tramping through Bolivia with Ché Guevara, is a quasi-public Soviet asset.

Addiction is apparently geometrically increasing, although the French police have no hard data apart from (legally required) physicians' reports, which show a rise from a few hundred in 1979 to 2,500 addicts now. So far this year the police have seized 35 kilos of heroin and heroin-base in Paris, double the seizures of last year; this is turned into 5 percent purity stuff which sells for 600 to 1,000 francs per gram on the street. Although a big influx of supply last summer had a marginal effect on price, the price of heroin as well as quality has been remarkably stable.

What has the police most worried is the structure of the traffic. Formerly Paris was merely a stopping point for traffickers en route to Amsterdam; now it is becoming a center in its own right, as is Frankfurt, whose police force has the worst reputation in West Germany. The heroin is brought in by Southeast Asian refugees, coming from Singapore, Hong Kong, and other cities. The heroin is from the Golden Triangle or Pakistan; however, the transport of the Pakistani heroin is conducted by Chinese networks. The heroin is refined in Golden Triangle or other laboratories into heroin base, and turned into heroin in Paris microwave ovens; it is mixed with a good deal of caffeine.

The street-level sales are conducted by North Africans; these funds are shipped to their families, or taken out of the country. The most frustrating part of the operation is the clandestine banking side of it. None of the money, the police believe, touches French banks. It is all done in cash, through Chinese banking networks who operate by oath, on a triad-style basis. "We are most aware that we are not aware of it," said one source. Chinese traffickers have also been arrested while returning to Asian countries, with suitcases full of cash.

The French police insist that the "flow and reflow of narcotics and money is entirely self-contained within Chinese networks." They have missed the "purloined letter," in this case the disappearing narcotics revenues, because they are hidden where they are most evident, and most visible.

The financial impact of the narcotics traffic is visible on the street. With mass unemployment, particularly among North African workers, there is a huge, unregistered labor pool in Paris. The biggest racket in France now is the old New York "rehab" scam. You buy a rundown apartment building for perhaps 100,000 francs per apartment, hire North Africans to rehabilitate it, pay them with unregistered cash, and sell the apartments for 800,000 francs. Unregistered cash is used to pay the bills.

Colombian labor federation takes on the issue of IMF austerity

by Carlos Potes

In the midst of the severest challenge it has ever confronted, the Union of Colombian Workers (UTC), Colombia's largest labor federation, celebrated its yearly national conference Dec. 1-4 in the Caribbean port city of Barranquilla. Caught between the rock of increasing austerity measures and the hard spot of a confrontation with the Colombian government, which at the very least would isolate the union from any real possibility of solving anything, the UTC opted for an in-depth programmatic approach to the national and international economic situation, while locating for all its affiliates the global strategic context in which their grievances must be placed in order to even hope to make some progress on the local front.

With its slogans opposing the International Monetary Fund and its calls for the formation of an Ibero-American common market to facilitate industrial development, the three-day conference of the UTC was characterized by an educational focus on the global realities which make any less comprehensive approach folly. What was unique is that 1,500 labor delegates from across Colombia came together under brutal conditions of mass unemployment, collapsing living standards, and near open warfare with the country's powerful drug-running interests and yet, instead of the making usual gripes and squabbling over how to divide up and defend the shrinking pie, the delegates took on a leadership role in formulating a program for industrial recovery and growth.

How to go about it

"Obviously, we support a moratorium on Colombia's foreign and domestic debt," said Victor Acosta, the president of the UTC, in his inaugural speech, "and we support this being done jointly with other Andean Pact and Latin American nations. . . . We also back the proposed Latin American Common Market which was formulated at the meeting of the Andean Labor Council."

Reiterating the continental reach of the federation's present policy course, leaders of the UTC affiliate in the Pacific Coast province of El Valle, UTRAVAL, presented an electrifying analysis of the means by which international banks impose genocidal conditions on developing countries, and concluded: "As the UTC has reiterated on numerous occasions, in the face of this ruthless offensive by the international

bankers, who act, in fact, as a creditors' cartel, there is no other option but to respond collectively. Our nations must build a 'union of debtors' which will declare a moratorium on foreign debt, to begin with." UTRABOC, the UTC's affiliate in the Bogotá-Cundinamarca region, added that, "when we workers have competent ideas and serious proposals, we can make history."

A labor-government alliance

The trap the UTC is avoiding, and working to keep the rest of the labor movement out of, is a possible confrontation with the government of Colombia's President Belisario Betancur, which is now in the midst in a deadly fight against extremely powerful, internationally connected drug and financial networks—networks which to this point have held a vise-grip on all flows of credit and investment. The recent kidnaping of Betancur's brother is one indication of the extremes to which this mafia is willing to go to break the country's will to set its development goals independently of the drug-running role assigned it by the debt collectors.

In spite of constant attempts by provocateurs within the UTC and other labor federations and international organizations, including the AFL-CIO's American Institute for Free Labor Development (AIFLD), to channel massive popular discontent over the general economic conditions of the country into a wave of strikes which would paralyze production and set off all kinds of anarchist disruptions, the UTC has managed so far to focus everyone's attention—including the government's—on the financial blackmail imposed by international institutions like the IMF to attempt to secure impossible debt repayments.

A global responsibility

The strategic significance of the UTC placing international political and economic issues before petty, factional squabbles is twofold. For one, it offers the Betancur government an opportunity to join ranks with popular forces knowledgeable of the circumstances in which the fight for development is being waged. This alliance can strengthen Betancur considerably in his bid to boost Colombia into taking a leadership position in that fight. Second, the UTC's international perspective provides all other Ibero-American labor federations

with a model to follow on a regional scale, enabling them to coordinate activities which can best position them politically to influence the stand taken by their respective countries on issues of debt, trade, and development. Already a position paper written by the UTC has become the working policy of the newly created Andean Labor Council.

As the presentation of the UTC's Bogotá-based affiliate, UTRABOC, at the conference emphasized: "We, the working class, have a great responsibility because, despite the fact that the presidents of the Andean Pact and of Ibero-America have on several occasions called for collective renegotiation of the foreign debt and for the creation of a debtors' organization, either for reasons of indecision or lack of clarity, they have not acted with the urgency that the world crisis demands."

'Operation Juárez'

The statements of UTRABOC as well as others throughout the conference reflect the influence of U.S. economist Lyndon H. LaRouche's "Operation Juárez" proposal, which has circulated throughout Ibero-America over the past year. "Operation Juárez" identifies the \$300 billion Ibero-American debt as the greatest single problem facing the continent, a problem that forces nations to cannibalize themselves in order to service foreign creditors. It calls for Ibero-American nations to unite in declaring a debt moratorium to force the issuance of new, low-interest credits so that these nations can obtain needed industrial goods from the United States and other advanced sector nations. It also calls for the formation of an Ibero-American common market to promote industrialization. Unless this is done, says LaRouche, the continent will die, bringing the rest of the world economy down with it.

LaRouche sent a message to the UTC on the second day of the conference, which read: "I have been told by many Ibero-Americans that if they could vote in the elections, I would be President of the United States. I see no hope of Ibero-Americans voting in the next U.S. elections, which I consider unfair, but I will do my best for Ibero-America nevertheless. Greetings to your Congress. You know my policies."

Following up

In concluding discussions among the different regional federations present, it was determined that the UTC required a permanent planning and economic intelligence department, including a data bank, to maintain constant surveillance and evaluation of the national and international situation, and to present competent programmatic initiatives to government agencies on both a national and continental scale. Maximiliano Londoño, secretary-general of the LaRouche-affiliated Andean Labor Party (PLAN) in Colombia and an adviser to UTRABOC on economic affairs, is being considered to head up this department.

The following are excerpts from Victor Acosta's inaugural speech at the national conference of the Union of Colombian workers in Barranquilla, on Dec. 1. Acosta is the president of the UTC.

. . . [We demand that business] invest in a creative, innovative spirit so as to create a heavy industrial sector: Steel plants, machine tools, capital goods, construction materials and equipment for the generation of electricity. . . .

Modernization and industrialization of agriculture must be expanded. Small farmers must receive from the state the necessary guarantees for them to become prosperous farmers and expand the area of their plots to become economically viable. . . .

By the end of this century we must double the rail system from three thousand to six thousand kilometers; rural roads and paved highways must be increased. We must increase one hundredfold port capacity. . . .

Obviously, we support a moratorium on Colombia's foreign and domestic debt, and we support this being done jointly with other Andean Pact and Latin American nations. . . . We also back the proposed Latin American Common Market which was formulated at the meeting of the Andean Labor Council.

The state must establish control over the issuance of credit, to guarantee low-interest rates for productive projects and punishment for speculators. For these purposes must be created a true central bank which will issue and channel credit for productive activities, because the Banco de la Republica is really a bank in which investment is mainly controlled by private banking.

The following are excerpts from the presentation given by UTRAVAL (Valle Workers' Union) at the national conference of the UTC, Dec. 1-4.

The annual gathering of the International Monetary Fund (IMF) and the World Bank, which took place late last September, declared unequivocally a war to the death against the nations of the Third World. The renewal of savage austerity against populations and the accelerated looting of natural resources was officialized at that financial summit. . . .

In the face of this ruthless offensive by the international bankers, who act, in fact, as a creditors' cartel, there is no other option but to respond collectively. Our nations must build a union of debtors which will declare a moratorium on foreign debt, to begin with.

For us workers, our country is America, and we see it as an obligation to defend our Nation of Republics against any foreign aggression. In this case, the pirates are the IMF, the World Bank and the leading Swiss and Anglo-American banks.

'Revolutionary austerity': the IMF creates economic collapse and fascist movements

by Timothy Rush

In back-to-back, day-long presentations to the Mexican Congress on Nov. 22 and 23, Mexico's ministers of finance and planning proclaimed the success of Mexico's economic performance over the year. "There is no option other than a policy of austerity," declared Planning and Budget Minister Carlos Salinas de Gortari. "But there is reactionary austerity and there is revolutionary austerity. The economic re-ordering of the Government of the Republic [is of] a revolutionary character."

A slew of foreign bankers flew into town to sing the praises of this revolutionary austerity. Manufacturer's Hanover president Harry Taylor repeated his now-standard glass-eating act in a visit to Mexico City at the beginning of December. Last August, at a signing ceremony for an \$11.5 billion debt restructuring, Taylor said he had been one of those who had prophesied Mexico would not get through this year without a new financial crisis. "Like many whose crystal ball is cracked, I now have to eat crushed glass," Taylor managed to concede. In Mexico on Dec. 2, the message was the same, if the image a bit more palatable: "I'm glad I have to eat my words."

Walter Wriston flew in Dec. 7 and was immediately escorted by Silva Herzog to extend personal congratulations to President Miguel de la Madrid in the presidential palace. "It is a fact that Mexico and the entire world are much better off economically than two years ago," the Citibanker declaimed to the press afterwards. He told the rest of the developing sector to listen up: "The Mexican government has made a great effort to find a model which can help the [other] countries overcome the economic situation we face."

What's more, crowed Wriston, Mexico has done this being "very careful to maintain a balance, not create ruptures and not bring about very damaging disorders."

If this is success . . .

These statements will echo in the history books like Neville Chamberlain's "Peace in our time" assurance. The Mexican "model" is based on an outpouring of wealth from the country that makes the heyday of 19th century colonialism look mild. The income and skill gains of at least a span of a generation have been wiped out in a little over a year. The only growth industry is illegal drugs, which have resurged in the northwest to levels rivaling the mid-1970s. Capital flight continues to the tune of \$4-5 billion a year, and \$13 billion net has flowed out for debt payments.

Political balance? The country is now facing a full-scale fascist insurrection led by the National Action Party (PAN), and the International Monetary Fund overlords of the debacle are demanding that the PAN be handed election victories as an "escape valve" for discontent with the economic ruin. (See *EIR*, Dateline Mexico, Dec. 13). The Nazi, including anti-Semitic, nature of this threat on the U.S. southern border must not be underestimated. Demands of spokesmen for the PAN and the IMF (see box), just a week after armed PAN squadristi rampaged through Mexico's fourth largest city, Puebla, burning ballot boxes and intimidating voters, paralleled the demands made by the foreign banker backers of Hitler in 1932-33 to prepare the Nazi takeover of Germany.

The wreckage of what was just two years ago one of the world's most promising industrializing economies is told in a very few facts:

- Mexico's trade balance, in deficit for almost all of the postwar period as capital goods, raw materials, and semi-finished goods built up the country's industry and infrastructure, swung into grotesque surplus over the past two years. The surplus was \$6 billion in 1982, over \$12.5 billion in 1983. This outflow of physical wealth and resources did not come from increased exports; these, largely oil, stayed flat, despite a four-fold cheapening of the peso, because of the continuing world depression. Imports dropped an average of 50 percent a year.

- Real wages of the workforce were gouged severely, with few parallels in recent world history. According to a study of the National Autonomous University released December 2, the purchasing power of a minimum salary in Mexico fell 73 percent in the 22-month period from January 1982 to December 1983.

Other facts highlight other facets of the same picture. The undersecretary of Industrial Development of the Ministry of Commerce and Industrial Promotion, Mauricio de María y Campos, revealed Dec. 5 that the government was rushing into place "emergency programs" in the "capital goods, construction and shipbuilding sectors"; in the face of collapsed demand, these steps were necessary "to avoid their disintegration."

On Nov. 28, Vicente Bortoni, president of the National Chamber of Construction Industry, announced that the sector was operating at 35 percent of its capacity, and will soon be laying off close to 900,000 additional workers. He noted that in 1982, only 60 percent of the construction work planned

for that year had actually been put into contract; in 1983, only 36 percent of vastly reduced planned expenditures went into actual construction.

Participants in a Wharton seminar on Mexico late in November revealed the following indications of the devastation in the areas of skilled employment: ICA, Mexico's largest construction firm with projects scattered throughout Ibero-America, had cut its personnel from 90,000 down to 40,000; Tremec, the major producer of transmissions for Mexico's auto industry, has dropped its workforce from 7,000 down to 2,800; Kenworth Mexicana has lowered its highly skilled workforce from 1,800 to 700 workers.

Fallacious figures

The extensive congressional presentations of Salinas de Gortari and Silva Herzog can only be compared to the statistical sleight-of-hand of the U.S. Federal Reserve's Industrial Index in shamelessness of fakery.

The official estimate is that inflation this year was 80 percent, and that next year it will be 50 percent. The 1984 budget is increased 51 percent in nominal terms (to 11.7 trillion pesos, or roughly \$70 billion at current exchange rates), just meeting this projected inflation. Government investment is to increase 2.6 percent in real terms. Silva Herzog announced that imports should rise slightly, by 10 percent; this will constitute a "relatively normal level of imports," he stated. According to some in the government, the sum effect of the budget will be zero growth next year; others say there could be 1 percent growth. For 1983, the official estimate is that the economy shrank roughly 3 percent.

These figures and scores of more detailed computations trotted out before the congress are meaningless. There is not the slightest correspondence between what is programmed and what actually occurs. In 1983, \$14 billion was authorized for necessary imports; only \$7.5 billion was actually released by the Finance Ministry and the Bank of Mexico. As of the middle of the third quarter, only 17 percent of the year's projected state sector investments had been put into effect. The disbursement rate sped up only marginally in the rest of the year. The way a laconic Silva Herzog put it to Congress was that "the results of the adjustment [in 1983] were more accentuated than had been foreseen."

More fundamental, there is no way to square the devastation throughout the economy, and particularly in the purchasing power of the workforce, with the estimates that GDP will fall only 3 percent. By no one's calculations have real salaries lost less than 30 percent this year; official statistics in the government indicate industrial output is down over 10 percent; and the government has raised price guarantee levels in agriculture at a rate far inferior to inflation. Where can there possibly be the demand to keep GDP at almost the same levels as the year before?

One key to the mystery is the government's manipulation of inflation figures. Both labor and business economists calculate inflation at half again greater than the government's estimate of 80 percent. By deliberately undercounting infla-

Mexican anti-Semite attacks LaRouche

One of Mexico's most influential and prominent anti-Semites, José Antonio Pérez Stuart, author of the business column "Portafolios" in the daily *Excelsior*, has renewed a furious campaign of defamation against Lyndon H. LaRouche, the U.S. economist and announced Democratic presidential candidate, and against parties associated with his ideas, such as the Mexican Labor Party (PLM).

Pérez Stuart is a leading defender of the pretensions of the fascist National Action Party (PAN) to destroy the Mexican political system, and a staunch supporter of the PAN's neo-Nazi ideologue José Angel Conchello. Conchello wrote in 1976 that "The economic recovery program of the country needs the idea of a great banker, Hjalmar Schacht, director of the German central bank during the Hitlerian empire. We must invest work to create capital." Two years later he specified that what he had in mind was Hitler's "forced labor service for youth, the *Arbeitsdienst*," which was the forerunner of the Nazi concentration camp system.

The psychological need to label any enemy "Jewish" is the hallmark of both Pérez Stuart and Conchello. Pérez Stuart first erupted with this anti-Semitic rage against LaRouche (who is not Jewish) in an *Excelsior* column Oct. 10, 1982. In an article defending the takeover of the country by the International Monetary Fund, Pérez Stuart denounced "an international group of Labor Committees. . . headed by Lyndon LaRouche Jr.," who were "members of the Jewish community. . . asking for debt moratoria."

Pérez Stuart associate Conchello vented his anti-Semitic spleen on a Mexican Labor Party official in Baja California Norte on Aug. 17, 1983, threatening that "We'll get LaRouche, that filthy Jew from Philadelphia." Another Pérez Stuart intimate, Friedmanite economist Luis Pazos, said in early October that LaRouche was "an eccentric Jewish millionaire" whose associates were "evil and dangerous."

On Sept. 11, 1983, after elections in Baja California Norte, Pérez Stuart charged that the PAN had lost the elections due to groups "inspired by a type of Charles Manson who goes by the name of Lyndon H. LaRouche."

On Nov. 27, and again on Dec. 4, anti-Semite Pérez Stuart declared that the implementation of Mexico's agreements with the IMF necessitated the crushing of "foreign shells such as the Mexican Labor Party," who were resisting IMF dictates and successfully discrediting the PAN in the past months' local elections. Pérez Stuart threatened Mexican President de la Madrid with domestic "discontent and instability" and a withdrawal of confidence "by the international financial community" if the PAN were not given election victories.

tion, the government correspondingly puffs up the figures for real GDP growth.

Revealing trends

However, the budget show provided by the two ministers did reveal significant trends, if not reliable statistics. The percentage of the total budget dedicated to internal and external debt service stayed at 36 percent. For comparison, the United States, even with its enormous deficits in recent years, earmarks 10 percent of its budget to debt. The National Development Plan promulgated with great fanfare just last May stipulated a ceiling on interest payments of 5 percent of GDP; the 1984 budget allocates \$18 billion to interest payments, 10 percent of GDP.

The budget likewise slants the economy into heightened de-industrialization. Salinas de Gortari classified debt payments, revenue sharing with states and local governments, and the basic government wages bill as fixed costs in the budget. Of the remaining "programmable expenditure," education, health, and social security stays roughly the same, at 24 percent; ditto agriculture and fishing, at 20 percent. But the energy sector drops two percentage points, to 26 percent, and other state sector industry, 2 percentage points, to 8 percent. Salinas de Gortari announced an increase in expenditure in communications and transport explicitly because the pick-and-shovel work crews put to work on the country's back roads "use manpower in a labor-intensive way."

The political devastation

The leftist, Jesuit-run daily *Uno mas uno*, sighed that the government figures could not be trusted, but celebrated that at least they were presented amid spirited congressional debate in which all of Mexico's 7 registered parties participated.

This is the bad joke of Education Minister Jesús Reyes Heróles, who as interior minister from 1976-79 designed Mexico's "political reform" for exactly this kind of parliamentary cretinism. Reyes emerged early this year as the "inside" ideological capo in the government behind the IMF program; he is the author of a strategy, with the PAN as his shocktroops, to pin the "populist" regimes of the past two presidents, Luis Echeverría and José López Portillo, with the blame for Mexico's current woes.

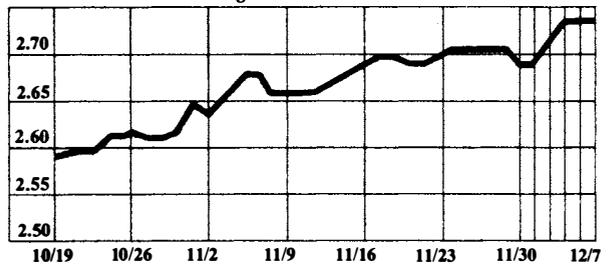
The continuing political base of Echeverría and López Portillo, the labor movement and the peasant sector, is slated for destruction in the witchhunt against the former presidents. Removing the resistance of these layers would clear the way for disintegration of the long-ruling PRI party and for a "dual power" situation with the fascist PAN faster than almost any observers, except perhaps those in the inner IMF circles, yet recognize.

On Nov. 25, Fidel Velásquez, head of the PRI's powerful labor wing, left few in doubt where he stood when asked about Salinas de Gortari's congressional presentation. Raising his voice to be heard by Silva Herzog, standing nearby, he declared: "This year's austerity was reactionary."

Currency Rates

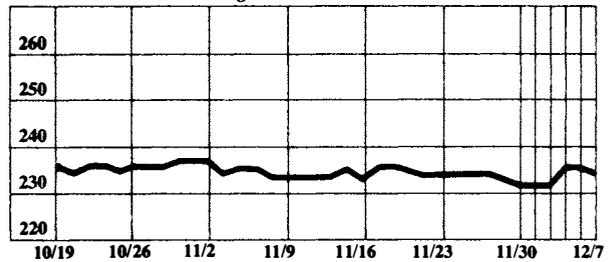
The dollar in deutschemarks

New York late afternoon fixing



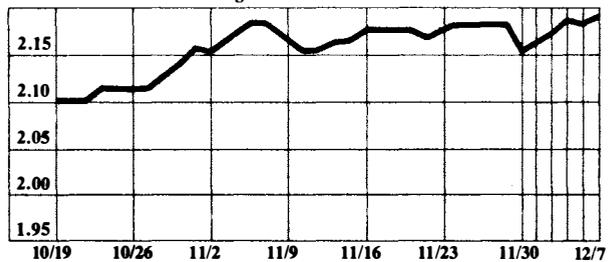
The dollar in yen

New York late afternoon fixing



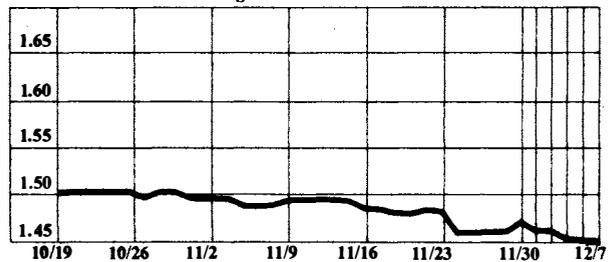
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The Soviets' dollar card

A near-term dollar collapse triggered by Moscow would, among other things, force slashes in the U.S. military budget.

Western European financial weakness and stable or rising U.S. interest rates will force the dollar higher during the next several months. But a dollar crisis—widely predicted by financial journalists in Lord Carrington's entourage—is likely for early spring, and is possible at any moment. What is less widely recognized is the Soviet potential for triggering such a crisis.

Former New York Fed foreign exchange chief Scott Pardee stated at a Philadelphia financial conference Dec. 6 that the Soviets are "massively buying dollars . . . in the wake of their withdrawal from the Geneva disarmament talks. . . . One of the concerns of foreign exchange dealers in the interbank market right now is the trading behavior of the Soviet Union's banking arm in London. Ask a trader why the dollar is up and he will answer, 'The Russians bought dollars today.' The Soviet Union of course needs dollars to buy grain and other things in the West, but I have to believe that its current mode of operation is politically inspired. The Soviets can be very unobtrusive in markets when they want to be, even when they have big amounts to do.

"The tactics the Russians use in calling a bank and buying \$50 to \$100 million dollars from him are sledgehammer blows to the market. The Russians were particularly active as a buyer of dollars after the Soviet Union walked out of the Geneva talks on intermediate-range missiles. Traders can only guess why. Perhaps the Soviets want the dollar higher so that they can get more for the gas and oil they sell to the West to the extent they might be

paid in dollars for these exports.

"Perhaps they want the dollar higher so as to place greater pressure on the governments of the LDCs which are struggling to solve their debt problems, perhaps igniting a revolution or two. This is the guess of most foreign exchange traders today.

"Perhaps they want the dollar higher so as to further embarrass our allies in Western Europe and Japan, as could be read into the Geneva walk-out," the speech continued. On the phone, Pardee elaborated:

"It's embarrassing to the governments of Europe to have their currencies declining against the dollar. They are already annoyed with the United States for not having provided leadership on international monetary questions. Domestic political pressures will develop against those governments."

Thus the strength of the dollar constitutes a major wedge of division in the Atlantic Alliance. However, Pardee's proposed solution was to accede to Soviet-inspired demands in European capitals, i.e., to cut the U.S. defense budget, and accept supranational surveillance over the dollar exchange rate. He warned, "The debate about deficits in Washington is unreal. . . . Anyone who sits in the trading room of a primary dealer of U.S. government securities while bidding is going on would see the damage that the fiscal deficits are already doing."

With the U.S. trade deficit running at a \$100 billion annual rate, capital flows into the United States are financing both an unmanageable trade deficit as well as the federal budget

deficit. Reversal of such flows, Carrington mouthpiece Sam Brittan warned recently, would produce a "dollar crash" and force huge U.S. budget cuts.

Carrington's move to the NATO top position will consolidate a European "third force," or neutralist, group including West German Foreign Minister Hans-Dietrich Genscher and his Italian counterpart Giulio Andreotti. This political faction and associated financiers are looking for an opportunity to break the Reagan administration's defense posture and American power generally. Dissipation of the "recovery" myth during next year's first quarter, along with unraveling of the debt-refinancing packages for Brazil and other major debtors, could trigger such a crisis.

This combination would be a bludgeon in the hands of IMF managing director Jacques de Larosière, who (see article, page 4) reiterated demands that the U.S. accept big—i.e., defense—budget cuts, in a Washington speech on Dec. 5. New York Fed president Tony Solomon, a political ally of the Carrington group, not only warned on the same day that the Fed would "tilt toward restraint" if the President did not cut the budget, but predicted European exchange controls against the dollar if the "whipsaw" continued.

The U.S. interest-rate structure is now on a ratchet; high rates are required to keep capital flows coming in, but high rates destroy the levels of world trade required to generate future capital flows.

When the dollar crisis is triggered, the President will have to use emergency powers to stabilize the U.S. financial situation, possibly in context of financing a defense mobilization—or accept the dissolution of his defense budget and strategic disaster.

BIS's 'innovative' asset snatch

The BIS and U.S. Treasury want to lock the banks into equity assets in the Third World.

At two separate world banking conferences this month, Bank for International Settlements chairman Fritz Leutwiler and Bank of England spokesman Lord Harold Lever of Britain spoke openly for plans to turn uncollectable Third World debt into equity ownership of assets in debtor nations. The statements were the first such official comments on the "equity" plan, which would destroy the national sovereignty of debtor nations who would be forced to sell their patrimony to private foreign companies.

The plan to exchange debt for equity, often denominated in the currency of the debtor such as Brazilian cruzeiros or Mexican pesos, is being pushed by Citibank and Bank of America, who want to take over these countries. It has also scared the pants off of many U.S. regional banks with loans to the area, who "certainly don't want to be locked into cruzeiro assets," as one Midwestern banker said. "I'm in business to finance trade, not become a Brazilian steel magnate."

Leutwiler, addressing the Dec. 5 Philadelphia conference on international monetary affairs sponsored by former IMF director Johannes Witeveen's Group of Thirty and the Global Interdependence Center, was characteristically blunt.

Plans for the banks to exchange the debt for ownership of the Brazilian state steel company or the Mexican state oil company Pemex should proceed, he said, under which "debtor

countries would sell some of their assets to their creditors. For countries with large endowments of natural resources," he said, "or with profitable state-owned enterprises, this is a worthwhile option. It would underline the willingness of the debtor countries to come to grips with problems."

Unless such plans are implemented, there will be debt moratoria, he threatened. "It is sometimes argued that it is in no country's interest to repudiate its foreign debt, so the country that would default would have little to gain and much to lose. . . . The resulting strangulating effect would be devastating. It seems fair to say that no rational country will default. Unfortunately, people in governments do not always behave rationally. We're reminded of this every day."

Leutwiler was echoed Dec. 6 by Britain's Lord Harold Lever, addressing the London Annual Conference on World Banking of the Financial Times. Unless the so-called "Lever plan," under which debt is exchanged for assets, is implemented, "there will be another debt crisis."

Lever demanded that "Western governments," i.e., the U.S. Treasury, pay up to support his new plan for an export development fund, under which all future export credits to the LDCs would be backed by the mortgaging his title to domestic mineral rights and national income generally. "The action taken so far to ease the LDC debt crisis is only a repair

job," he said. "What is needed is a program to deal with future payments imbalances and shocks to the system, which would provide an organized flow of funds to help the LDCs grow and achieve political stability."

Speaking with Leutwiler in Philadelphia, U.S. Deputy Treasury Secretary R. Tim McNamar made an incredible set of proposals for asset grabbing, the first ever from the U.S. government officially. In his speech, "The International Debt Problem: Working Out a Solution," he called for an "equity workout."

"Today at the end of 1983, we find ourselves in a transition to Phase III, a new beginning for the world financial system . . . the time for an orderly workout of the debt problems in the coming years . . . debtor countries will begin to develop special arrangements to overcome individual problems.

Debtors should mortgage future export receipts," he began. "For example, some may wish to utilize discounted prepayments for marketable commodities, in order to balance seasonal or irregular cashflows.

Or, the debtors can mortgage their exports—their food production and natural resources. "Others may wish to consider issuing bonds that are indexed against future currency devaluations or backed by future exports, e.g., Argentina could use wheat. Still others may shift to bonds, the face value of which is tied to an export price. So-called 'petro-bonds' have been discussed for some time. Perhaps in time, a Nigeria, Venezuela, or Mexico may consider issuing these to retire currently outstanding medium term commercial bank debt.

"My point is, that during the coming years, it is reasonable to anticipate a wide variety of new and innovative financing ideas from the debtor countries."

Why rates are moving up

It's not because a recovery has created new demand for credit, look at the deficit picture.

When long-term bond rates jumped 22 basic points to 11.92 percent on Dec. 8 from the week earlier, and on the same date bank certificates of deposit due in six months stood at 10.05 percent, up 25 basic points from the day before, this column's warning four months ago of a rate hike in the last quarter of this year began to be fulfilled.

The reasons for this increase have been misinterpreted, in some cases deliberately by Morgan Guaranty, Salomon Brothers' Henry Kaufmann, and other interpreters of interest-rate movements in the United States.

According to this crowd, there are two causes pushing up interest rates: 1) growing U.S. budget deficits and 2) the alleged, nowhere-to-be-seen "overheating of the U.S. economy." Point 1 has some validity; point 2 misidentifies the process of corporate financing of interest debt service with borrowing for economic growth. In any case, according to each of these two arguments, the U.S. government and corporations are crowding out the market and pushing up interest rates.

It remains for one of the greatest enemies of the United States at this time, former West German Chancellor Helmut Schmidt, to actually indicate what is causing the rates to increase. In a speech before a Washington, D.C. executive group on Dec. 8, Schmidt blamed the U.S. budget deficit for the current problems over the European Community budget, the dis-

unity among EC nations, and the problems in the European economy. He said that "the United States is living at the expense of the rest of the world," and that "the world outside will not continue to finance your deficit." The regime of capital inflows to finance the American deficit "will not last. . . . Eventually the Europeans will regulate capital outflows through controls."

In narrow terms, Schmidt's formulation is accurate. Federal Reserve Board chairman Paul Volcker imposed the current high-interest rate regime as policy in October 1979 when the dollar had crashed to barely DM 1.80. Since then, rates have strengthened the dollar to a record DM 2.75 cross-rate as of Dec. 9, and the United States has absorbed most of \$100 billion in Ibero-American flight capital as well as a huge amount of European flight capital, especially since September 1982.

This flight capital financed the U.S. federal budget deficit as well as the widening trade deficits which reached \$70 billion in 1983.

But flight capital from Ibero-America dried up, especially starting in May of this year, leaving Europe as the only source of flight capital funds. Europe's loss of flight capital leaves Europe *de facto* bankrupt, i.e., without any visible source to finance its growing external indebtedness and its internal budget deficits.

OPEC, which had provided funds

to both the United States and Europe, is now running a deficit and thus draining funds from the world liquidity pool. British Prime Minister Margaret Thatcher's nasty attack on U.S. budget deficits on the floor of the House of Commons Dec. 8 presages intense U.S.-bashing in Europe that could, as Schmidt warned, lead to exchange controls and deep rifts in the already fractured U.S.-Western European alliance.

The U.S. budget deficit is real and large enough, but its source has been misidentified. Council of Economics Advisers chief Martin Feldstein has claimed, along with Morgan and the rest of Wall Street, that defense spending has "busted the budget" and must be cut, thus crippling U.S. defense at a time when the Soviets are most bent on war (see article, p. 4). An honest audit of the U.S. budget, conducted by this magazine earlier this year (see *EIR*, March 22) shows that, on the contrary, Paul Volcker, the biggest advocate of defense cuts, is the real culprit. Of the \$200 billion fiscal year 1983 budget deficit, *EIR* proved that 70 percent was attributable to Volcker's brutally high interest rates, including tack-ons due to extra interest on the public debt, lost personal and corporate income taxes, and extra payments for unemployment, food stamps, and other benefits.

As for the hokey that heavy corporate borrowing reflects "overheating the economy," the actual biggest cause of corporate borrowing is interest debt service financing. According to one published report, 48 cents of each dollar of corporate cash flow in the second quarter went into interest debt service. The ratio of short-term to long-term debt barely budged for the corporate sector during the "recovery," meaning that most debt is still short-term and very costly.

Business Briefs

Domestic Credit

Federal mortgage lid lifted

Congress has removed federal control of interest rates on Federal Housing Administration insured mortgages, ending a practice begun 50 years ago. Until the legislation was pushed through in the last hours before Congress adjourned, FHA had set a ceiling on interest rates above which it will not insure mortgages.

The new rules will raise FHA insured mortgage rates to the "market rate," currently about 13½ percent, or 1 percent higher than present FHA rates. The change was favored by the mortgage industry and by the National Association of Realtors, but the Homebuilders Association was reported "not happy" about the prospects.

The legislation also puts new burdens on FHA mortgage takers by allowing "adjustable rate mortgages" to be insured by FHA. Interest rates on these mortgages rise and fall with the market, increasing the interest rates of mortgages as general interest rates rise.

Black Economy

Kissinger connection exposed in Spanish media

The Spanish connection of Kissinger Associates' vast international dirty-money operations was exposed in the Oct. 31 issue of the weekly *Actual*. *Actual* quoted from the *EIR* exposé of the fugitive oil trader and Kissinger business partner Marc Rich in its article titled "Perez-Llorca: Legal Treason?" The article describes the illegal operations of Jose Pederó Perez-Llorca, a former Spanish foreign minister who is currently employed by Kissinger Associates. Perez-Llorca's foreign ministry intervened to grant Rich Spanish citizenship in July 1982. Rich is presently hiding in Madrid.

Actual states, "Marc Rich, a Belgian emigrant to the U.S. . . . today sought by U.S. authorities for the biggest financial

fraud in history—\$48 million dollars—was identified by *Executive Intelligence Review*, an insiders' magazine of confidential character, as connected to Kissinger Associates in a dark operation involving the purchasing of Iranian oil while American hostages were being held in Teheran—an offense which is punishable under the Trading with the Enemy statutes."

In another article, in the Catholic Church-linked daily *Ya* on Nov. 2, former minister of information Ricardo de la Cierva implicates Henry Kissinger in the assassination of Admiral Carrero Blanco in 1973. In his weekly "Fifth Column" in *Ya*, in an article titled, "Arms, Drugs, ETA, and Carrero Blanco," de la Cierva describes how "Henry Kissinger watched with incredulity while the admiral, with absolute certainty, explained to him the Soviet strategy for corrupting the West. . . . Two days later the admiral died in a criminal assault by a secret commando unit. . . . The investigation was derailed by communist propaganda. . . . I suspect that one of the persons who today could shed light, albeit a black light, on such a historical problem is precisely Dr. Kissinger, and I suspect he will never do it."

War Mobilization

Soviets building strategic grain reserve?

Diverging from the current "conventional wisdom" circulating in Washington, at least one analyst of the recent Soviet grain purchases is convinced that Moscow is building an enormous grain bank in reserve for war conditions. M. S. Bernstam of Hoover Institution told *EIR* Dec. 8 that, since the "Great Grain Robbery of 1972," Moscow has diverted large amounts of food, including U.S. grain, into strategic stockpiles.

According to Bernstam, who is disputing the views of the U.S. Department of Agriculture and the CIA, the Russians have stored 94 million metric tons of grain in these strategic stockpiles. Moscow uses irradiation methods to insure the grain against spoilage for long periods, a method of food preservation to date banned in the United States.

In addition, Bernstam maintains, the Russians have an additional 120 million metric tons of grain elevator storage capacity. Their strategic storage program began in the early 1970s, and was accelerated after 1976 with the construction of complete new grain elevators.

Sources contacted by *EIR* at USDA and the CIA admitted that no figures on Soviet grain reserves have been available since 1980, when Moscow ceased publishing official crop figures. In 1982-83, according to official USDA estimates (no exact figures are available because of the secrecy under which the international grain trade is conducted), Russia imported 32.5 million metric tons of grain from the West. Six months ago, the State Department lifted the restrictions on grain sales to Moscow imposed during the height of the Polish unrest. Moscow successfully won an unprecedented "sanctity of contract" clause from Washington, which established that for the five years, the United States cannot refuse to sell grain to Russia unless there is a declaration of war or emergency.

East Bloc

Pro-debtors' cartel minister purged

As the militarization of Poland was stepped up over the first week of December, purges of Polish government officials that began with the Central Committee plenum Nov. 18-19 continue. The visit of Soviet KGB head Viktor Chebrikov to Poland Nov. 25 promoted the dismissal of Vladislav Jablonski, deputy chief of the Planning Commission.

Jablonski's ousting was preceded by the firing of Deputy Prime Minister and Chairman of the Planning Commission Janusz Obodowski on the second day of the Central Committee plenum. Obodowski is noted for calling on Poland in a statement Dec. 24, 1982 to make "a joint policy" with other indebted nations—particularly those of Ibero-America—to prevent an international financial collapse. At a Jan. 26 Planning Commission meeting, Poland had to

Briefly

take steps to further tighten its economic cooperation with the Soviet Union and other nations of the East bloc, because it was being forced to pay cash for almost all imports from the West. But at the same time the Commission looked at "how to activate Poland's trade relations with Third World countries."

Western Europe

EC collapse looms as summit ends in chaos

After two days of talks, the Athens summit of the heads of state of the European Community (EC) broke up Dec. 6 without resolving any of the immediate crises it faces: a \$2 to \$4 billion deficit in the budget of the EC's agriculture program, the Common Agricultural Policy (CAP), how much each of the 10 member nations must contribute to the budget, and the threat of intensified trade warfare among the member nations.

Greek Premier Andreas Papandreou, acting president of the EC and host of the chaotic Athens summit, assessed the situation: "If this crisis remains unresolved, the EC will break apart within the next six months."

Disintegration of the EC would have disastrous effects on the highly trade-dependent Western European economies. If the price support system of the CAP collapses, Italian farmers will oppose agricultural imports from France and Germany which could undercut their prices. Workers in the export-dependent German steel industry, already facing massive layoffs, will fight steel imports from abroad. France, one of West Germany's primary markets, could well move to halt German imports. The British fishing industry could attempt to seal off the Atlantic from competitors, as it did during the "cod wars" with Denmark and Iceland last year. Most of Western Europe will be thrown into a severe financial crisis, because most nations' deficits have been covered by West German payments.

Both Italian Foreign Minister Giulio Andreotti and British Prime Minister Margaret Thatcher contributed to the collapse of

the EC talks. Andreotti announced that he welcomed the failure of the Common Agricultural Policy, and Thatcher insisted that Britain should not have to contribute to the EC's common budget. The West German government insisted on a policy of harsh austerity measures for Western Europe.

Ibero-America

IMF imposes birth control on Brazil

EIR has learned of the secret conditionalities included in Brazil's recent new agreement with the IMF and the banks.

The agreement calls for population control, further wage cuts for state employees, and 25 percent cuts in state investment budgets for 1984.

Brazilian Armed Forces Chief of Staff General Waldyr Vasconcelos announced Dec. 2 that he will soon ask President João Figueiredo to create a "Special Secretariat for Family Planning." As the Rio daily *O Globo* noted on Dec. 7, the decision by the military's planning body to reduce population growth "replaces the theory that a growing demographic mass is of strategic value in occupying and defending the national territory." President Figueiredo yielded to the international population lobby in March, days after the first agreements with the banks and the IMF were signed, but until now, the military has resisted these conditions.

Vasconcelos' announcement follows an intensive media barrage sponsored by the World Wildlife Federation, among others, on the theme that Brazil's misery is increasingly caused by its being overpopulated, rather than by the IMF and the looters.

Signs of resistance are coming from the Catholic Church and from military nationalists who are on the political frontline against the IMF. Rio de Janeiro's Cardinal Eugenio Sales returned the fire to the IMF looters in a Dec. 2 declaration, "Looking at Brazil, one can see the mouths they want to suppress through artificial and thus anti-natural birth control are immensely less pernicious to the national good than the insatiability of those who want to defraud the national patrimony."

● **JAPAN AND ASEAN** concluded ministerial-level talks on science and technology transfers the first week of December. The ASEAN countries (Singapore, Malaysia, Indonesia, Thailand, Philippines) had been issuing criticisms of Japan for its refusal to share advanced technology. Japan has taken steps to meet demands of the ASEAN nations for stepped-up technology transfers.

● **VIETNAM** and Japan have increased two-way trade by 40 percent since the beginning of 1983. Recently, Japan offered Vietnam a major loan to cover damage caused by a series of typhoons. Japanese Foreign Minister Shintaro Abe announced Dec. 6 that, for the first time in two years, a delegation would travel to Hanoi in mid-December as "part of Japan's efforts to maintain dialogue with Hanoi so as to create a more favorable climate for restoration of peace in the area."

● **THE IMF** dealt the new Grenadian government a hard blow the first week of December by suspending the \$14 million extended credit facility it had been granted in 1981. The agreement had been signed by then-finance minister Bernard Coard. Although the IMF gave no reason for its decision, apparently the decision was made that Grenada was not meeting the conditionalities imposed on it in 1981.

● **RAUL ALFONSIN**, incoming president of Argentina, has announced that he will organize the National Atomic Energy Commission (CNEA) and place it under the control of his foreign minister, Socialist International operative Dante Caputo. Under the guise of ensuring that the program functions "for peaceful purposes only," this move could mean the destruction of the most advanced nuclear program in Ibero-America (see *EIR*, Dec. 6). The new government is apparently trying to use the pledge of undercutting the nuclear energy program to extract a promise from the United States to pressure Great Britain to resolve the Malvinas Islands dispute.

The Mondale-Kissinger threat to America's national security

by Warren Hamerman

Walter Mondale's presidential candidacy is a grave national security threat not *merely* because he is the preferred candidate in Moscow for the Democratic Party nomination. Nor is Mondale being promoted by the international Pugwash networks, which are committed to destroying U.S. national sovereignty and instituting a world government, *merely* because of his violent opposition to the policy of President Reagan's "Mutually Assured Survival" speech on March 23. Nor is the danger to national survival *merely* posed by the fact that Mondale enjoys the full backing of both the Democratic Party's "Politburo" of Harriman, Kirkland, and Manatt and the Kissinger wing of the Republican Party—a "Benedict Arnold alliance" beyond allegiance to party, country, or Western Judeo-Christian civilization.

Each of these facts, which *EIR* has documented, would be ample justification to purge Mondale from the U.S. political scene.

But some time between now and the period well before either the Democrats or Republicans hold their nominating conventions next summer, the Soviet military command and Russian Orthodox Church are proceeding to challenge the United States militarily in a fullscale global showdown, out of which they hope to emerge as the triumphant "Third and Final Roman Empire." The entire Democratic Party's officially approved presidential nomination puppet show now on tour—including the "frontrunner puppet" Walter Mondale, with the supporting cast of other Petrouchkas who *all* savagely oppose U.S. adoption of a crash defense program including laser and energy-beam defensive weapons—is winning rave reviews in Russia. Only the "unorthodox" challenge of Lyndon H. LaRouche, Jr. for the Democratic nomination is being denounced in Moscow, for only his policies represent a potential threat to Russian "Third Rome" delusions.

The emcee of the Moscow-approved Democratic Party road show, which is presenting a "nuclear freeze soap opera" promoting the reasonableness of the Russian leadership in contrast to "warmonger" Reagan, is Moscow's man from Hollywood, Charles T. Manatt. The Democratic puppet show is meant to stir up



Stuart Lewis/NSIPS

Walter Mondale addressing an appreciative audience at the Sept. 29, 1982 Human Rights Campaign—a homosexual organization—dinner in New York City.

the political conditions in the country which will make it appear politically unwise for President Reagan to make the command decision to order a full emergency war production mobilization, before we face a thermonuclear Pearl Harbor. The Democratic Party show is designed to give the national media, a fifth column for Russian propaganda, a series of barely credible pretexts to lie about the “mood” or “sentiments” of the American public. The President’s political consultants are intended to talk him into “delaying” and “moderating” his responses to the unfolding encroachments of the Russians.

The script handed to Manatt’s marionettes is that the United States must cut, not increase the defense budget, at the same time the President must stop “provoking” and start giving ground to the Soviet bear, lest it get really angry. Presumably, they argue, America’s budget deficits will be annihilated in World War III.

‘Pre-emptive surrender’

On Nov. 29 in New York City the “front runner puppet” Mondale was handed the following lines to read at the Summit Hotel:

“We’re further away from a new arms control agreement with the Soviets than we ever were before. . . . Of course, I support the nuclear freeze, but other measures are necessary. I’m proposing that we start having annual summits between the U.S. President and the Soviet head of state. And when I get to one of those summits, I’m going to take the Soviet head of State behind closed doors and grind away for three

or four days.” Later at a forum sponsored by the New Democratic Coalition, Mondale denounced the U.S. deployment of Pershing II missiles in Europe as “destabilizing,” and pledged to cancel the B-1 bomber and MX missile, to complete unilateral disarmament.

Mondale’s “preventive surrender” policy was sketched in detail in the Dec. 5 issue of *Newsweek* by one of his mentors, former Defense Secretary and World Bank head Robert McNamara. McNamara is the father-in-law of the notorious Robert Pastor, the top Mondale aide who was an adviser to Gen. Hudson Austin of Grenada after Austin had pulled the bloody coup that threatened the lives of the U.S. students on the island. In *Newsweek*, McNamara presented a “defense program” of 18 points which included: “Announce that we would not retaliate against a nuclear strike until we had ascertained the source of the attack, the size of the attack and the intentions of the attacker”; unilaterally halt development of so-called destabilizing weapons systems like the MX; no deployment of Pershing IIs to Western Europe; and “negotiate a ban on weapons in space,” a direct counter to beam defense.

This is nothing but the straightforward policy of the Trilateral Commission, set at their meeting in Italy only a few days after President Reagan made his historic March 23 speech. Trilateral Commission founding member Henry Kissinger, while in Rome at the meeting, denounced Reagan’s new policy as “Neanderthal.” Trilateral Commission members Mondale, Kirkland, Volcker, Winston Lord, Sol Linowitz, Bill Hyland, Cyrus Vance, et al. have been implementing

the policy since. Mondale's campaign advisers include three high-level Kissinger operatives—William Hyland (editor of *Foreign Affairs*), Winston Lord (Kissinger's former aide and current President of the New York Council of Foreign Relations), and Viron P. Vaky (National Security Council Latin American expert).

The Trilateral Commission was the Jimmy Carter administration, which the American public so decisively rejected when Reagan was elected in 1980. Aside from Mondale and Carter himself, 18 Trilateral Commission members held top positions in that administration. Of the 35 names on Mondale's advisers list today, 23 were members of the Carter administration, the presidency so decisively humiliated in the last elections because it reeked of pure immorality.

The dirty boys network

Walter Mondale and Henry Kissinger are not merely U.S. national security threats because of their defense and economic policies. They are the outfront political spokesmen for a "worldwide dirty boys network." Mondale and Kissinger—along with Kissinger's business partner and NATO heir-apparent Lord Carrington—run the political protection for child pornography rings, pedophilia, drug pushing, cults, and terrorism, as we shall document in the following pages.

In this Special Report, we detail the following aspects of the supranational network which Mondale and Kissinger represent:

1) How the Hubert Humphrey Institute, named for Walter Mondale's political mentor and now the keystone in the Mondale machine, has functioned since the downfall of the Carter-Mondale regime as a center for every subversive conspiracy against the United States as a nation and the American System tradition, including collaborating with the Soviet KGB to such ends. Only those naive enough to believe that Henry Kissinger is a "Republican" partisan will be surprised to learn that Kissinger was in on the ground floor in establishing this center for bringing American high-technology industry and agriculture to an end, and the Reagan administration along with it.

2) How Walter Mondale personally, along with the Carter-Mondale administration as a whole, facilitated the development of the mass-murdering Rev. Jim Jones cult as a political asset.

3) The Mondale connection to the political networks that appease and protect—under the guise of "human rights"—the perpetrators of kidnapping and child sexual abuse rings that claim a quarter million children every year.

By raising the specter of Caligula as President of the United States, the enemies of Western civilization hope to destroy the fighting morale of the American citizenry. The hideous Sodom and Gomorrah is meant to be installed after the global showdown, as Moscow's satrapy in Washington. Read the following dossier carefully. There is no prospect worse than being a "survivor" in Moscow's Third and Final Roman Empire.

The think tank

by William Engdahl

On May 24 of this year one of the most significant political gatherings of recent history took place in Minneapolis, Minnesota, at the commercial center of world agricultural commodity trade. Under security provisions normally given only heads of state, a delegation of the highest levels of Soviet military and political intelligence operatives quietly gathered for five days of strategy planning to prevent the re-election of President Reagan in 1984.

Despite the formal protests of a number of U.S. senators, and with extraordinary security clearance from George Shultz's State Department and the FBI (whose head, Judge William Webster, publicly contradicted President Reagan's charge that the U.S. and European "peace" movement was being run out of Moscow), 25 Russian intelligence operatives converged on Minneapolis. They met with the architects of the anti-Reagan nuclear freeze movement, including George Rathjens of the Massachusetts Institute of Technology (MIT), former chief U.S. delegate to the Pugwash East-West disarmament forum, and a leading enemy of President Reagan's beam defense policy; Randall Forsberg, initiator of the Nuclear Freeze resolution, a frequent visitor to Moscow, and former staffer of the Stockholm International Peace Research Institute (SIPRI); Marcus Raskin of the radical left Institute for Policy Studies in Washington; and Barney Saunders of Cargill, since 1963 one of the world's biggest East-West grain traders.

The Russian delegation was headed by Gen. Mikhail Milshtein of GRU military intelligence, an acknowledged top expert on U.S. weapons technology. Also present was Andropov mouthpiece and top KGB operative Fyodor Burlatskii, whose recent writings in *Literaturnaya Gazeta* have denounced *EIR* founder Lyndon LaRouche, while calling the U.S. beam defense policy a *casus belli*. Georgi Arbatov's U.S.A. and Canada Institute was heavily represented, along with spokesmen for the patriarchate of the Russian Orthodox Church and the Russian All-Union Council of Evangelic Christian-Baptist Churches (the last seems to have been the Moscow point-man for Rev. Billy Graham's recent shocking "conversion" to Russian orthodoxy).

behind Mondale

Their agenda? As documented in an extraordinary *EIR* first-hand account (*Will Moscow Become the Third and Final Rome? How the KGB Controls the Peace Movement*, June 1983), that Minneapolis meeting organized an international movement designed to sabotage President Reagan's beam defense policy. The same session laid the groundwork for the Andropov-Carrington-Kissinger strategy of decoupling Western Europe from NATO and, as an integral part of both operations, plotted the electoral defeat of Ronald Reagan in 1984.

It is no accident that that treasonous gathering was hosted by the Hubert H. Humphrey Institute of Political Affairs. The Humphrey Institute at the University of Minnesota has become the new strategy-coordination center for the international network of conspirators behind organizations such as the Trilateral Commission and Aspen Institute. The aim of this group is nothing short of destruction of republican institutions and the obliteration of the essence of Western culture and the Judeo-Christian tradition.

The immediate tactical project occupying the Humphrey Institute and its director, Harlan Cleveland, is to install Walter Mondale in the White House, just as the Trilateral Commission was created in 1973 to orchestrate the Carter/Mondale presidency. Mondale is a "Distinguished University Fellow in Law and Public Affairs" at the Institute.

Eastern Establishment regrouping

By the time of the 1980 presidential campaign, it was obvious that the Carter/Mondale White House had badly damaged the credibility not only of the Democratic Party but also of the think tanks which had been publicly spotlighted, by this publication most prominently, as responsible for creating and marketing the Carter/Mondale presidency. The anonymity of groups such as Henry Kissinger's Trilateral Commission, of which both Carter and Mondale were members, had been destroyed. A top-level decision was finalized, probably sometime early in 1980, to make the then-fledgling Hubert Humphrey Institute the new base of operations for the same treasonous network. In fall 1980, Harlan Cleveland

was asked to leave his pastoral Aspen Institute retreat in Princeton, New Jersey to head up the new Humphrey Institute in Minneapolis.

But what is most revealing is the identity of the man who was chosen to make an unusual visit to the lavish Lancaster House mansion in Great Britain to urge a select group of British business leaders to support a think tank run by the radical left wing of the Democratic Party. The fund-raiser was none other than Trilateral Commission Executive Director and former Secretary of State Henry A. Kissinger, today the business partner of Britain's Peter Lord Carrington. Kissinger indicated the nature of the operation when he urged the audience to look "beyond the East Coast" for fresh ideas in foreign affairs "because the Eastern Establishment is out of energy and ideas." The highly select gathering included Kissinger intimate Lord Henry Weidenfeld of the publishing group by that name; Lord Marcus Seiff of the Marks & Spencer department store family, and Sir Hector Laing of United Biscuits, Ltd. The man they had tapped to head the whole enterprise, Harlan Cleveland, was also present, as was Ralf Dahrendorf, former head of the neo-liberal London School of Economics. The group outlined strategy for the "new Eastern Establishment" center in Minneapolis.

Very rapidly, in the wake of the Carter election debacle, former top Carter/Mondale operatives were relocated from Washington to the Humphrey Institute to begin planning the assault against the Reagan presidency. A look at who heads the Hubert Humphrey Institute reveals a collection of people whose explicit policy commitment is elimination of the world's "excess" population. It gathers together top policy strategists with operational capabilities from organized crime, organized labor, and some of the nation's largest and most secretive corporations including mystery-shrouded grain trading firms like Cargill and I. S. Joseph.

Here are the more notable operatives of the Hubert Humphrey Institute:

Walter Mondale—In addition to being on the board of Minneapolis-based Control Data Corp., one of the biggest advocates of trade with the Russians, Mondale has been appointed the Institute's one and only "Distinguished University Fellow in Law and Public Affairs." The post has given Mondale a patina of respectability which he is using to try to shed the aura of disaster of his Carter years.

Harlan Cleveland—A direct descendant of the van Buren family of traitors to the young American republic, Cleveland is a primary spokesman of the U.S. anti-science, Malthusian lobby. A Rhodes scholar, Cleveland's first assignment in 1942 was as an economic warfare specialist. He has since turned this training to use—against the United States! As John F. Kennedy's assistant secretary of state and Lyndon B. Johnson's ambassador to NATO, Cleveland was instrumental in launching the "arms control" process by which the United States began to disarm unilaterally, while Moscow launched a 20-year drive for strategic dominance. Since 1974 Cleveland has been prime strategist at Lord Bullock's Aspen



Marcus Raskin

Institute for Humanistic Studies, whose board includes Robert O. Anderson and Henry Kissinger. Cleveland is a director of the Hunger Project, founded by suspected swindler and KGB asset Werner Erhard (a.k.a. Jack Rosenberg) of the "est" brainwash factory.

Gus Speth—Carter/Mondale administration chairman of the notorious White House Council on Environmental Quality (CEQ) and a founding member of the Natural Resources Defense Council (NRDC), Speth is a Senior Fellow at the Humphrey Institute. Speth is directly responsible for policies which crippled U.S. industry and undermined U.S. exports, including of vital nuclear plant technology, since founding the NRDC in 1969 with Ford Foundation monies. As head of the CEQ, Speth was directly behind the *Global 2000* policy document, which proposes to reduce the world's population by 2 billion because of "resource scarcity."

Dean Abrahamson—Another board member of the Natural Resources Defense Council environmental wrecking operation, Abrahamson is one of the most rabid wreckers of nuclear energy here and in Europe. He now heads the Humphrey Institute's Global Environment Policy project.

Walter Heller—Former economist in the Kennedy administration, Heller, a "left-wing Friedmanite," was chief of West German Internal Finance during the military occupation after World War II. This was during the brutal period of the "winter of the turnips" of forced starvation of the

German population. Today Heller is using his post at the Humphrey Institute to push a "food control" policy that will mean mass starvation worldwide. Heller is a member of the Draper Fund/Population Crisis Committee, along with former Nazi SS-member H.R.H. Prince Bernhard. The Draper Fund is devoted to reduction of the non-white races. Its head, William Draper III, is director of the U.S. Export-Import Bank, and has used that post to sabotage U.S. technology exports to developing countries.

G. Edward Schuh—Another refugee from the Carter/Mondale administration, Schuh was Bob Bergland's deputy undersecretary for agriculture in charge of international affairs and commodity programs. Those programs were notoriously rigged to pour billions into the coffers of the privately-held Swiss and Minneapolis-based grain trading companies such as Cargill and I. S. Joseph, while simultaneously implementing policies to destroy the productivity of the American farmer. Schuh has just completed a joint RAND-MIT simulation which studied the impact of a "hypothetical" global grain crisis just at the time of the 1984 election. He is now heading up a project, with expected backing from Cargill, I. S. Joseph and other grain commodity firms, called "The Future of the North American Granary." That project is a comprehensive study of the vulnerabilities of the world's vital breadbasket.

The official Advisory Committee of the Humphrey Institute includes:

Lane Kirkland—Head of the AFL-CIO, Kirkland delivered the unprecedented pre-convention endorsement of the nation's biggest labor federation to Walter Mondale. Kirkland has been complicit, since at least 1982, in secret strategy sessions with fellow Trilateral Commission member Henry Kissinger to build a Mondale presidency to replace the "unpredictable" Reagan.

Orville Freeman—Secretary of agriculture under Kennedy in the early 1960s, Freeman is chairman of the Institute's Advisory Committee. One of the most important intelligence operatives behind political destabilization and deliberate famine and related operations, Freeman is chairman of Business International (see box). Freeman, like Mondale a direct protégé of the old Humphrey Democratic farm-labor machine in Minneapolis, has been in the middle of Soviet intelligence operations since at least 1963, when he arranged the first U.S. grain sale to Russia on behalf of the Big Five grain trading companies, led by Cargill. Freeman chairs the Malthusian Worldwatch Institute, which drafted much of the Carter administration's anti-technology legislation. He is a director of the Draper Fund along with Heller and Club of Rome chief Aurelio Peccei. Freeman is also a director of the kook operation called World Future Society along with Sol Linowitz.

Burton Joseph—A longtime Mondale crony, Joseph was brought in in 1963 by Freeman to broker the deal between

the Russians and the Big Five grain trading houses. Joseph was head of the Minneapolis-based soybean trading house I. S. Joseph, widely known in agriculture circles as a front for the Big Five—Cargill, Continental, Louis-Dreyfus, Bunge, and Andre. It is Joseph who reportedly “opened the doors” to an unknown Turkish-Jewish refugee, then teaching at a Hebrew school in Minneapolis, and launched the less-than-kosher career of Meshulam Riklis. Riklis is co-owner with the late mobster Meyer Lansky’s reputed front-man Carl Lindner of the Rapid America Corporation, a giant holding company which owns Schenley Liquors, various race tracks, Cartier diamonds, real estate operations in New York, and Botany “500” clothing. Riklis was a major holder of the Meyer Lansky-run (now-defunct) Investors Overseas Services, through which hundreds of millions of dollars from organized crime were laundered until the collapse of IOS founder Bernie Cornfeld and Nixon backer Robert Vesco in the early 1970s. Riklis, when not gazing at his porno film star wife, Pia Zadora, is reported to be a major covert financial backer of Israeli cabinet minister operative Ariel Sharon.

Burton Joseph himself is one of the world’s most influential men in the murky and enormously powerful world of food commodity trading. He is associated with Tel Aviv-based Shaul Eisenberg, one of the world’s leading arms and food commodity-traders whose ties to the old Lansky syndicate of organized crime are considerable.



Lane Kirkland

Business International: zero growth associates

Since its establishment in 1954, Business International (BI) has become one of the most influential corporate intelligence sources for American companies doing business abroad. BI on the surface is a blue-ribbon “objective” research and advisory group, providing essential intelligence on market stability, investment prospects around the world, and the like. A look at who is behind this group demolishes this facade.

Headed by Chairman Orville Freeman, the BI board of directors is made up of some of the world’s leading advocates of Malthusian deindustrialization and zero growth. Joining Freeman is the man who heads up the infamous Club of Rome, Aurelio Peccei. Also on the board are Lord Alastair Pilkington and his wife. Lord Pilkington is a director of the Bank of England and British Petroleum (BP). BP was complicit in the 1978-79 destabilization of the Shah of Iran, among other crimes. Also sitting with Freeman on BI’s board is Sol Linowitz, a Kissinger crony and one of Mondale’s leading foreign-policy advisers, whose Linowitz Commission on Central America paved the way for the re-entry of Henry Kissinger into official Washington politics.

Another board member of BI, Walter Stoessel, is one of the Council on Foreign Relations’ top Moscow hands. Stoessel was credited with drafting Kissinger’s 1969 “China Card” policy, which undercut the vital Pacific alliance built up after the war. Considered close to Averell Harriman, Stoessel was ambassador to Moscow from 1974 to 1976, the most critical post in the Kissinger State Department.

BI can play an essential support role for various political destabilization operations by circulating a carefully crafted scenario, like its 1982 report that because of President Ferdinand Marcos’ poor health, Philippine investment stability must be considered riskier. BI is a vehicle for creating self-fulfilling prophecies, through channels for Anglo-Soviet intelligence which intend to undermine U.S. industrial export ties in strategic regions of the world.

How Jonestown happened under Carter/Mondale

by Kathleen Klenetsky

In November 1978, the world received the shocking news that nearly 1,000 Americans, including 276 children, had died horrible deaths in the jungles of Guyana after being forced to swallow cyanide-spiked Koolaid by their leader, the mad cultist Jim Jones. Even before the bodies could be shipped back to the United States for burial, a massive cover-up was put into motion, run from the top of the Carter administration through the State and Justice Departments, the FBI, and the U.S. Congress.

The administration had plenty to hide. Information which emerged in the immediate aftermath of Jonestown, and elaborated by later investigations, revealed that Jones and his People's Temple had functioned as an asset of the Carter-Mondale wing of the Democratic Party, and operated under its protection and probable control.

Although many prominent figures in the Carter administration, including Rosalynn Carter, the wife of the President, Attorney-General Griffin Bell, Secretary of Health, Education, and Welfare Joseph Califano, and other leading Democrats like Hubert Humphrey, had been supporters of Jones, it was Walter Mondale who played the pivotal role in setting up Jones's slave-labor, drug-running colony in Guyana.

According to unimpeachable sources, Mondale, Mrs. Carter and then-California Lieutenant Governor Mervyn Dymally personally went to the Guyanese embassy in Washington sometime in late 1976 or early 1977 to plead Jones's case for relocating his cult to Guyana. Mondale wrote a testimonial effusively praising Jones: "Knowing of your congregation's deep involvement in the major social and constitutional issues of our country is a great inspiration to me," he said.

Based on Mondale's intercession, and testimonials from friends of the Vice-President like Hubert Humphrey and from left-wing organizations, including the Soviet-linked Women's International League for Peace and Freedom, the Guyanese government agreed to let approximately 1,000 People's Temple members enter the country. The mass exodus began in the spring of 1977 and continued through that August.

The timing was important. Jones and his bizarre operations had finally begun to draw adverse public attention,

including an exposé in the August 1977 issue of *New West* magazine. A group of People's Temple defectors and relatives of Temple members called Concerned Relatives had started to lobby actively for government action, particularly on the question of Jones's claim to legal guardianship over more than 100 children. By assisting Jones's exit from the United States at this time, Mondale and his friends contributed to the 1978 slaughter.

Jones, who had become a leading figure in the California Democratic Party, home base of current Democratic National Committee chairman Charles Manatt, first came into contact with Mondale during the 1976 presidential campaign, according to several sources. Mondale met Jones personally several times, entertained him aboard his campaign jet, and reportedly spoke before a People's Temple rally.

On Sept. 14, 1976 Jones sponsored a Carter-Mondale rally in San Francisco which was keynoted by the wife of the future President. Mrs. Carter was so impressed with Jones that she dined with him privately that evening at her suite at the Stanford Court Hotel. According to *The Children of Jonestown* by Kenneth Wooden, the main topics of their conversation were Jones's desire to expand his operations in Guyana and Carter's campaign in California. A mutually satisfactory agreement was reached. Jones provided muscle for the "get-out-the-vote drive" for Carter-Mondale in San Francisco. In return, the Carter-Mondale crew got Jones the means to move to Guyana.

The KGB angle

The Democrats weren't the only ones implicated in the horrors of Jonestown. The Soviet KGB had also cultivated close ties with Jones's operation, both before and after its exodus to Guyana in 1977, and had apparently offered Jones the chance to relocate his cult to Russia, at an unspecified location on the shores of the Black Sea.

Aside from the moral issue raised by the fact that the leadership of the Democratic Party, including today's front-runner for the party's presidential nomination, Walter Mondale, was a public supporter of Jim Jones, the KGB link poses an equally important question: Was Jonestown an experiment in cult creation run *jointly* by the KGB and its assets in the United States?

This is not as far-fetched as might at first appear. *EIR* has documented massive and long-standing connections between the Kremlin and the Mondale wing of the Democratic Party. DNC Chairman Chuck Manatt, for example, was a business partner of KGB officer Dzhermen Gvishiani, son-in-law of the late Alexei Kosygin. There is a pattern of KGB involvement in various U.S. cults, exemplified by the case of "est," whose founder, Werner Erhard, has been a featured guest lecturer at the U.S.A.-Canada Institute in Moscow. The California-based Esalen Institute, one of the prime forces behind the proliferation of drugs and religious cults in the United States, has maintained an exchange program with its counterparts in the Soviet Union. Esalen founder Michael Murphy has gone to the U.S.S.R. several times over the past 15 years

to discuss “joint concerns.”

What is definitely known is that myriad direct and indirect links existed between the KGB and Jonestown.

Hours before the Jonestown carnage, several trusted cult members were instructed to take a trunk containing at least \$600,000, passports, letters, and other documents to the Russian embassy in Georgetown.

Some of these documents were recovered. According to these and other People’s Temple documents released by the Guyanese government after Nov. 18, 1978, the cult had bequeathed more than \$7 million in assets to the Communist Party of the Soviet Union, including money in its accounts at the Panamanian branches of the Swiss Bank Corporation and the Union Bank of Switzerland. Some of the letters of instruction signed by Maria Katsaris, the daughter of a Greek Orthodox priest who functioned as the People’s Temple financial officer, instructed bank officials to deliver People’s Temple assets to Fyodor Timofeyev at the Soviet mission in Georgetown.

Timofeyev, later identified as a major in the KGB, had been the chief contact point between the self-styled “socialist commune” at Jonestown and the Soviets in Guyana. He held regular meetings with People’s Temple leaders; one memo found at Jonestown, detailing a March 30, 1978 meeting between Timofeyev and Jones’s people, says the Soviets had offered to let Jones move his colony to Russia.

In a March 14, 1978 letter on People’s Temple stationery sent to all U.S. senators and congressman, a top Jones aide wrote: “Even Russia’s *New Times* magazine has praised this work [of the Jonestown colony]. . . . We receive letters weekly from Russia. . . . In fact, several overtures have been made from Russia which sees our current harassment as a form of political persecution.”

Other Soviet representatives who kept up contact with Jonestown included Alexander Kramerenko and Vladimir Kasatkin, both believed to be KGB officers. Temple members had also met with representatives of Yugoslavia, North Korea, Cuba, and East Germany, ostensibly to seek “development aid” for their colony. And Temple members took part in seminars sponsored by The Guyana-[North] Korean Friendship Society to study *juche*, the revolutionary thought of North Korean dictator Kim Il Sung.

Jones’s links to the KGB may have begun as early as 1960, when he reportedly visited Cuba. During his California days, he became a leading light of the San Francisco-based radical community. Some of his strongest support came from groups affiliated with the Communist Party in America (CPUSA), including Women’s International League for Peace and Freedom, the Black Panthers, and CPUSA guru Angela Davis. Another strong supporter was attorney Charles Garry. Prominent in the pro-terrorist National Lawyers’ Guild, Garry’s list of law clients included the CPUSA, Daniel Ellsberg, and Angela Davis. In 1977 he added the People’s Temple and Jim Jones to his roster. In his will, presumably drawn up by Garry, Jones left all his assets to the CPUSA.

Garry and another People’s Temple lawyer, Mark Lane,

visited Jonestown the day of the massacre. Lane later stated that Garry knew in advance that Jones was planning the mass suicides, and claimed that on Oct. 6, 1977, thirteen months before the final mass suicide, Garry, Angela Davis, Huey Newton, and Dennis Banks of the American Indian Movement joined in a shortwave radio conversation from San Francisco “begging Jones not to kill the 500 Americans in Jonestown.” After the Nov. 18 carnage, according to Kenneth Wooden in his book *Children of Jonestown*, Garry collected and destroyed a number of Temple documents, including the written “confessions” extorted from members during all-night interrogation sessions.

The rise of Jim Jones

Spawned in Indianapolis by a network centered on the Eli Lilly Foundation, Jones was sent in 1965 to California, where he turned his People’s Temple into the most effective grass-roots electoral machine in the state. The cult was integrated into the California Democratic Party, particularly by the “New Age” factions typified by Jane Fonda, Tom Hayden, San Francisco Mayor George Moscone, and Governor Jerry Brown, all of whom supported and were supported by the Jones group. Hayden, Fonda, Moscone—and later Walter Mondale—all appeared at People’s Temple functions.

Jones’s followers worked as volunteers for Democratic Party political campaigns, supplying most of the labor for voter registration drives, pre-election call-ups and other menial tasks. Even young children were pressed into service. It was widely acknowledged that Jones’s vote operation provided the victory margin for Moscone’s mayoralty race in 1975.

In return, important jobs in sensitive governmental departments (Mendocino County Welfare Department, the office of the district attorney, the sheriff’s office, the Police Dispatch Unit) were made available to Jones and his followers. Jones was named chairman of the San Francisco Housing Authority, and the cult’s attorney, Tim Stoen, became an assistant city district attorney.

The party apparatus afforded Jones political protection. Jones’s financial empire was built largely on the assets of his followers, many of whom were children and the elderly. Combining brainwashing and intimidation, Jones gained legal guardianship over a number of children, and effective control over any financial assets to which they were entitled. Jones illegally obtained access to the significant inflow of government money, primarily Social Security and welfare payments, that came to his members. (At the time of the Jonestown massacre, the People’s Temple’s assets were estimated at a whopping \$26 million, most of it deposited in accounts in London, West Germany, Switzerland, Romania, Panama, and Venezuela.)

Despite reports, beginning as early as 1972, that Jones mistreated his youthful charges, no probe ever took place. As one social worker in San Francisco later said, “Jones’s political power was well known, and we knew not to hassle him or else our jobs would be on the line. Therefore, we

didn't check on the children within People's Temple. It was too much of a political time bomb!"

The local press, especially the *San Francisco Examiner*, continually plumped Jones, as did Carlton Goodlett, a publisher who became Jones's personal physician and introduced him to the radical elements of San Francisco's black community, including Goodlett's patients Angela Davis and Black Panther leader Huey Newton.

By the mid-1970s, Jones had been transformed by his patrons into a local hero. At a 1976 testimonial to Jones sponsored by San Francisco's major political leaders, including Carter-Mondale campaign representatives, State Assemblyman (now State Speaker) Willie Brown introduced Jones to the adoring audience as "a rare, rare specimen." Added Brown: "Jim Jones is a symbol of what we all ought to be about. . . ." With this powerful backing, Jones became effectively immune to investigation.

Although Jones's protectors in the Democratic Party later claimed that they hadn't known what the People's Temple was all about, that excuse can hardly be credited. Jones had indulged in overtly lunatic behavior for at least a decade before he arrived in Guyana. Even a superficial probe would have revealed, by the early 1970s at the latest, Jones had: expunged the Bible from his "church" services; declared himself to be God and to have been resurrected from the dead; forced members to turn over all their material assets—and their children—to him or other Temple members; insisted on having sexual relations with Temple members in front of their wives and husbands; coerced his followers to sign statements confessing to murder, child abuse, and other crimes; instituted a regime of physical and psychological abuse rivaling the worst features of Moscow's Lubyanka Prison; and conducted numerous rehearsals for "revolutionary suicide"—the "White Night" in People's Temple lingo.

Jones was not the "aberration" that Carter termed him in the wake of Jonestown, but a vivid indication of the moral corruption that has infested the Harriman-Mondale-Manatt faction of the Democrats.

Slave plantation

Once he had arrived in Guyana, thanks in part to Mondale's help, Jones set up a slave-labor plantation rivaling the ante-bellum South, described by a reporter who traveled with the ill-fated Ryan party as "a scene out of *Gone with the Wind*." Although the majority of People's Temple members were blacks whom Jones had recruited by preaching racial equality, only white members got administrative or security jobs. Everybody else, from small children to the elderly, slaved in the fields. The main cash crop was marijuana. That, combined with the colony's several trawlers maintained at Port Kaituma, suggests that Jonestown was intended to become a major station in the lucrative Caribbean drug trade.

People's Temple members were ill-fed and ill-clothed. Hundreds were packed into stinking, unbearably hot barracks, known as the "slave ships." Torture, sexual humiliation (including sodomic rape of young children by Jones and

his lieutenants), beatings, jailings—all of which had been a way of life for the People's Temple members for years—intensified. Aside from functioning as a transshipment point for illegal drugs (and probably weapons), the colony used drugs to control members' behavior. The drugs were administered by Dr. Larry Schacht, a former heroin addict who had entered medical school through Mervyn Dymally's intercession, and later supervised the mass cyanide poisoning.

During the entire Guyana period, up to and after the massacre of Nov. 18, 1978, Jonestown enjoyed Carter administration protection. U.S. embassy personnel in Georgetown were careful never to visit Jonestown without prior clearance; they spoke to members only after getting permission from Jones. Affidavits by cult defectors, attesting to the savage conditions endured by People's Temple members, were supplied to the embassy, which forwarded the information to the State Department. The leads were never pursued. After a custody case was initiated in the Guyanese courts by cult defector Grace Stoen, whose son, John Victor, was being kept in Jonestown, an embassy official visited the encampment and reported back that no one was being kept against his will.

In the fall of 1977, the San Francisco Social Security Administration stopped certain social security payments to Jonestown members for legal reasons. The White House intervened directly, and the flow of money into the death colony's coffers resumed.

The Concerned Relatives' group repeatedly sent letters and other documents to the State Department and other government offices about conditions in the Jones cult. The group sent a petition to Secretary of State Cyrus Vance in May 1978 with specific allegations of illegal detention, violence, and mind control, and copies of Temple press releases and letters to congressmen containing suicide threats. Like all other requests for assistance, the petition was ignored.

This behavior intensified after the Jonestown carnage. Attorney General Griffin Bell, who, together with Mondale, had visited Jim Jones in San Francisco after the Carter administration took power, refused to release the tape recordings found in Jonestown. HEW Secretary Califano claimed that there was no illegality in the social security payments through which Jones had built his financial empire. State Department and congressional investigations also obfuscated the real facts about Jones and his cult.

Attempts to identify the bodies of the Jonestown victims, already hampered by lack of identification and the physical deterioration of the corpses, were obstructed by the Carter administration, according to author Kenneth Wooden. The administration ordered removal of all identity tags that had been attached to the bodies by the first team to get inside Jonestown after the massacre.

The order came from none other than Robert Pastor at the National Security Council. Pastor, a foreign policy adviser to Mondale's presidential campaign, was recently discovered to have been involved in the Soviet operations on Grenada which prompted the U.S. military intervention in October.

The child pornography lobby protects cults, drugs, and mass murder

by Ira Liebowitz

At a press conference in New York City on Nov. 29, Walter Mondale was asked whether he favored lowering the age of sexual consent, a measure favored by the North American Man-Boy Lover Association (Nambla), an organization of avowed pedophiles committed to "sex before eight, or else it's too late." Mondale, afraid of alienating the "gay" vote, was unable to confirm to the audience whether or not he opposes pedophilia. This was not just another embarrassing blunder for the Mondale campaign, or another instance of Mondale's inability to decide where he stands on an issue.

Rather, the New York incident throws a spotlight on one of the most profound political and moral crises stemming from the proliferation of drug abuse and sexual perversion by the rock-drug counterculture: The fact that nearly a quarter of a million children each year are abducted and otherwise abused and destroyed by organized and semi-organized criminal rings engaging in the drug-laced sex-abuse of children (pedophilia), child-pornography, and murder.

Child abuse and exploitation are not simply the work of "lone perverts." The North American Man-Boy Love Association is an organized lobby to promote the sexual use of children. Nambla, whose leaders have often been imprisoned for sexual abuse of minors, lobbies in the U.S. Congress and state legislatures for the elimination of "age of sexual consent" laws which protect minors. An investigation of Nambla by *EIR* has revealed that the support networks for this group include the American Friends Service Committee and large portions of the organized homosexual political apparatus, including the Human Rights Campaign Fund (HRCF).

Moreover, *EIR* has learned that the HRCF overlaps with the Mondale machine in the Democratic Party. Mondale himself was the first Democratic presidential candidate to keynote the homosexual lobby's convention.

The Missing Children bill

In October President Reagan signed into law the Missing Children bill, legislation that could make it possible to begin to reverse this crisis, which, with the destruction of a quarter-million potential citizens a year, is now of genocidal proportions. Introduced by Sens. Paula Hawkins (R-Fla.), Arlen

Spector (R-Pa.) and Rep. Paul Simon (D-Ill.), the bill passed the Congress this year.

The Missing Children bill, which allocates only \$5 million, mandates the FBI to establish a national computer listing on missing and abducted children in the FBI's National Crime Information Network. The bill is only one of a number of measures advocated by the many parents' organizations combating the related problems of missing children, child abuse, pedophile rings, child pornography, and "serial murders" (such as the Atlanta child murders).

Senators Hawkins and Spector are currently sponsoring a second bill, the Missing Children's Assistance Act, that would allocate \$10 million per year for a national research, education, and data tracking center within the Department of Justice's Office of Juvenile Justice, Child Abuse, and Neglect. This bill would also make a small amount of financial assistance available to the many privately funded missing childrens' organizations. Senator Hawkins's office is also taking measures to involve 15 national civic associations such as the General Association of Women's Organizations and the International Association of Chiefs of Police in running public education programs for parents and children about the problem of child abuse, and providing identification procedures allowing parents to have data available for police should their children be abducted.

In November, an ancillary bill enacting federal legislation against child pornography passed the U.S. House of Representatives by a vote of 400 to 1.

Mondale and the pedophiles' political protectors

The one opposing vote to this bill opposing the production and distribution of child pornography was cast by **Rep. Ted Weiss** of upper Manhattan, which indicates what kind of political opposition exists to a crackdown on the sexual abuse of children. Weiss is a leading member of a faction within the Democratic Party which is bending over backwards to court the financial and political support of the homosexual lobby, earning them the title among Washington circles of "the Vaseline Democrats."

In 1978, then Vice-President Mondale and New York Mayor Ed Koch co-chaired the fundraising committee to re-elect Fred Richmond to Congress. Richmond had been recently arrested in Washington, D.C. and had confessed to bribing a 16-year-old boy to perform sex acts. Richmond, who had taken a leave of absence to undergo psychotherapy by court order, was running nonetheless.

The powerful Human Rights Campaign Fund was addressed at its annual convention at New York's Waldorf Astoria in 1982 by none other than Walter Mondale. In 1983 it was keynoted by Democratic presidential aspirant Jesse Jackson. Another board member of HRCF is Nathan Geto, an assistant attorney general in New York State, and an aide to State Attorney General Robert Abrams.

Other HRCF Advisory Board members include big-city mayors Donald Fraser of Minneapolis, Marion S. Barry of Washington, D.C. (where a bill to lower the "age of consent" to 13 years—a primary demand of Nambla—was nearly passed by the city council last year), Dianne Feinstein of San Francisco, Kevin White of Boston, and Andrew Young of Atlanta. Other advisory board members of this Nambla support lobby include Rev. William Sloane Coffin, AFSCME leader Victor Gotbaum, Episcopalian Bishop Paul Moore, Georgia State Senator Julian Bond, and Kathy Wilson, chairman of the National Women's Political Caucus.

Their involvement in defending the "human rights" of pederasts shows what kind of childless future these leading public figures envision for the United States. From a national security standpoint, it is sobering that these same figures are leading the U.S. drive for a nuclear freeze. Of the HRCF's advisory board members, Mayor Fraser went with Bishop Moore to Moscow and then hosted KGB literary outlet Fyodor Burlatskii last May at the Minneapolis kickoff meeting of the tour of high-level KGB agents promoting the Kremlin's "peace" line. Ted Weiss is a leading proponent of the nuclear freeze in Congress and initiated the "impeach Reagan" drive after the Grenada rescue action. The American Friends' Service Committee runs a series of operations bridging Europe and the United States, including providing links between Nambla and pedophile groups in Europe, and an underground railroad for West German Green Party-related terrorists and other participants in the "hot autumn" protests against the stationing of the Euromissiles.

Pedophilia and the cults

Child sex abuse, serial murders, mass murders, and related violence against children that have grown up during the 1970s are monstrous, particularly the non-family abuse perpetrated by sex-and-drug rings that kidnap or lure runaway children into pornography, prostitution, and eventually murder. It is estimated by most experts there are 1.8 million children reported missing yearly, of whom 180,000 are never located by police or parents, and it is presumed that most of these children end up dead or otherwise victims of foul play.

In addition to these 180,000 runaway children, 50,000 younger children and infants are abducted each year. These 50,000 are also estimated to become the victims of murder, sexual abuse, and Nambla-type pedophile slavery rings. Each year approximately 5,000 unidentified children's bodies are found and buried as "John and Jane Does."

The probable connections between the child abductions for pedophile rings, and subsequent serial murders of children, is underscored by the operations of Linda Frankel, who is both a steering committee member of Nambla and a member of the witchcraft group "Covenant of the Goddess," a kind of national steering committee of the Wicca witchcraft organization. Wicca has been identified as linked to the serial murder of more than 29 black children in Atlanta between 1979 and 1981.

Law enforcement sources indicate that runaway children, for the most part teenagers, who are picked up by child prostitution, drug and porn rings, are gravitating to virtually every major U.S. city—Chicago, New York, Houston, Los Angeles, and Philadelphia. Younger children who are abducted can be traced to kidnap groups connected to pederastic organizations such as Nambla. Nambla is believed to be running a national network of "safehouses" from New York, where children are supplied to clients. As EIR investigator Michele Steinberg demonstrated in an article series published in *New Solidarity* newspaper in May, Nambla overlaps the U.S. illegal-drug lobby.

The scope of Nambla's operations was revealed one year ago, on Dec. 8, 1982, when police in Wareham, Massachusetts raided a beach-front cottage and arrested David Groat, Bret Portman, and Harold Baker III, all members of Nambla. The cases are still before the courts. The house was being watched as part of an investigation of the disappearance of a Jersey City, New Jersey boy. Police did not find the boy being sought, but did find two minors, and arrested the Nambla members on charges of child pornography and sexual abuse of minors. It was also believed for a time the Wareham house may have been connected with a well-publicized abduction of a Manhattan six-year-old, Etan Patz.

Amid the publicity of the Wareham case and Nambla, Virginia Apuzzo, a board member of the HRCF, defended Nambla by asserting, "Have you ever seen such hysterical reporting or such dramatic announcements by police, when a case of child abuse is uncovered within a heterosexual family?" Such "critical support" by the gay movement's most powerful political lobby is no small matter.

Carter/Mondale: the mass murder presidency

Following the 1976 presidential election campaign, the Carter/Mondale committee found itself in two embarrassing situations. First Lady Rosalynn Carter had been photographed at two election events with two of the worst mass murderers of this century: Reverend Jim Jones of the People's Temple, and William Gacy, the Chicago homosexual

pedophile who was tried for murdering more than 30 young boys after sexually using them. Even more incriminating was the revelation after the Jonestown mass suicide that the People's Temple had been used by the San Francisco Democratic Party to "get out the vote" to elect Carter/Mondale in 1976.

From 1976 to 1980, three mass-murder atrocities marked the administration of Jimmy Carter and Walter Mondale, and to a significant degree shaped the modus operandi of many organized and semi-organized rings now victimizing children in this country. The following case studies of these mass-murders—Son of Sam in New York City, the Jonestown massacre, and the Atlanta murders—show that these were not isolated phenomena, but linked to a network of cults operating in the United States. In many cases, these cults overlap with operations which are deeply entrenched in the Democratic Party. Until all traces of these operations are obliterated from the Democratic National Committee, the Mondale campaign committee, and any other significant political institution in the United States, the political protection for child abuse and murders remains intact.

Son of Sam

During the month Jimmy Carter was inaugurated President, January 1977, the first of the well-publicized "Son of Sam" murders or maimings of 13 young white men and women occurred in New York City. This serial murder, it was later learned, was the work of a satanic, Aleister Crowley-worshipping cult developed by psychiatrists out of a drug-running clique operating in Westchester, New York, New York City, and North Dakota. The street-level leaders of the ring, which included the man convicted in the case, **David Berkowitz**, were members of the "family" of Sam Carr.

According to a prize-winning investigation by Gannett Press's Maury Terry, which was confirmed by *EIR*'s counterintelligence publication, *Investigative Leads*, David Berkowitz has identified a 20-member ring of drug users that deployed him and others for the Son of Sam killings. Over a several-year period, the members of the drug ring were molded psychiatrically, through a process involving LSD use and ritualistic animal mutilations, into a satanic cult capable of conducting the ritualistic mass-terror murders. The cult has been linked to a Rye, New York "Jungian psychiatry" center of Sufi worship, called the Wainwright House. The cult has also been linked to killings in New York City, Minot, North Dakota, and Palo Alto, California.

Jonestown

In late 1978, just as the Son of Sam killings were halted by the arrest of Berkowitz, the Jonestown murders occurred. After a series of public scandals in San Francisco in 1977 over child abuse occurring in Jim Jones's cult, a crucial component of the 1976 Carter-Mondale California campaign machine, the cult fled to a Guyana drug plantation where Jones ordered the mass-murder and suicides of 913 of his

predominantly black followers (see article, page 24).

Jones's Peoples's Temple cult had been originally created and sponsored by five very prominent religious figures working with the Eli Lilly Foundation in Indianapolis, Indiana: New York Episcopalian Bishop Paul Moore, currently of St. John the Divine Cathedral, **Rabbi Maurice Davis** of White Plains, New York, **Rabbi Murray Salzman** of the Baltimore Hebrew Congregation and the U.S. Civil Rights Commission, **Bishop James Armstrong**, chairman of the National Council of Churches, and **Msgr. Raymond T. Bosler** of the Indianapolis Catholic Archdiocese Communications Division.

The 1978 mass murders were triggered by exposés concerning hideous child abuse by a "defector" from Jones's People's Temple, **Tim Stoen**. It was Stoen, who, while a cult member, worked as an assistant District Attorney in San Francisco with cult attorney **Eugene Chaitkin**, who had organized Jones's first major financial scam. Stoen and Chaitkin had set up an extensive operation wherein the cult obtained court-awarded guardianship of hundreds of children (both children of cult members and homeless children) in order to secure for Jones welfare, social security, and child-support monies. This swindle ultimately resulted in the murder of 276 children in Guyana, nearly half of them court-awarded children. According to a recent study, *The Children of Jonestown* by Kenneth Wooden, most of these children were savagely physically and sexually abused by Jones for years before the mass murder in Guyana.

Atlanta

Shortly after the destruction of the Jones cult, a series of asphyxiation murders and cult mutilations of black children began in the city of Atlanta. By 1981, when the murders were halted by the arrest and conviction of **Wayne Williams**, this serial murder spree had claimed the lives of at least 29 children. The arrest of Williams came shortly after the intervention of Congress of Racial Equality national chairman Roy Innis, who brought forward a witness who was able to name members of a satanic cult of blacks and whites which had evolved out of a Miami and Atlanta drug-trafficking ring that used young children as runners in Atlanta. The ring became involved in child pornography and child prostitution (Wayne Williams was the ring's photographer and recruiter), and over time performed ritual murders of both children members of the ring and others.

Although detailed information provided by the witness to FBI special agent for Atlanta **John Glover** and Atlanta Police Commissioner **Lee Brown** was covered up, a decision was made at some level to temporarily halt the serial murders with the coverup arrest of Williams. According to several sources, the murder ring's clientele in drugs, child pornography, and prostitution involved some of the highest ranking members of Atlanta's political establishment during the period when the figurehead of that establishment, Jimmy Carter, was occupying the White House.

Ogarkov: Soviet subs are off U.S. coast

by Rachel Douglas

Marshal Nikolai Ogarkov, giving every appearance of being totally in charge of the U.S.S.R., jolted the world on Dec. 5 with a public announcement that the U.S. mainland is being put within under five-minutes' range of Soviet submarine-launched ballistic missiles (SLBMs). The Soviet chief of staff thus confirmed the warning made by physicist Lowell Wood in Washington Dec. 1, that, *without a crash program for anti-missile beam weapons*, the United States has no defense against the Soviet SLBM capability, already in place, to destroy "all coastal command centers" with a warning time of only three minutes (see article, p. 57).

Speaking at a Moscow press conference, Ogarkov said that the SLBMs are "being deployed in ocean areas and in seas, with an eye to the territory of the U.S.A., [and] will be no less effective than the American weapons being deployed in Europe as regards their range, yield, accuracy, and, most important, the flight time to their targets." He added that unspecified non-missile measures would also be taken—"the capabilities of armed forces are not limited to missiles."

While Ogarkov spoke in Moscow, the defense ministers of the Warsaw Pact were convened in Sofia, Bulgaria to upgrade a bloc-wide mobilization onto a war footing.

The Soviet leadership is gunning for a nuclear showdown with the United States, risking full-scale nuclear war in order to force a U.S. strategic humiliation through a backdown. This has nothing to do with U.S. missile deployments in Europe, as the Russians claim; Soviet actions and statements, including Ogarkov's, point in the direction of unfolding contingency plans to establish Moscow's world domination as the capital of the "Third and Final Roman Empire," daring the United States to fight.

On Dec. 1, Reuters reported that Soviet Gen. Yuri Lebedev, of Ogarkov's General Staff, had talked openly about a Soviet surgical strike against new U.S. Pershing II and cruise missiles in Europe. Reuters said that Lebedev, in a Swiss newspaper, "was quoted as saying that new missiles to be deployed in Czechoslovakia and East Germany would be capable of knocking out all U.S. Pershing II and cruise missiles stationed in Western Europe." The Soviets have announced the deployment of SS-22 and SS-23 short-range missiles in those two countries. "They would be aimed at the West European states where the American missiles are stationed," Lebedev said.

Since the Pershings' own short flight time precludes hitting them in retaliation for their use, Lebedev's statement was brandishing the threat of a surgical first strike against their launch-sites.

Threats to West Germany

At their press conference, Ogarkov enunciated a threat both to the United States and to West Germany.

Ogarkov, who of course is briefed in detail on every tribulation of every NATO country's government, aimed a sharp barb at West German Chancellor Helmut Kohl, who is currently faced with a government crisis over the bribery indictment of Economics Minister Lambsdorff.

In reply to a question about the security of the Federal Republic of Germany (FRG) after the new American missile deployment on West German soil, Ogarkov repeated an insinuation that has appeared in the Soviet press about the future existence of West Germany and sneered at Kohl in particular. Referring to Kohl's support of the U.S. missile

deployment, Ogarkov called it "more than strange and even dangerous . . . for the leader of a country which has unleashed two world wars this century and suffered their consequences" to think that more nuclear weapons will lead to peace. "The nuclear danger also for the FRG will sharply increase, for its territory is being converted into a launching site for missiles and will hence become a target for an immediate retaliatory strike."

Even as Western politicians tried to prove that bending over backwards to placate the Soviets might bring Moscow back to the intermediate-range missile negotiating table (INF) they had walked away from on Nov. 23 in Geneva, Soviet Deputy Foreign Minister Georgii Korniyenko called it "nothing but a wish" to say that the U.S.S.R. "will return to the Geneva talks, if not today then tomorrow. . . ." Ogarkov added that the Soviet-American Strategic Arms Reduction Talks (START), also being held in Geneva, were "moving in the same direction" as the terminated INF. On Dec. 8, the Soviet delegation at START did decline to set a date for renewing those talks.

Military command

Ogarkov's second press conference in the space of three months was the latest show of power by the Soviet military, displaying its control over a war-footing mobilization of the U.S.S.R. itself and the entire Warsaw Pact. Ogarkov's first, unprecedented press conference was on Sept. 9, immediately after the Soviets shot down Korean Air Lines Flight 7, killing 269 people.

Party spokesman Leonid Zamyatin told the press that party chief Yuri Andropov's health is on the mend, but the press conference was Ogarkov's show. Ogarkov dodged a question about whether Andropov is head of the Supreme Defense Council (as previously identified), and omitted to mention Andropov's name as he later stressed that the chairman of the Supreme Defense Council leads the "system of military command which assures defense from any surprise attack," i.e., controls nuclear forces.

The Soviet military press is playing up the activities of top officers. According to reports in the Soviet armed forces daily *Krasnaya Zvezda* (*Red Star*) on Nov. 19 and Nov. 22, five main branches of the Soviet Armed Forces held staff briefings for generals and other top officers to discuss new military "tasks" in the current international situation. Adm. Sergei Gorshkov, Chief Marshal of Aviation P. Kutakhov, Marshal of Aviation A. Koldunov (Air Defense Forces), Chief Marshal of Artillery V. Tolubko (Strategic Missile Forces), and Marshal V. Petrov (Ground Forces) spoke at these "integrated political days."

Eastern European consolidation

On top of the deployment of short-range missiles in East Germany and Czechoslovakia, and possibly Bulgaria as well, there are reports of reorganization and upgrading of Warsaw

Pact member countries' defense systems.

In November, the Polish party chief and Prime Minister Gen. Wojciech Jaruzelski removed himself as defense minister and took the higher rank of chairman of a new national Defense Committee. *Krasnaya Zvezda* of Nov. 25 played up the importance of this reorganization, by which defense committees were also created in every province.

On Dec. 6, Poland ran a test mobilization of the new structure, conducting nation-wide exercises described as "test responses to a declaration of state of emergency." Internal Defense Department official Gen. Jan Swiatowiec said the exercises were called in response to the "dangerous international tension" caused by the stationing of the U.S. Pershing missiles and "to test the status of defense preparedness in each locale."

Moscow has its hand in these Polish internal developments. On Nov. 25, Jaruzelski received the chairman of the Soviet KGB, Gen. Viktor Chebrikov. On Dec. 5, Polish Interior Minister Gen. T. Kiszczak announced an upgrading of Poland's internal security system and the arrest of a Pole and a West German as U.S. spies. He accused Western spy agencies of waging a campaign to disrupt government relations with the Catholic Church and sabotage the economy.

War on United States in Lebanon

At the same Dec. 5 Moscow press conference, Marshal Ogarkov announced that the Soviet Union now regarded the defense of Syria in Lebanon as a matter of vital national security to the U.S.S.R., and called U.S. and Israeli military actions against the Syrian occupation forces there "an invasion by aggressive forces. . . . Our moral and material support is on the side of the force which is fighting the aggressor, which is the U.S. and Israel." Ogarkov's statements followed by hours violent attacks by Syrian forces on American Marines, resulting in eight deaths, and an unprovoked Syrian attack shooting down two American reconnaissance jets over Lebanon. One day later, a terrorist bombing in Jerusalem by Nazi International assets among the Palestinians killed four Israelis.

These acts of terrorism are backed up by increasing Soviet threats to directly intervene militarily in Lebanon. Beirut sources claimed Dec. 7 that the U.S.S.R. had begun to deploy combat forces into Syria. There are already 7,000 Soviet military advisers in Syria and Lebanon, reinforcing Soviet-supplied SAM-5 and SS-21's. Although not otherwise confirmed, the report by West German sources Dec. 5 that the Soviets had been directly responsible for the shooting down of American reconnaissance jets over Lebanon that day is in keeping with the aggressive profile Moscow is taking there.

The Soviets, with the help of Islamic fundamentalist forces coming out of Teheran, are also active in Damascus, Syria, to bring a hardline-fanatic military government into power in Syria, to fill the vacuum created by the illness of Syrian President Hafez Assad.

Reagan tightens Asian alliance in the face of the Soviet threat

by Linda de Hoyos

Since the end of the Vietnam War, the United States has adopted a policy of slow but steady military withdrawal from Asia, while the Soviet Union has been steadily upgrading, increasing, and expanding its military presence in the Pacific theater. It is therefore not surprising that the Soviet Union has chosen Asia as one of the key arenas for its pre-war deployment for a nuclear confrontation with the United States.

Since Sept. 1, when the Soviets announced their offensive with the downing of the KAL-007 airliner, they have brought their deployment of SS-20 intermediate range missiles in the Asian theatre from 108 to 117, targeting Japan, China, South Korea, and U.S. bases in the Philippines.

The increase belies the Aug. 26 promises of Yuri Andropov that the U.S.S.R. would not send its intermediate missiles to the Asian theatre from Europe—the Soviets are instead sending new missiles. The Japanese Defense Agency reports that the increase in SS-20s deployment was made possible by the completion of an intermediate range missile base on the northeastern border with China. When two more bases, now under construction, are completed, the Soviets will be able to deploy 135 SS-20s in the Far East.

The Soviets are also maintaining a campaign of air harassment against Japan. On Nov. 30, for the second time in two weeks, a fleet of nine Soviet bombers skirted the edges of Japanese airspace, leaving only when forced to do so by 30 Japanese planes. On Nov. 15, ten Soviet bombers flew a similar path, that time violating Japanese airspace. Since the KAL-007 downing, the Soviets have pulled this ostentatious maneuver whenever Moscow wanted to underline its pressure on the Japanese government—after the bombing-murder of the South Korean government in Rangoon, immediately after the trip of President Reagan to Japan and the Republic of Korea, and most recently during the visit of Chinese Communist Party General Secretary Hu Yaobang to Tokyo.

Replace the 'China Card'

This pattern of escalating Soviet military pressure in the region has posed an urgent challenge to the United States to rapidly reverse the Carter administration era's policy of strategic withdrawal from the Far East, which has gone so far that liberal Democrats are demanding that the United States dismantle its base at Subic Bay in the Philippines. President Reagan's trip to Seoul and Tokyo in early November has laid the basis for a new U.S. strategic configuration in Asia. This policy replaces the Henry Kissinger-Carter administration "China Card"—whereby the United States disregarded the security of its long-term allies in favor of a policy of reliance upon Peking. The Reagan administration retains a desire to have good relations with China, but not at the expense of its crucial allies throughout the region. The primary point of American foreign policy toward the region, President Reagan told Premier Yasuhiro Nakasone, is "Japan first." Around that "partnership for good"—which the Reagan administration expects to mean an upgraded military contribution from Japan—U.S. allies are to be arrayed.

First to be tied to this alliance is Seoul, which has come under a barrage of provocations from its northern neighbors. In testimony Nov. 17 before that country's National Assembly, Defense Minister Yun Song-min reported that Reagan's declaration in Seoul that the defense of South Korea is "vital to the security of the United States" puts Korea in the highest category of U.S. allies, placing it back under the United States's nuclear umbrella. The Carter administration, he said, had downgraded Korea to the "Number 3 category, which entitled it to only naval and air power assistance from the United States in security emergencies." According to the *Korea Herald*, a high-ranking U.S. administration official who was in Seoul with President Reagan stated that if North Korea launches another full-fledged attack on the South, the United States would join in its defense and would not exclude using "nuclear retaliation."

The Reagan trip was followed the last week of November by a tour to Korea of John Vessey, chairman of the U.S. Joint Chiefs of Staff, to review U.S. military forces there and discuss military modernization and increased cooperation with South Korea. Vessey then went to Japan, where he met with Foreign Minister Abe and the deputy head of the Japanese Defense Agency.

Vessey's trip was followed up in the first week of December with three days of joint exercises between U.S. and South Korean air force fighters and bombers (500 of them), aimed at "improving the offensive capability" against possible North Korean attack. In the past two months, as the Soviet press has also taken angry note, joint exercises between the U.S. and Korean forces have also included Japanese observers, a sign of the growing military cooperation among all three powers. The Koreans have also been bolstering their naval power. Admiral O Kyong-hwan, chief of naval operations, announced right before Reagan's trip that South Korea can deter any seaborne attacks from the North by virtue of establishment of a ship-to-ship missiles system and an antisubmarine defense structure.

Peking-Tokyo talks

Assuring that there is no further point of provocation on the Korean peninsula is now a major concern not only of the United States and South Korea, but also of Japan, for whom Korea functions as the front line of defense, and Peking. Ten days after President Reagan departed from Tokyo, Premier Nakasone hosted Chinese Communist leader Hu Yaobang, as Washington works to ensure ties from Peking from both sides.

In the talks between Hu and Japan's Nakasone, aside from accords boosting Japan's participation in Chinese industry-building, the major agenda points were the necessity for mutual efforts to ease tensions in Korea, and the Soviet installation of more SS-20s on its Asian rim.

In a public statement before Hu, Nakasone declared his concern for the "definite heightening of international tensions . . . particularly the stronger Soviet military presence in Asia represented by SS-20 missile deployment." Both leaders agreed that they would press Moscow to reduce the missile deployment.

The visit drew quick fire from the Kremlin. *Pravda* broke with its new friendly tone toward Peking, whom it is trying to court for a Sino-Soviet rapprochement, to harshly attack Chinese Foreign Minister Wu Xueqian for his endorsement of the Japanese claim on the four northern islands—the Kuriles—which reverted to the U.S.S.R. after World War II. "One can understand the words of Wu only as an attempt, in violation of international agreements and in deviation from China's previous position, to interfere in the business of other countries," said *Pravda*. The Wu declaration, the article continued, can only be seen "as a manifestation of hegemonism"—the phrase of accusation used throughout the period of the Sino-Soviet split. The Soviets are letting Peking know that, no matter what "confidence-building measures" the two nations have agreed upon, it is Moscow that will set the terms for any rapprochement.

Just as Hu's trip was ending on Nov. 21, the United States announced the guidelines for a relaxation of rules governing technology transfer to China. The new directives allow for

the export to China of sensitive "dual use" technology, and are expected to lead to a greatly increased export in computers and semiconductors, with the proviso that China will not re-export the technologies to third countries, like North Korea. In January, Chinese Premier Zhao Zhan will be hosted by Reagan in Washington, to be followed by the President's trip to Peking in April.

Soviet military deployment

Moscow has more reasons than history to protest Peking's backing of Japan on this issue. Although the Soviets officially acknowledge that the Kuriles should at some point be returned to Japan, the islands have rapidly been built up as military installations right at Japan's northern doorstep. In March of this year, the Soviets began using the islands as a base for MIG-21 supersonic fighters, which have been used on several occasions to intercept Japanese air self-defense force aircraft. The four islands off Japan lie along an arc of Soviet deployment which begins with air and navy bases in Kamchatka Peninsula, and extends through Afghanistan, which has given Moscow uncontested strategic superiority in the region:

- The Soviets now have triple warhead SS-20s stationed in three locations: central Siberia, east of Lake Baikal, and now on the northeastern border with China. These missiles demonstrate that the Soviet deployment toward China and Asia is first and foremost a nuclear deployment.

- Moscow also has 52 divisions of highly mechanized and highly trained troops stationed in its Asian theatre.

- There are major Soviet installations in Vladivostok and on Sakhalin Island north of the Korean peninsula, even though half the island is owned by Japan.

- The Soviets are establishing a major base at the port of Cam Ranh Bay in Vietnam. According to reports from Bangkok, the Cam Ranh naval base is now able to accommodate 12 Soviet warships at any one time. Large depots, communications facilities, including radar navigation and radio monitoring equipment and bombproof submarine pens have been built at the Vietnamese port. By expanding Cam Ranh, situated halfway between Vladivostok and the Black Sea, the Soviets have radically improved their maneuverability from the Pacific to the Persian Gulf.

- The Soviet Pacific fleet is the largest in the Soviet Navy, consisting of 765 ships, including 120 ballistic missiles and attack submarines.

- Since its 1979 invasion of Afghanistan, Moscow has built up a western equivalent of its Far Eastern Command, comprised of 100,000 troops and air bases guarded by SAM missiles.

Through the increased deployment of SS-20s to Asia and the air harassment of Japan, Moscow is making known its intentions on U.S. allies in the region, a course that will not be stopped unless the United States moves quickly to make the price of war too high even for the Kremlin command.

Finland and Sweden pulled into Soviet orbit

by Göran Haglund

Finland and Sweden have abandoned the last pretenses of neutrality and complied with Soviet demands that they deploy systems capable of shooting down NATO cruise missiles passing over their territory. This concession to Soviet pressures places Finland and Sweden de facto in the Warsaw Pact wartime defense structure—with the sole difference that while Finland is using predominantly Soviet military equipment, Sweden is using independent Swedish and other Western military technology. All this at a time when, according to *Die Welt*, the Soviet Union is installing a helicopter base on the island of Spitzbergen to the north of Norway in the Barents Sea, equipped with a mobile radar installation which will assist Soviet submarines which can reach every sizable target in the United States with their missile armaments.

Finland is already supplied with Soviet MiGs, ground-based anti-aircraft missiles, and other forms of advanced Soviet military hardware capable of destroying cruise missiles in flight. Now it has been compelled to acquire advanced radar capability that could locate and track the cruise missiles. Finnish Foreign Minister Paavo Vayrynen justified this by announcing that the cruise missiles to be stationed at NATO bases in Europe pose “a new threat” to Finnish “neutrality,” and, therefore, “Finnish capability to shoot down missiles crossing Finnish airspace is of prime importance.”

Finnish Army Lt. Col. Gustav Haeggund, Finland's Defense Committee spokesman, announced that the real task for the Finnish armed forces is the detection and shooting down of submarine-, ship- or air-based missiles, launched by the United States and NATO, which might “shortcut” through Finland. “Given our neutral status we cannot disregard the threat,” he said.

Over the past month, the Soviets have extended exceptional diplomatic gestures to the Finns. On Nov. 5, the Soviet media announced with fanfare that the foreign affairs commission of the Supreme Soviet had ratified an extension of the Soviet-Finnish Friendship and Assistance Treaty of 1948, at a session chaired by Politburo member Konstantin Chernenko and addressed by Leningrad party chief Zaikov and the chief political commissar of the Armed Forces, the notorious chauvinist General Yepishev.

On Nov. 16, the chief of the KGB border guards, Gen. V. A. Matrosov arrived in Helsinki for consultations with the

chief of the Finnish border guards, Gen. Ilmari Kirjavainen. Finnish Foreign Minister Vayrynen will visit Moscow on Dec. 13.

The Soviets responded to Finland's compliance by awarding Finnish President Mauno Koivisto the highest Soviet mark of honor, the Order of Lenin, at his 60th birthday Nov. 25. No other Western head of state has ever been given this award.

Invasion threats

Behind Soviet diplomatic niceties, however, have been threats that Finnish and Swedish neutrality would be called into question unless the two countries committed themselves to preventing cruise missiles from crossing their territory en route to the Soviet Union. Historically, such Soviet demands on Finland have been coupled with threats of outright invasion should Finland not comply.

As for Sweden, a Soviet spokesman insisted on Swedish television earlier this fall that Sweden's neutrality was not credible, Sweden being merely “part of the capitalist camp,” unless Sweden agreed to sign a Friendship and Assistance Treaty with the Soviets.

It was shortly after that blunt threat, in connection with the Swedish military's “East Coast” maneuvers, that the Swedish defense ministry announced the completion of tests designed to demonstrate Swedish capability to shoot down cruise missiles. During wartime, such missiles, even if destined for targets outside of Sweden, will be shot down, according to the defense ministry.

‘Military consultants’

In Finland, now that the military command has agreed to integrate its air defense system with that of the U.S.S.R., the Soviets are maneuvering for even tighter assimilation of the country into Warsaw Pact military programs. Parliamentarian Mikko Kuoppa, a member of the Finnish communist party, has demanded “military consultations” with the Soviets, due to the possibility that American cruise missiles would fly over Finland. When Nikita Khrushchev asked for such “military consultations” in 1961 and 1962, in the era of the Berlin and Cuba Missile crises, the demand was linked with a Soviet desire to install their missiles on Finnish territory. The Finns refused the consultations.

The consultations are provided for in the treaty of friendship and assistance between the U.S.S.R. and Finland in case of a military threat to the Soviet Union. Were they to be held, it would be read as a sign that the present situation is even more critical than in 1961-62.

The former head of the “Euro-communist” wing of the Finnish CP, Aarne Saarinen, accused the Soviet leadership of interfering in Finnish internal affairs. Saarinen's was responding to the fact that the Soviets had engineered the election of a pro-Stalinist as head of the Soviet-Finnish Friendship Society, against the wishes of the majority. The society is extremely powerful in Finland.

Are the Swedish elites planning to topple Olof Palme's government?

by Clifford Gaddy in Stockholm

Are Swedish Prime Minister Olof Palme and his notorious "Swedish model" of Orwellian socialism finally about to leave the scene? This question has been raised repeatedly in Sweden, and an increasing number of observers here are prepared to answer it with a "yes." Never before in Palme's career has he been under such pressure as this autumn. Internationally, the Swedish welfare state has received an unprecedented barrage of negative publicity on the issue of repression of individual civil rights, while at home the Palme government has been hit by a series of scandals including the resignation of justice minister Ove Rainer, a close Palme associate, for improprieties in his personal tax affairs.

The prospect of Palme's disappearance from a political scene that he has dominated for the better part of 20 years involves a much larger story behind the attacks on Palme than his personal malfeasance or his particular brand of socialist policies. The fact on both these counts have long been known, without incurring the sort of response we see today.

The background to the moves to topple Palme is a geopolitical deal in the works, involving the still-powerful noble families of the kingdom of Sweden, British circles associated with Lord Peter Carrington, and the Soviet Union.

A 'Children's Gulag'

International media attacks on Palme and the system that he had built up over the past 30 years began early this fall. Sweden, previously praised as a social welfare paradise in the liberal press throughout the world, suddenly—and curiously—found itself depicted as a land of technocratic totalitarianism, a "real-life 1984." The interesting aspect was not the content of the attacks as such—most signalled very accurate, if belated, recognition of the real nature of Swedish society under Palme—but that they were being led by some of Palme's greatest admirers in days past.

The West German weekly newsmagazine *Der Spiegel*, is a prime example. This influential publication which had previously been as avid a supporter of Olof Palme as it is of the anti-American peace and environmentalist movement in West

Germany, turned against Palme with a viciousness that stunned Swedish circles.

In one lengthy feature in October, *Der Spiegel* portrayed Sweden as no less than a "Children's Gulag," in which state social welfare authorities are engaged in forcibly seizing children from their parents on a massive scale in order to place them in homes or institutions approved by the socialist authorities.

This article was only one of a flood of similar attacks on the "Swedish model" in the West German, Italian, French, and some American publications, which zeroed in on other violations of individual rights in Palme's Sweden.

These attacks from abroad triggered a renewed campaign against Palme at home, though Palme's domestic critics have for the most part been noticeably restrained in their criticism of the Swedish model, since many of them have been complicit in building up the apparatus. Rather, the domestic side of the anti-Palme campaign has tended to focus on Palme's personal instability, arrogance, and mismanagement of national affairs.

Wartime unity?

The most notable feature of the anti-Palme campaign inside Sweden has been its character of a collaborative effort between circles outside and inside his own party. It is this coalition of forces that suggests that the ouster of Palme is designed to make possible a revival of the old wartime alliance between those same groupings: Conservative circles led by the Swedish military and oligarchy, on the one hand, and a conservative, isolationist wing of the Social Democracy, on the other.

During World War II, Sweden avoided being invaded and occupied—the fate of its neighbors Denmark and Norway—thanks to a very elaborate structure of secret deals and counterdeals with both the Nazis and the British. The moral price that Sweden paid for remaining outside the war—specifically, its direct assistance to the Nazi war machine—is something most ordinary Swedes would prefer to forget.

However, there is no doubt that influential aristocratic circles here are prepared to revive that tactic of secret diplomacy in deals with both sides—the Soviet Union, on the one hand, and NATO, on the other—in the hope of guaranteeing the country's survival in circumstances of an impending super-power confrontation.

The nobility apparently concludes that the delicate maneuvering required in such a situation is something that cannot be entrusted to an unstable figure like Olof Palme, although he is a member of their ranks.

Perhaps the strongest direct evidence so far that these considerations, rather than any genuine opposition to Palme's particular brand of 1984 fascism, are the real reason for certain oligarchical circles' participation in the anti-Palme campaign was given in a recent lead editorial in the conservative daily newspaper *Svenska Dagbladet*. In its Nov. 27 issue, the Stockholm daily accused Palme of abusing Swedish military intelligence organs for his own and his party's private benefit.

In raising this issue, *Svenska Dagbladet* touched on one of the most sensitive matters in the kindgom. Even after the breakdown of the wartime coalition, the right and the social democratic left in Sweden have maintained one particular area in which unity remained sacred: the military and related intelligence sphere. On the other hand, Palme has threatened to violate that unity throughout his career. In the early 1970s, the military tried to cut short a clear social democratic play for power over Swedish intelligence when military-linked circles "blew" a key operation run by the social democrats.

This was the so-called "IB-affair," in which investigative journalists disclosed the existence of a social democratic security service engaged in domestic surveillance of political enemies. The activity of this "information bureau-IB" had been concealed under the rubric of a military intelligence operation. As an attempt to stop social democratic abuse of national intelligence operations, the IB-affair was unsuccessful, owing to major counter-blackmail capabilities by the social democrats. The threat that the social democrats might expose much more vital Swedish intelligence operations on other levels forced the opposition to back off.

This was to remain a constant predicament of the military-oligarchical circles unless they could make a deal with a faction inside the social democracy that would be prepared to help dump Palme and accept a more balanced role to be allotted to the social democratic party under a "national unity" regime.

The *Svenska Dagbladet* editorial was in effect a declaration that such an arrangement has been made. The newspaper states that "The IB affair is not over" for Olof Palme; despite countless investigations by the authorities, commissions and the mass media, "We do not yet know the truth, the whole truth, and nothing but the truth about the IB."

On Dec. 5, *Svenska Dagbladet* successfully launched a new scandal against Palme and his deals with the Russians.

The paper says that during the big "submarine crisis" last

spring, when the "Submarine Commission's" report was published and the navy was chasing a sub, Palme established direct channels with the Soviets, specifically Georgii Arbatov and Gen. Mikhail Milstein, who have been involved with his Palme Commission on Disarmament, while bypassing the ordinary foreign department channels.

Svenska Dagbladet says that Palme, via his former secretary and secretary of the Palme Commission, current Swedish U.N. Ambassador Anders Ferm, let Arbatov know that Sweden would be prepared to drop the whole question of sub violations of Swedish waters in the past if the Soviets would just stop doing it in the future. He also promised to tone down the ongoing sub chase.

Ferm reportedly had meetings with Arbatov and Milstein, and then repeated follow-up meetings with Milstein after Arbatov left the United States.

This story is undoubtedly true, and in a sense is not news. Why is it being brought up now? It closely resembles the so-called "Bahr Affair," when certain members of the Swedish nobility, acting through conservative politician Carl Bildt, leaked documents showing that Egon Bahr had personally written the Swedish government's proposal for a nuclear-free corridor.

The basic issue then was the same: Palme's private diplomacy with the Russians, bypassing the oligarch-controlled Swedish foreign ministry.

The next day, the scandal was picked up by everybody—all the press and TV. Palme appeared on TV and in *Dagens Nyheter* on Dec. 6, saying that he made no promises to Arbatov that the Soviets would be let off the hook on the sub violations, as *Svenska Dagbladet* claims he did.

But this part of the affair seems to be secondary to the question of the relations between Palme and his crowd and the foreign office staff bypassing the normal foreign office channels in reporting to and from Arbatov and Milstein. Now, when the foreign office leaked the contents of Palme's messages to Arbatov, Palme has blasted the foreign office leaks and accused *Svenska Dagbladet* of illegally stealing secret documents. Ferm has called the foreign office staff "blabbermouths" and "gossips." The staff in turn has demanded an apology.

The *Svenska Dagbladet* lead editorial of Dec. 6 defines the scandal as another case of Palme's abuse of Swedish institutions for personal aims. "It is not the individuals Anders Ferm and Olof Palme who are to develop our country's foreign policy in intimate contacts with their friends from the Palme Commission. Foreign policy is formulated by the parliament and the government. Administration of foreign affairs is the province of the foreign office. . . . For Anders Ferm to conduct private foreign policy in consultation with Olof Palme, outside of the foreign office, is absurd. . . ."

"Once again a political scandal develops with the prime minister in a leading role. Half-truths and direct personal exercise of power on the part of the prime minister characterize this affair as well as the preceding ones."

After Carrington appointment, only beam defense can save NATO

by Nora Hamerman and Susan Johnson

The confirmation, as expected, of Peter, Lord Carrington as the new secretary general of the North Atlantic Treaty Organization at the NATO ministerial meeting Dec. 8-9, means that the only hope for holding the Atlantic Alliance together now is the potential for NATO-wide adoption of the beam-weapons strategic defense policy of President Reagan as the best option to defend Europe. Carrington, the former British foreign secretary and business partner of Henry Kissinger, favors a deal with Russia under which Europe would break with the Atlantic Alliance to find "security" under the wing of Moscow.

U.S. Secretary of Defense Weinberger extensively briefed the other NATO ministers on the Reagan strategic doctrine at a "restricted session" on Dec. 8. Nevertheless, the defense ministers' final communiqué from the meeting failed to include any mention of the new defensive weapons, and Carrington's networks were active at the very moment the ministers were gathering to demand that the United States cut its defense budget (see Economics lead).

But a new front opened in Western Europe in early December against the Carrington appeasement faction. As the Carrington appointment approached, the most powerful political figure in France outside the government, Gaullist leader Jacques Chirac, affirmed the importance of beam weapons for the defense of Europe and the Western Alliance.

Addressing the Royal Institute of International Affairs in London on Dec. 2, Chirac, the mayor of Paris, called for an European strategic defense based on directed energy weapons, stating that "there will be no strong and durable security in Europe if West Germany does not feel that its security is totally assured by its allies. I would favor a total review of the agreements made during the last 30 years, in order to modernize weapons and to adapt them to the evolution of the balance of forces. . . . Germans may not have the nuclear bomb, but they may well have the laser." According to the Paris daily *Le Figaro* Dec. 3, Chirac added that, if the superpowers decide to "sanctuarize" their countries with antibalistic missile defenses, Germans could participate in the construction of a European ABM system.

Chirac concluded by urging a "U.S.-Europe recoupling."

This challenge to the Carrington policy on its home ground was presumably in part an attempt to reinforce the anti-Car-

ington "Churchill faction," currently on the outs in Britain's Thatcher government. Chirac's dramatic statement certainly reflected transatlantic consultations. U.S. Defense Secretary Caspar Weinberger during his recent visit to Paris, put forward the beam-weapons policy before the Atlantic Institute, and discussed it with French Defense Minister Charles Hernu, Italian radio reported Dec. 5. (Last month, it was Hernu who revealed to the National Assembly for the first time that France is working on beam weaponry.) It was also reported that Secretary Weinberger insisted on meeting with Chirac.

Decisions before NATO

The French government of Socialist François Mitterrand has allied with the Reagan administration on strategic issues, despite pressure to join the "decoupling" faction in Europe. Although France is not militarily part of the NATO structure, it remains a key element of the Western alliance.

The Carrington strategy appears to be that, if the Mutually Assured Survival defensive doctrine cannot be reversed, its implementation can be slowed down to the point of ineffectiveness. A former senior British Foreign Office official with close ties to Carrington and Henry Kissinger told *EIR* at the beginning of December that "Carrington will take care of the problem of U.S. beam-weapons development when he takes over as Secretary General of NATO. The Weinberger viewpoint is not the only viewpoint—there are programs and there are programs."

When Carrington attacked Reagan several months ago for using "megaphone diplomacy," that was meant as a coded warning to the United States that the British will break apart the Western alliance if Washington pushes "confrontation policies" too far, he said. On Dec. 1, the BBC ran a 10-minute feature on "Star Wars" blaming the United States for using ABM development to "destabilize" the current strategic order.

Ungovernability in Germany?

The Danish parliament has just voted against Euromissile stationing, a vote which does not affect the missiles, since none were planned for that country, but attests to the "split from NATO" pressure. For West Germany, the Carrington faction is calculating that political chaos and terrorist out-

breaks will accelerate the “neutralist” direction the country has been moving in, despite last month’s vote to approve installation of U.S. Pershing II missiles on German soil. The Free Democratic Party (FDP) of the pro-Soviet, pro-Iran Foreign Minister Hans-Dietrich Genscher is threatening to leave the government coalition if Count Otto Lambsdorff, the economics minister, is forced to resign. Lambsdorff will be put on trial for bribery, violation of party funding laws, and dirty-money trafficking on behalf of the FDP (see Bonn column, page 47).

The Hamburg weekly *Der Spiegel* was the first to blow the scandal two years ago; its editor, Rudolf Augstein, is a mouthpiece for the counterculture and “green peace” movement who often meets with Henry Kissinger. Augstein is a member of the FDP, and his party made the Lambsdorff case a “test for the coalition.”

If the FDP leaves the coalition, Chancellor Helmut Kohl, a Christian Democrat, could not long stay in power with a minority government. He would have to resign and call for new elections. Given the spiraling unemployment rate, and Kohl’s announced plans for even harsher austerity, along with the rise in anti-NATO sentiment in the population, new elections could result in a victory for the opposition Social Democratic Party (SPD), a new SPD-FDP coalition, or an SPD-Green coalition.

The SPD is the party which is about to demand that West Germany leave NATO. Gerd Bastian, the former West German general who is a leader of the Green Party, has already made that demand, the first Green spokesman to do so; in Britain, the Bertrand Russell-founded Committee for Nuclear Disarmament is on the same campaign. It is no longer a question of “freeze” proposals for changing NATO policy in a “peaceful” direction, but of an outright break.

Thus if the Bonn coalition is shattered, it will make the country a wide open target for Moscow.

Weinberger’s briefing

According to NATO sources, and confirmed by the West German Defense Ministry, U.S. Secretary of State Weinberger took the defense ministers of the Alliance into a “restricted session” for the purpose of an extensive briefing on the U.S. commitment to develop and deploy beam weapon anti-ballistic missile defense systems itself, and to do so in an integrated defense design for the West European allies. As of Dec. 8, all official sources were treating Weinberger’s briefing as if it were top secret, even though various European press outlets, especially Italian ones, quoted a Pentagon official in Weinberger’s entourage saying that “NATO needs to deploy new systems of defense technologies, particularly those based on lasers.”

The NATO staff itself, notoriously permeated with the anti-technology outlook of the zero-growth Club of Rome, may have been responsible for Weinberger having to hold the briefing in “restricted session,” rather than publicly. The

chief of the NATO Military Committee, General Jaeger, is quoted in the Italian press saying that “you can’t demand of us that we throw away the old shoes before we have even seen the new ones,” which is the clearest sign that the Carrington influence in NATO will move rapidly to sabotage the European allies moving together with the United States.

Secretary Weinberger used the NATO Winter Meeting to put through an air-defense cooperation deal with the West Germans which is perfectly in line with the ultimate design of beam weapon defenses for Europe: At the present time, the main air-fields of the NATO front are, for all intents and purposes, defenseless against Soviet air-strikes with attack and fighter aircraft. The U.S.A. and West Germany have now agreed to install a combined Patriot and Rowland (German-French anti-aircraft missile system), where the United States will use the European system for its European airbases, and the Germans will use the American system.

However, military sources report that the actual deployment of these urgently needed air-defenses will be slowed down by the same “budgetary considerations” that are being used behind the scenes against beam weapons. “These systems could be in place in two to three months: Without them, simple conventional Soviet strikes against the fewer than 25 main NATO airbases just on the Central Front would leave us with fewer than 300 machines. Even in a conventional battle scenario for Europe, we would lose another 30 percent just in the first day; it’s good to have some conventional defense, but even conventionally we do not have effective IFF [discrimination between ‘friend’ and ‘foe’] in our own air-space. The systems exist—we can work them, and the Americans have them, but for the same stupid stalling reasons that it has taken us four years to get the Rowland deployed, we still can not defend our own air-space and run our own air missions at the same time without shooting down our own machines.”

The Belgians have decided to withdraw from the Central Front air-defense-belt, and will be dissolving their own Nike-Zeus batteries, and pulling back the “Hawk” batteries to defend “important targets in Belgium.” Greek Prime Minister Papandreou spent his time at the NATO meeting, also in his capacity as Greek defense minister, to spew Soviet propaganda against NATO having any nuclear weapons at all.

Manfred Woerner, the West German defense minister, gave a press conference during which he said nothing about Secretary Weinberger’s briefing on beam weapons, and instead expressed his pleasure with the NATO meeting because “it has showed that NATO is committed to only having as many nuclear weapons in Europe as are necessary to deter nuclear weapons from being used against NATO.”

Weinberger’s briefing has now put the allies on the line—he has done what “official” Western Europe has been demanding all along, he has given the “official briefing,” so that now they are fully informed about how to work to assure their own survival.

EIR beam-weapons seminar in Vienna looks at *Mittleuropa*, Moscow, and the West

by Laurent Murawiec

The leading strata of Austria—a neutral nation whose capital Vienna lies just a few miles from the Eastern European borders once called the Iron Curtain, whose army numbers little more than 40,000, which was partly occupied by the Red Army until the 1955 State Treaty restored its sovereignty, which was historically governed by the Dual Monarchy of the House of Hapsburg, for centuries alternately an ally or an adversary of Russia, whose statesmen have a battle-tested, first-hand knowledge of the Russian soul and mind—should have very good reason to beware the appeasement of the Soviet Union so current among other Western European nations and be very interested in President Reagan's proposed strategic stabilizer, the development of defensive beam weapons.

This was apparently the reason that Austria was the first country in the Western world whose War College, the Landesverteidigungsakademie (LVAK), invited *EIR* to present a briefing on the science, the technology, the strategy, and the economics of the beam weapons to its staff, student body, and distinguished guests from the Austrian Foreign Office, defense ministry, interior ministry and army. An audience of 60 persons heard Fusion Energy Foundation director for Europe Dr. Jonathan Tennenbaum's description of beam weapons and *EIR* European executive director Anno Hellenbroich discuss the world strategic situation. What emerged in the animated debate which followed was the failure of the U.S. administration to make its policies known, the lack of comprehension due to having to depend on the media for information, and an eagerness to understand and support the policy.

As one of the conference participants, former LVAK commander Gen. (ret.) Wilhelm Kuntner, remarked in the course of the discussion, "After March 23, there were questions concerning the feasibility [of the program] and even its desirability. But since the Soviets are in full swing developing their own beam weapon program, the U.S. program is a necessity." His successor, current LVAK head General Brosch-Fohraheim, concluded the seminar by noting that purported experts had denied earlier in history the possibility of bringing fresh water to Vienna, and that their lineal descendants were now claiming that "an energy source of the size of the Castle of Schönbrunn would have to be boosted in space in order to power beam weapons." While "the scenario

that has been presented to us seems to be quite a fantastic one," he added, "We should realize that for 40 years, thermonuclear weapons have been in existence and have not been used. But there is no example in history of a major offensive weapon never being used. Now, the United States has taken a powerful step in the direction of beam weapons. . . . Let us hope that it can stop nuclear war."

Concluding the seminar, General Brosch-Fohraheim stated: "This conference has given us a glimpse of the world outside our small environment. Let us be clear that what we have heard is by no means in the realm of fairy tales but a hard reality. This is the world of the future—one that will very soon be accomplished." One wishes one heard such refreshing words from representatives of the same rank in supposedly more strategically enlightened nations.

Fear of the Soviets

The response of the Austrian military was all the more remarkable because the news that *EIR* representatives were coming to Vienna had started a wave of slanders that "the cold-warriors, the right-wing [*EIR* founder Lyndon] LaRouche spokesmen are coming to town," a slander espoused and propagated by representatives of the Austrian Foreign Office, who insistently told both Tennenbaum and Hellenbroich after the seminar: "You should not speak so rudely of the Soviets!"

Such fear of offending Austria's powerful neighbor might well be translated, "Don't offend our masters." There are several thousand Soviet citizens living in Vienna, and a new compound for 700 Soviet "diplomats" and their families is now being built which could aptly be described as the Soviet garrison. As a senior Austrian security official told *EIR*, 70 to 80 percent of the Soviet "diplomats" are KGB and GRU agents working under the cover of their assignments at international and supranational organizations such as the United Nations's UNIDO agency or the International Atomic Energy Association (IAEA), as well as through the many Soviet and Eastern European business links with Austria.

The effects of such immense Soviet pressure were evident. A leading spokesman of the Austrian opposition party, called the "Blacks," claimed: "The Soviets are not behaving in an irrational way. You are wrong. They are not seeking a

confrontation. They will not attack fortress Europe.” As a former senior official of the Oesterreichische Nationalbank, the Central Bank, explained, “Nobody really knows why the Soviets pulled out in 1955: They could as well have chosen to stay.” The inference is clear that the Soviets, who occupied a large zone of Austria and Vienna from 1945 through 1955, might as well come back—and that Austria must appease Russia at all costs. The banker was merely expressing the widespread willingness to accept virtually everything from Moscow, on time-tested principles that *Mittleuropa* and the czars could always find a *terrain d’entente*, or *terrain de détente*.

The 1955 State Treaty launched what then went under the name of “peaceful coexistence” and represented the institutional form of Moscow’s acceptance of Bertrand Russell’s Pugwash Conference strategic proposals. The treaty neutralized Austria and made it the meeting ground of East and West, and the site of such KGB penetration operations as the International Institute of Applied Systems Analysis (IIASA) at Laxenberg near Vienna.

The failure to denazify

The neutralization of Austria in 1955 was proposed by Dr. Bruno Kreisky, the Socialist International leader who started his long career as Social-Democratic foreign minister and was federal chancellor for the last 13 years.

A key to Kreisky’s power is the fact that, as a Jew, his holding political office ostensibly exculpated Austria somewhat from its guilt for the Nazi regime. Hitler’s *Anschluss* was certainly a forcible affair, but the April 10, 1938 referendum approving it went through with 4.4 million “ayes” to an incredible 12,000 “nays,” and an official Pastoral Letter of the all-powerful Austrian Catholic Bishops calling for a “Yes to the Führer”! Vienna Archbishop Cardinal Innitzer wrapped up his letters with a spirited “Heil Hitler” while the country gave an above-average rate of volunteers in the Waffen SS, many of whom resurfaced in the postwar period and hold important positions today. Kreisky’s presence served to offset most of what could have been said about the failure to denazify Austria. In fact, the operations of pro-détente Socialist Kreisky setting up East-West interfaces was the ideal cover for Moscow’s taking control of SS elements after the war.

As a result, Kreisky was built up by the Kremlin as one of the great men of détente, one of the indispensable mediators and brokers between East and West. Soviet Jews leaving Black Hundred country passed through Vienna, and sometimes remained for long periods. Kreisky was able to openly rebuild good relations with Hungary’s Communist chief János Kádár and the rest of the Eastern bloc. Trade blossomed, reaching 20 percent of Austria’s foreign trade. The traditional bridges dating back to the old Hapsburg Empire were rebuilt. In this land of détente, OPEC set up its headquarters, and the Mutual and Balanced Forces Reduction (MBFR) negotiations were established. Vienna was being rebuilt with its

“Pluralist Empire” tradition of world-federalism. Why fear the Soviets in such circumstances?

Professor Friedrich Levčik, head of the Institute for Comparative International Economics (WIIW) and an authority in East-West affairs, expressed this quite strongly to *EIR*: “The Soviets have no aggressive designs, they’re in fact on the defensive. They pose no strategic threat. They would be only too glad to reach an agreement.” But since Reagan “talks tough and with popular support, the Soviets are not going to sign on the dotted line even though they’re out for an agreement. The Soviets are merely trying to keep their own. They have no aspiration to world domination.” He echoed a representative of the country’s largest bank, Creditanstalt-Bankverein special adviser Dr. Philip Rieger, who stressed the “inferiority complex” of the Soviets and the fact that “their country has always been invaded throughout history. There are only two possibilities ahead of us: Either it is war, or it is peace. If it is war, forget it. If it is peace, we will have to trade and work with the East.”

A Soviet satrapy

In short, Austria is controlled not as a province in the Soviet Empire, as, say, Hungary is. It is a Soviet satrapy, following the strategic designs of Moscow without having to be subjugated or subjected to the most menial prescriptions of the current Five-Year Plan. Austria is a vassal state with some margin for autonomous action—its foreign policy is essentially a part of Moscow’s strategic game, while its domestic policy remains unfettered, so long as some business tribute is paid to the Eastern Empire.

This situation is nothing new to the bureaucracy of Vienna’s Hofburg, which played that very game with the Central European and Balkanic nationalities for several centuries on end. The current Archduke Otto von Hapsburg’s own intrigues with the Soviets’ provincial governors in Hungary and other countries center around the creation of a reorganized *Mittleuropa* bloc. The leading aristocratic families of the old Austro-Hungarian Empire are directly involved in the process. They still control the largest family fortunes in Austria, based on estates, forests, land, and urban real estate. A walk through Vienna’s Jesuit-Baroque architectural landmarks not only reveals layer upon layer of European history, but is a promenade through the who’s who of the European Black Oligarchy: the Pallavicinis, the Lobkowitzes, and the Fürstenbergs have their family palaces there, from which they conduct active dialogue with Moscow, Sofia, Prague, Bucharest, Budapest, Belgrade, Pankow, and Kiev.

But there are some in Vienna who do not succumb to the attractions of Moscow, and exhibit no desire to renew postwar experiences of direct Soviet domination and prewar and war-time experiences of subjugation to a totalitarian Reich. These Austrian leaders, such as those at the War College, reject what brought their country to be the first to fall prey to Hitler: Neville Chamberlain and Edouard Daladier’s cowardly appeasement.

Minute: 'LaRouche inspired beam policy'

France's largest-circulation political weekly, *Minute*, published at the end of November an analysis of the U.S. beam weapon policy and the strategy for a crash program proposed by Lyndon H. LaRouche, Jr.

Minute scored the French "deterrent" force as obsolete and inefficient, attacking the "Maginot Line" conception "of those who want at all costs to win the last war or one which will nevertake place," and who speak of "conventional build-up, smart weapons, anti-nuclear shelters. . . . Since deterrence does not work any more, we need another strategy, and we must develop the weapons for another strategy.

"The Soviets, already over-armed in the conventional and nuclear field, are preparing with a crash program the shift to another dimension of warfare, that of *beam weapons*. . . . The leading experts expect the Soviets to deploy their first global operational system three to five years from now. . . . The Kremlin could then launch a global nuclear assault behind its beam shield, with its excellent civil defense. . . . Over the last 20 years, Soviet strategists have all placed their stakes on acquiring the capability to win nuclear war.

"In short, the Soviet threat is real, immediate and extraordinarily dangerous. Moscow is getting ready to fight the star war. But on March 23, in a resounding speech systematically distorted by the media, Ronald Reagan announced that the U.S. was renouncing the MAD strategy and was going to develop, produce, and deploy beam weapons."

Minute sketched the scientific and technological background and the various systems under study or development: ground-based lasers with orbital mirrors, pop-up X-ray laser systems, terminal and point-defense, and theater beam weapons for tactical usage. "As President Reagan said on March 23, 'beam weapons hold the promise of changing the course of history.' [The President's exact formulation was: "We are launching an effort which holds the promise of changing the course of human history"—ed.] Nuclear war ceases to be the absolute terror, the abominable sword of Damocles that can destroy mankind as a whole. The advantage goes to defense, whose weapons are faster, more mobile and powerful.

"Both during this historic speech and later in speeches by his defense minister Caspar Weinberger, Reagan had turned to Moscow and said: 'Let us develop these systems in parallel' so that both superpowers know that the 'other side' does not intend to attack but merely to defend. To that generous

offer, the Kremlin responded with lies, calumny, and hatred, accelerating its own efforts in the field, but launching all its own assets in the battle to prevent the U.S.A. from implementing the program announced by Reagan—starting with Kissinger, a sworn enemy of beam weapons and an advocate of queer arrangements with Moscow, from his pseudo-'detente' to the sharing of 'spheres of influence.'

"The inspirer of Reagan's new policy, Lyndon LaRouche, now a candidate for the Democratic nomination for president, demands a crash program like the World War II Manhattan Project or the Apollo Program. He wants \$200 billion for the program within the next ten years, and operational U.S. systems within three years. He also campaigns for cooperation between the U.S.A. and Europe to develop the project. . . .

"On the other side, the Soviet media have not cooled off, they threaten, they scream! Andropov demands a treaty. . . . the main leaders of the peace movement, from McNamara to comrade Ogarkov and the main architects of 'detente' Kissinger and Averell Harriman, are blue with rage. . . . The Russians expected—that was their very strategy—that the 'decadent' West would fall right into their claws; they thought that economic crisis would work with financial collapse, the demoralization of Western societies and Malthusianism and cultural pessimism to weaken the West, undermine it and finally destroy it from the inside.

"But far from obligingly collapsing, the West decides to launch into a technology arms race which will regenerate science, industry and technology. Just as Roosevelt's America mobilized to wage war. . . . Moscow fears the civilian spinoffs of the beam weapon program, just as NASA had effected a recovery. . . ."

Minute stressed the "enormous interest in French industrial circles" in the beam policy. "Prestigious and influential voices—the committee 'La France et son Armée,' which includes Marie-Madeleine Fourcade, Gen. Revault d'Alonnes, General Thiry, Henri Ziegler, Colonel Geneste, etc.—have been raised to make sure that France itself develops the beam weapons to protect the Plateau d'Albion [deployment site of the nuclear missile force—ed.] and the Ile Longue submarine base. In collaboration with Germany and other European countries, we could thus keep our rank on the scale of the powers."

Teller tells Italy: 'defensive weapons must be realized in Europe'



Dr. Edward Teller in an interview to the Italian magazine Epoca, published on Nov. 28, described the danger of a Soviet strike against the West if an anti-ballistic missile "shield" is not erected in time by the NATO allies. Here are excerpts from Dr. Teller's remarks.

Q: Dr. Teller, if the United States is relying, as it seems to be, on great defensive weapons, why do we need its missiles in Europe?

'If the Soviets have beam weapons before we do, or if theirs are better than ours, we are finished. If, however, we develop beam weapons first, the Soviets are not finished. This is the difference.'

Teller: We should rather start with the Russians. We have to understand them. Their communism is not very different from czarism. They feel surrounded, they fear the West, and in order to break the encirclement and the fear, they can't think of anything but dominating the world. But would a global Soviet regime be tolerable? No. So we must find some kind of defense . . . if the Soviets feel themselves stronger than us and secure about fighting us, their attack is inevitable. Therefore it is necessary to avoid giving them that sense of certainty. Otherwise, they will do everything to destroy us.

Q: Why the missiles in Europe?

Teller: The missiles mean little. I do not agree with the current idea that the threat of retaliation will prevent war.

Q: Would you tell us more about the kind of defense that you are thinking of putting in place?

Teller: . . . If Italy, for example, were not protected by this active defense and if the Soviet Union were to attack her in order to take over, 95 percent of the population would disappear. With the shield of active defense, only 10 percent would die.

Q: Do you call this an acceptable figure?

Teller: Considering the population of Italy, five or six million people is a horrendous loss, but it is not the end of the world.

Q: We should ask these five or six million Italians.

Teller: Why? Didn't millions of people die in other wars?

Q: Couldn't we put a stop to war?

Teller: This is what we are seeking to do. The second aim of the active defense is that function of deterrence, because it demonstrates that we are absolutely not willing to surrender and that if the Soviets attack us, we will be hard to kill. We are deploying the missiles where it is strategically wise to place them, and because defensive weapons are not yet ready. We are developing them, but there are too many obstacles of a political nature. The media does not help. Reagan spurred the scientific community and the media thought immediately of "star wars" in space. It is idiocy. . . . It is useless to deceive ourselves; as Reagan has said, today the Soviet Union is ahead of us. The only political tactic that we can use is deterrence. The significance of the missiles in Europe will be clearer within five to ten years, when we realize that it is exactly these missiles which have given us the way and the time to develop a general defense.

Q: Have you said this to the European governments?

Teller: I have preached for some time that we must have a program of collective research. Defensive weapons must be realized with Europe. This is not impossible. Naturally there will be some problems. But since I do not say that these weapons will be exclusively nuclear, but part nuclear and part non-nuclear, I do not see why we should not resolve them. Instead of constructing new offensive weapons, we

must build all defensive weapons.

Q: What is not convincing, Dr. Teller, is the purely defensive character of these weapons. What happens if the Soviet Union gains possession of similar weapons? At the end of 1977, Soviet publications were full of studies on lasers. Then all of a sudden, nothing more, which led one to believe that they had become top secret. Might it not be the case that the U.S.S.R. already has these weapons?

Teller: If the Soviets have them too, or if they have them before we do, or if theirs are better than ours, we are finished. If, however, we get there first, they are not finished. The difference is this. Certainly there are many risks. But you can't tell me that if the scientists of the free world go to work together, they will not be able to beat the Soviet scientists who work because they have to. If the idea prevails that we must depend on science, I believe that we will have peace. It is up to us to conquer peace. . . .

Q: Then these defensive weapons serve also for attack?

Teller: . . . Naturally, I can hit you in the head with a shield, but the shield should not, for this reason, be considered a weapon of attack. . . .

Q: How do you judge the opposition to you among scientists?

Teller: They are convinced that the only reasonable thing to do is to negotiate with the Soviet Union. This is an historic recourse. Why did Chamberlain do what he did? He was the

prime minister of Great Britain, he was not a Nazi, as their scientists are not communists. Why didn't France and Germany stop Hitler? . . . I insisted that the Italian, English and German, French and Japanese physicists get together and accept the idea of working for defense, something Hans Bethe would find more difficult to oppose, because then it would not be up to Ronald Reagan to decide; it would be up to the free world.

Q: If you were now in Germany, in England, in Italy, what would you do?

Teller: I would accept the missiles and at the same time I would ask to participate in formulating global strategy. . . .

Q: Does this global strategy you speak of really exist?

Teller: The American government has it. If I were Italian . . . I have no right to say what I would do if I were Italian. But as an American I can say that I would like to see the closest collaboration possible among all the allies, NATO, and Japan. . . . If we create and continue to create defensive weapons and at the same time, scientifically and economically, we seek to maintain the unity of the Western world, I believe that international relations will improve. Not within a few months, obviously, but in several decades.

Q: Do you ever feel a sense of guilt in this optimism?

Teller: No, never. Those who wanted to unleash the atomic bomb on Hiroshima have the sense of guilt.

EXECUTIVE INTELLIGENCE REVIEW

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Venezuelan population rejects Club of Rome cultist in the presidential elections

by Christian Curtis

There was bad news this month from Venezuela for the Club of Rome, the International Monetary Fund, the Council on Foreign Relations, and Milton Friedman: Carlos Andrés Pérez is back. Jaime Lusinchi, the successor to former President Pérez in the Acción Democrática (AD) party, defeated Rafael Caldera of the incumbent Social Christian (Copei) party in the Dec. 4 presidential elections by more than 17 percentage points—the widest margin in almost 20 years.

Pérez, who a decade ago launched a series of large industrial and infrastructural projects that were later abandoned by the now-outgoing Herrera Campins government, under pressure from anti-growth Club of Rome networks and the IMF, is still the leader of the AD and will exert a strong influence in the new government.

As soon as the results were in, Pérez stated that Lusinchi will “reactivate” the industrial projects. If this commitment holds, it could have reverberations throughout Ibero-America, which is caught in its worst economic crisis in history. Like its neighbors, Venezuela is saddled with an unpayable foreign debt, and if the country is to realize even a fraction of its industrial potential, it will have to take a leadership role in sparking the rest of the continent into rejecting the IMF’s debt conditionalities. The question is: Are Lusinchi, the AD, and other elements of Venezuelan society prepared to seize the opportunity opened by the election results?

This question will be answered within the first few months of the new government. To be sure, there are many susceptibilities within the AD to “debt relief” deals that would draw Ibero-America into surrendering sovereignty, revenues, and assets in exchange for lower interest rates, term stretch-outs, and the like. Such susceptibilities will be reinforced by moves in this direction by the new Alfonsín government in Argentina.

Lusinchi himself has been considerably less vehement than Pérez about the need for capital-intensive development. He has also dodged the question of the formation of a debtors’ cartel, although his “integrationist” instinct would cause him to lean in the direction of some form of joint action on debt.

His vacillation contrasts with the attitude of Pérez, who earlier this year declared himself “the sworn enemy of the IMF.” The new government will have to renegotiate almost half its \$40 billion foreign debt with the IMF as soon as it takes office in March.

Yet the bottom line is that the pet candidate of the Club of Rome, the CFR, and the IMF, former President Rafael Caldera, was badly beaten, and these forces now must contend with their nemesis, the man they spent millions of dollars and man-hours trying to destroy over the past decade, Carlos Andrés Pérez.

Witches for Caldera

Caldera, who had been hyped by the international media as running neck-and-neck with Lusinchi, made no secret of his backing from the neo-Malthusian Club of Rome, and was only a bit more cautious about the strong overlap between his own economic proposals and the austerity demands of the IMF. He made a halt to economic progress the first item in his campaign platform, claiming that Venezuela must not repeat the “errors” of the industrialized nations who now regret having grown “too fast.” His machine within Copei was a major factor in pushing IMF austerity policies on the administration of Luis Herrera Campins.

The Caldera campaign, headed by José Curiel, a founding member of the Venezuelan Association of the Club of Rome, made a deliberate appeal to irrationality and superstition to cultivate hysteria against industrial progress. Curiel describes himself as a devotee of spiritualism, a believer in parapsychology, and a clairvoyant.

Caldera made a point of the support he had from local cults. He granted a two-hour televised interview with the country’s leading astrologer, “Horangel.” During the final days of the campaign, Caldera used a television advertisement that featured a gathering of priest followers of the avowed witch María Leonza. The priests chanted, “Caldera will win! Caldera will win!”

The tactic failed to distract the population from the overwhelming issue of the campaign: the IMF-designed policies of the Herrera Campins government. Fed up with almost five years of economic contraction, the voters responded to Lusinchi's campaign theme of the need to "reactivate the economy." Pérez in particular campaigned hard, drawing the contrast between the record economic growth registered under his program and the performance of the Copei government.

Lusinchi also made a point of not stooping to Caldera's appeal to irrationalism. The AD candidate turned down an interview with the mystic Horangel, calling him "a clown." "Copei is resorting to magic," Lusinchi said. "These people are more appropriate to vaudeville."

'Victory for Latin America'

If a Lusinchi government can avoid the traps of the Willy Brandt-Raul Alfonsín stripe of Socialist International policies (the AD is affiliated with that organization), the election augurs well for Ibero-American integration, a term that has come increasingly to imply coordinated action on the issues of debt and continental trade. The President-elect described the results as "a victory for all of Latin America." He underscored the point at a press conference Dec. 5 by referring to Mexico as Venezuela's "big brother" and by calling Colombian President Belisario Betancur a close friend. He referred repeatedly to the need to "coordinate" continental policies.

This embrace of Colombia and Mexico are signs that the Lusinchi administration will stick to the peace-seeking Central American policies of Herrera Campins, who worked closely with Colombia and Mexico to form the basic triad of the "Contadora group," which also includes Panama.

But a competent inter-American policy on debt remains the weak flank of the new administration. How this question is settled will be partly determined by the man Lusinchi appoints finance minister. Three options are being mooted: Carmelo Lauría, Secretary of the Presidency under Pérez; Carlos Matos Azócar, the current economic adviser to the AD party; and Hector Hurtado, former finance minister.

Lauría, regarded as Pérez's right-hand man in the implementation of the "V Plan" five-year program during the Pérez administration, is not afraid of thinking big. If his record under Pérez is any indication, he would be a strong promoter of industrial resurgence. Where he stands on policies for dealing with the debt is less clear. Creditors like to point to the fact that he was the former head of the Banco de Venezuela and the chairman of the bankers' association.

Matos Azócar is more of an AD party man, and has gained respect as an anti-monetarist economist. Earlier this year, in an interview in the Caracas daily *El Nacional*, he was asked if he would advocate resorting to a joint continental debt moratorium if there were no other acceptable choice. He said he would, noting that this contingency had been proposed by the Latin American Economic System, SELA. Matos Azócar is a strong candidate for either finance minister or the powerful Cordiplan (planning) post. Soon after Lusin-

chi won, he was appointed to represent the incoming government in any ongoing discussions with the nation's creditors.

Hurtado, however, would take Venezuela in the opposite direction. As finance minister under Pérez nearly 10 years ago, he often conflicted with the President, and was eventually removed from that post. Hurtado is a product of ECLA, the U.N.-affiliated Economic Commission on Latin America, founded by Argentine "*desarrollista*" ("developmentalist") Raúl Prebisch. Prebisch's "development" model is essentially a Club of Rome "soft growth" ruse to keep Ibero-American nationalists from breaking the IMF rules of the game. Prebisch is now running economic policy for the incoming Alfonsín government in Argentina.

Redrawing the political map

Another factor shaping the policy of the Lusinchi administration will be how the political parties reorganize themselves in the wake of the election. Here the most important question mark is Copei.

Copei will clearly be shaken up. Caldera staked everything he had on his bid, and caused enormous ill feeling inside the party with his heavy-handed tactics against internal rivals. As a result of the stinging electoral defeat, the *calderistas* will certainly lose much of their grip. To get the Copei nomination, he stepped on long-time Copei leader "Pepi" Montes de Oca, former Copei secretary general Pedro Pablo Aguilar, and Herrera Campins himself.

The Herrera Campins-Aguilar faction inside Copei, which is referred to by the tongue-twisting label of "*herrero-pedropablismo*," is amenable to working with AD on the basis of national interest. More than a month before the election, Aguilar told a reporter that he had worked out an understanding with Carlos Andrés Pérez to support the nomination of Sebastián Alegré, the former head of the Foreign Trade Institute, for chairman of SELA. Thus, cross-party coordination ensures policy continuity in this vital area of inter-American coordination.

Caldera will probably try to keep his career, and his faction, alive by building ties with the left. His campaign made a not very discreet arrangement with the socialist MAS party, Venezuela's equivalent of the German "Greens," to throw votes Caldera's way on the presidential ticket, in exchange for Copei votes going for MAS congressional candidates. One of the MAS campaign ads said that Rómulo Betancourt, the AD President during the early 1960s, "shot the guerrillas," whereas Caldera, who assumed office in 1968, granted them amnesty. Teodoro Petkoff, the leader of the MAS and a former guerrilla, is, along with Caldera's campaign director, a member of the local Club of Rome affiliate.

Lusinchi could have a problem in Congress, where the AD has 48 percent of the seats. Besides the MAS, which tallied 6.5 percent, a troublemaker is expected to be the Opina party, which got 4.5 percent. Opina is headed by Jorge Olivarría, one of the original sponsors of the Club of Rome in Venezuela.

A deafening silence on oil

Why isn't anybody responding to some provocative schemes that converge on "Oil Grab 1984"?

New York Democratic Representative Charles E. Schumer proposed on Nov. 11 that Mexico be so kind as to store its oil in U.S. Strategic Petroleum Reserve salt domes.

The Schumer Plan runs like this: To avoid the cost of *buying* Mexican oil for the SPR, have Mexico fill up those salt domes as a gift. "In the event of a supply emergency, the U.S. would have the unilateral right to buy the oil." In the meantime, it would pay nothing, and the oil would be used as collateral to bank loans to Mexico. "In the event that Mexico could not maintain its payments on the loans, the bank would take title to the oil. . . ."

Schumer, one of the front men in Congress for "new Bretton Woods" global austerity plans, appropriately asks, "Why should Mexico be interested in this deal?" His answer: "Putting up oil as collateral may be the only way that Mexico can obtain financing for new development projects."

Schumer did not indicate whether Mexico would get a bonus for saving the United States the cost of sending Marines into Mexico's southeast oilfields.

Mind-boggling as this scheme is, perhaps even more astonishing is the silence with which it has been greeted in Mexico. It was reprinted in *Excelsior*, the newspaper of record, on Nov. 30, in the midst of two days of non-stop grilling in Congress of Pemex oil company head Mario Ramón Beteta. Not one deputy asked Beteta what he thought of the proposal. No newspaper columnist touched the topic.

Normally, Mexican nationalist sensitivities are aroused at the slightest hint that the oil could pass out of direct Mexican control. Since the oil nationalization of 1938, few topics are more sacred.

The silence extends to the small print in the contract Mexico signed on Aug. 31 for renewal of its \$4 billion syndicated oil acceptance facility, managed by Bank of America and involving dozens of foreign banks.

The contract, which I recently had an opportunity to scan, conforms to those that have cropped up in almost every Ibero-American country: large "renewal," "commitment," and "agency" fees are added on top of a spread of 1.5 percent over the U.S. prime rate. Mexico gave up sovereignty over adjudication of the syndication, confirming that "this agreement shall be governed by and construed in accordance with the law of the State of New York."

What is extraordinary is how tight a web of cross-default clauses has been woven around the acceptance facility. If Mexico "shall fail to pay any amount of principal" or "shall fail to pay any interest on any advance under the UMS agreement [Mexico's \$5 billion jumbo borrowing of March, 1983] *within five days*," the facility is voided. The same will be the case if the Mexican government "should declare a moratorium" of any kind on any of its debt payments, and if Mexico ceases to be a member of the International Monetary Fund "or any successor."

These extraordinary terms have not been released publicly by Finance

Minister Jesús Silva Herzog, for fear of raising inconvenient questions about the terms of the rest of Mexico's \$20 billion in debt reschedulings this year, and the \$4 billion new borrowing which enters negotiations Dec. 12 in New York.

But the provisions of the oil facility renewal were leaked into a variety of congressional committees here over the past month. Not one question on the subject was raised in the prolonged congressional grilling of cabinet ministers starting the week of Nov. 21.

This suggests that there are more than a few further deals yet to mature, of a highly sensitive nature. One lead is the year-old proposal from Billygate-tainted Charter Oil for Mexico to off-load some of its foreign debt to U.S. oil companies in exchange for signing long-term supply contracts at below-market prices.

Another is the meeting Armand Hammer had with Silva Herzog in New York in late August. According to published reports, the Occidental Petroleum chief offered to open up additional U.S. markets for non-oil exports from Mexico, in return for a cut of Mexico's direct oil supply and unspecified further goodies.

One reason Mexicans don't look too closely at Pemex's international dealings is, of course, that there exists no other real source of cash. This year, like last year, \$16 billion of Mexico's \$20 billion in exports will be oil.

In the backs of their minds, most people keep figuring that a Mideast explosion might be Mexico's gain. Now that it is equally possible that Saudi oil dumping will give Mexico a New Year's present of a new price decline, there may be some rethinking. Will it speed up the under-the-table deals now maturing, or bring the basis of the existing deals under scrutiny?

Kohl government under siege

Economics Minister Lambsdorff's head is on the chopping block, and the FDP may pull out of the cabinet.

The Bonn parliament voted unanimously on Dec. 2 to lift the parliamentary immunity of Economics Minister Count Otto von Lambsdorff. He will now be put on trial for bribery and laundering of funds from the giant Flick holding company into his Free Democratic Party's coffers. Under investigation will be the transfer of funds through secret Swiss bank accounts—including one suspected to belong to the count.

The scandal involves more than 720 cases of illegal money transfer, 520 of them implicating the Free Democratic Party (FDP). This is the first such case in West Germany's post-war history, and it hits the country at a time of great domestic destabilization around the "Euromissile" issue, of increasing industrial unemployment, and massive Soviet political pressure.

The Flick affair could bring down the government, plunging the country into ungovernability and emergency rule or ushering in a new government of the Social Democrats—the party which is about to demand that West Germany leave NATO.

The forces involved in blowing the Lambsdorff affair are led by the subversive Hamburg weekly *Der Spiegel*, which began to leak the scandal two years ago. The editor of the magazine, Rudolf Augstein, who was caught in Sicily three years ago trying to smuggle hashish through the customs, serves as a mouthpiece for the international drug-pop-rock lobby as well as for Soviet "peace movement" disinformation.

Chancellor Helmut Kohl announced in an interview with *The New York Times* on Dec. 2 that there was "no question" but that Lambsdorff would resign his government post if indicted. The economics ministry then would be up for grabs, and rumors are proliferating that Franz-Josef Strauss of Bavaria's Christian Social Union (CSU) will make a bid to replace the count.

The FDP has made it clear that if this happens, it will pull out of Christian Democrat Kohl's government, depriving him of his parliamentary majority. FDP spokesman Wolfgang Mischnik declared this week that the FDP's control of the economics ministry is part of the agreement which established the FDP-Christian Democratic Union (CDU) coalition last March, and that if forced to give up its fiefdom, the FDP "would have to leave the coalition."

The CSU shot back that no government post could be considered "hereditary," and that if Lambsdorff resigned, all posts would have to be renegotiated.

The FDP, while staking its claim on the ministry, is also carefully distancing itself from the CDU on major policy issues, hinting at a possible switch in alliances. In the Saarland this week, the FDP's Werner Klumpp declared that while the party backs the installation of U.S. "Euromissiles" in the Federal Republic, still "The FDP is part of the peace movement," and the Bonn government does not exist "to carry out the desires of the Reagan administration."

The FDP is also preparing trouble for Kohl in case the coalition remains intact. The party's economic spokesman announced this week that Kohl must now move to implement the "next phase" of the coalition agreement: massive budget cuts, particularly in the "excessive social welfare budgets. . . . It is high time that we get to the necessary job of cutting the subsidies to the old industries," that is, to steel, ship-building, textiles, and construction, he said.

The trigger for a government crisis will most likely be pulled by the Social Democratic Party (SPD), which will call for the dismissal of Count Lambsdorff in a formal motion to the parliament. This motion will be coupled with the SPD's and Green Party's planned rejection of the federal budget, and the SPD might, if the vote against Lambsdorff fails, even mount a formal vote of no confidence against Chancellor Kohl within the next few weeks.

If the SPD wins out, it will begin to pull the Federal Republic out of NATO. This is the recommendation of Georgetown University professor Norman Birnbaum, an American citizen who maintains close connections to the SPD leadership, the Greens, and the "peace movement" generally.

Birnbaum argued in an op-ed in *The New York Times* Dec. 1 that the neutralization and reunification of Germany is now on the agenda. "Controlled and gradual steps toward neutralization of the two Germanies would reduce the dangers of superpower confrontation," he wrote. "If the superpowers insist on remaining in Central Europe, catastrophe will ensue as their positions in the Germanies grow increasingly insecure. Much is changing. It is in our interest (and the Soviet Union's) to begin to think of the very large gains a neutralized and reunified Germany can bring about."

Moscow's power play in Iran

The Soviets are building up Islamo-Marxism in Iran, failing which a military intervention may occur.

In early December the publication of the newly reorganized Iranian Communist Party *Rah-e-Tudeh* issued a call to the powerful leftist faction of Ayatollah Khomeini's Islamic Republic Party to form a united front to take power in Iran.

Three months ago, Moscow had initiated a campaign in a Sept. 9 commentary of Radio Baku for a united front against what it claims are Anglo-American anti-Soviet "rightists" dominating both Iran and Pakistan. That broadcast voiced support for the movement for the Restoration of Democracy, a coalition led by the Pakistani Peoples' Party challenging Pakistani strongman Zia ul-Haq.

The Soviet move came after the Khomeini arrest of the leadership of the Iranian Communist Party (Tudeh) and the late-August televised denunciation of Marxism by the jailed Tudeh leader, Nureddin Kianuri. Though the Soviet press has denounced the arrests and the upcoming public trial, evidence indicates that Moscow played a role in scrapping the Tudeh old guard to make way for a leadership espousing the Islamic-Marxist ideology the Kremlin is pushing in the Mideast.

The Imami faction of Khomeini's inner circle is favored by the dictator, and many of the Imami's leaders, such as terrorist Ayatollah Khomeini and Industry Minister Bezaad Nabavi, have links in East Germany and the Soviet KGB going back to long before the February 1979 Khomeini takeover. These leftists espouse the Islamic-Marxist worldview that is being pro-

moted today by Geidar Ali Reza Aliyev, Soviet first deputy prime minister, who maintains direct control over Radio Baku. Aliyev has been the most powerful figure in the Azerbaijani region, whose capital is Baku, since he became head of the KGB there in 1967. His penetration of Iran goes back to the Soviet occupation of Iranian Azerbaijan in the mid-1940s.

For the past 18 months the Soviet Union has consistently attacked a gang of feudal Iranian mullahs, known as the Hojitia group, as assets of the United States and its British ally for its role in backing the Muslim insurgency against the Soviet occupying force in Afghanistan. It is explicitly against the Hojitia grouping, for which Khomeini is known to have no liking, that Moscow is attempting to build a unified opposition.

If this tactic fails, it is possible that Moscow may use a military strategy to put down the Hojitia.

The Northeast region of Iran is the historical center of the feudal religious oligarchy known today as the Hojitia. It is from cities like Meshed, a stronghold of the Hojitia, that major military support is organized for the Afghan Muslim rebels. An occupation of northeastern Iran would be justified as securing Soviet forces and the pro-Soviet government in Afghanistan.

Over the past two months an unprecedented war of words has broken out between Iran and the U.S.S.R., with Soviet propaganda denouncing Iran for its anti-Soviet activities in

Afghanistan.

European sources report that over the past six months there have been a number of incidents on the Turkish-Soviet border, near the Iran-Afghan border.

There are reports that Iranians have fled into Soviet Turkmenistan after being harassed by Khomeini's Revolutionary Guard. These Iranian refugees are said to be armed and trained by the Soviets and redeployed into northeastern Iran for sabotage operations there.

Soviet efforts to warm relations with the People's Republic of China are seen as an integral aspect of a potential Soviet move into northeastern Iran. Moscow aims to remove troops from the Sino-Soviet border to its border with Afghanistan and Iran.

Just how much of a threat is actually posed by Iran to the Soviet hold on Afghanistan is questionable. But Moscow is creating a pretext for a potential move into Iran, while it steps up its bid to build an internal alliance of leftist mullahs and various Islamo-Marxist groupings, like the Fadayeen al-Khalq and the Mujahiddin al-Khalq.

But there are other prominent figures in Khomeini's opposition that Moscow is now vigorously courting. The November 1983 issue of the Soviet publication *Religion and Science*, in an article on Iran, singles out for praise Ayatollah Shariat-Madari, the second most powerful Ayatollah in Iran, now under house arrest. Earlier this year Aliyev sent an emissary to West Germany to confer with Ahmed Shariat-Madari, the Ayatollah's son. Though the aging Shariat-Madari is by no means a leftist, Iranian sources say that he could be desperate enough now to ally with Moscow. He has a broad following in the Iran's northwestern Azerbaijan, an area twice occupied by Soviet forces in this century.

Club of Life takes mayoralty in Peru

The new mayor is committed to setting up a program to generate new citizens by reviving classical science.

Club of Life founding member in Peru Cesareo Pérez Diaz, a mathematics and geometry teacher in the local high school, was elected mayor of the city of Paramonga on Nov. 13 on the APRA party ticket. Pérez, 45, represents the best of the new generation in the mass-based APRA party, for years run by the AFL-CIO apparatus as the populist opposition to the communists in the Peruvian labor movement.

Pérez was one of thousands of APRA candidates who swept local elections as the population rejected the pro-International Monetary Fund austerity policies of President Fernando Belaunde. The party is striving to evolve its own program for positive economic leadership in the face of the universal expectation that APRA leader Alan Garcia will replace Belaunde as president in next year's elections.

Paramonga is a fairly poor coastal town of 33,000, three hours north of Lima. Until 1969 it was a company town totally owned by W. R. Grace and Company, which built paper-making and chemical complexes using cane residues. Since then the sugar operation has been a worker-owned cooperative. APRA has had complete political control of the sugar workers of the Paramonga area for the last 50 years.

After his election, Cesareo Pérez spoke at the Club of Life's fourth national conference in Peru, "Science in the Fight Against Genocide," on Dec. 2. He called the Club of Life, founded in October 1982 by Helga Zepp-LaRouche to lead an international fight

against genocide and cultural pessimism, "an institution which is building a strong defense for life. It is filled with enthusiasm in forging education for progress, and thus forging new patriots.

"Club of Life co-founder Lyndon LaRouche is promoting a revolution in culture which I support, since it permits 'thawing' today's knowledge," Pérez said, alluding to the work of Bernhard Riemann and Gottfried Leibniz, among the very greatest thinkers in Western science, whose methods are not taught even in universities.

"Society's life is being Aristotelianized, and the human mind's potential is being castrated through codification. But we are going to publicize the latest scientific advances in physics and mathematics.

"I was very surprised when I found out about the Club of Life, that there were institutions in political life which had such advanced scientific concepts. I found out . . . that politics and science are one and the same thing."

Pérez ran his low-budget campaign for mayor by mobilizing 6,000 enthusiastic students. He announced his plans for reforming education in Paramonga on local radio a week before the election.

"What I have in mind," he stated, "is a plan to organize a center to spread science and technology in favor of the youth. Right now I have information sent me by an international organization based inside the [LaRouche wing of the] Democratic Party of the United States. With this, we are going to transform our environment just as was

done in France with the Ecole Polytechnique and in Czarist Russia with the Academy in St. Petersburg. . . .

"We need men, not millions. I already have the commitment of university graduates and from the Latin American Labor Committees, [part of the international scientific organization founded by Lyndon LaRouche on the model of the Platonic Academy] whose members have experimented in Mexico with this program in which children begin learning mathematical physics by means of construction.

"We are going to get rid of the classical Aristotelian formalization which has been used in schools all over the world. We replace this method with a Neoplatonic one based on the contributions of the German mathematician Leibniz and physicist Riemann, to work especially with the slum children. That's where we are going to begin.

"I already have a team of physicists and mathematicians, and we are going to coordinate with professional organizations like those of engineers and doctors to request their historic support and collaboration to carry out this beautiful program; it will be wonderful when people begin to realize what it means:

"We are planning to exhibit the scientific museum prepared by the Latin American Labor Committees. Children will learn to play with conic sections, something that in our system you only get in the university. They will be taught about the golden section, something unknown in today's education.

"And with this 'Kameralist' curriculum, I, as an educator, will give all my life passion to force the creation of new citizens: a mentally powerful youth which then make into a reality democracy nourished by the Platonic aspirations of the republic."

International Intelligence

EIR Oslo conference upsets appeasers

A good reading on the state of NATO's northern flank can be obtained from the events surrounding *EIR*'s Dec. 9-10 conference on beam-weapon strategic defense in Oslo, Norway.

The conference took place in a climate of massive counter-organizing. The social-democratic morning paper *Arbeiderbladet* accused *EIR* and its collaborators in the European Labor Party of being "paid by the CIA."

About a dozen "greenies" demonstrated outside the hotel where the conference took place, distributing leaflets against beam weapons and the conference. Police had to remove chains that had been strung across the entrance to the conference room. And in the middle of the conference, the hotel's electricity was cut for half an hour.

A group of *EIR* subscribers and Norwegian military officials attended, along with representatives of the Japanese and Indonesian embassies, and a fair-sized media contingent.

The conference made headlines, and was featured on Norwegian TV news Dec. 8, in the context of a *Pravda* attack the same day on U.S.-Norway military cooperation.

Drug addiction grows in free enterprise paradise

A quarter of the people in Santiago, Chile suffer from some form of chemical addiction, according to recent studies reported by the Associated Press.

The head of Chile's medical society reports, "In this country there has been a dramatic increase, in addition to drug use and alcoholism, in crime. The problem is basically the result of poverty, hunger, unemployment, recession, frustration, and a moral crisis."

General Augusto Pinochet's program, which last year resulted in a 14 percent reduction in economic output, was designed

by Nobel Prize winner Milton Friedman, who also believes that "free enterprise" extends to the narcotic traffic, including heroin, which he says should be free from government regulation along with the rest of the economy. He prescribes a "free market" in which all drugs, even heroin, should be legalized.

Chilean middle-class parents who once supported Pinochet's stern "moralizing" campaign have suddenly discovered the glazed looks in their children's eyes. Glue-sniffing, often fatal, is endemic among slum children. Secret police agents go into slum neighborhoods giving out marijuana to youths in exchange for information.

Colombian terrorist worshipped mother

The founder of the Colombian terrorist gang M-19, Jaime Bateman, confessed that the Isis-worshipping Gnostic cult is the basis of his politics. "Look, I basically believe in my mother," said Bateman, in an interview published posthumously by the Peruvian magazine *Caretas*.

"My mother is a Gnostic," he explained. "My mother was responsible for the establishment of the Gnostics in [the Colombian city of] Santa Marta, and every Saturday they set up a mental chain to protect us, the [M-19] organization." Asked if he wasn't afraid of being captured by the authorities, Bateman replied: "Of course not. Don't you realize that I am invisible to them? What do you think the mental chain is for? . . . I speak with my mother constantly. I need to talk to her. She gives me strength. . . . What happens is that the people they set up the chain for become immortal."

"I believe that at this time, the work needs more passion than reason," said Bateman. "Science stifles the world and stifles thinking."

Bateman was much admired by Colombian Nobel Prize winner Gabriel García Márquez, a novelist whose central theme is "magical realism." In fact, Marquez's mag-

num opus, *One Hundred Years of Solitude*, is the one book that must be read to qualify for membership in the M-19.

NATO bases wide open to peacenik attacks

"Peace" activists broke into two NATO bases on Dec. 4: Greenham Common in Britain, and Hardt Barracks in West Germany. Both incidents—which led in the West German case to the severe damaging of a military tractor—revealed gaping holes in the security of NATO installations. The German intruders encountered one lone U.S. soldier, but they did manage to have an Associated Press team on hand to film the affair.

Given that there have been numerous warnings from *EIR* and others that these attacks would take place, the peacenik intruders should not have been allowed to enter the sites at all: When they did, nothing happened to them apart from a temporary arrest.

More such "peace" activities are expected. A blockade of the Frankfurt-Hausen U.S. Army base is planned for Dec. 9. The sponsors of the blockade are the Hessen Social Democratic Party (SPD), the DGB labor union federation, and the German Communist Party.

Terrorists release Jaime Betancur

Jaime Betancur, the brother of President Belisario Betancur, was released early Dec. 7 by his drug-mafia-guerrilla captors. Anti-terrorism demonstrations went on in Colombia, and as a result of initiatives by the Club of Life, throughout the world.

In Bogotá precisely at noon, everyone stopped working, record stores played the national anthem, churches rang their bells, and people took to the streets. Organized labor held a march at the Plaza de las Nieves.

In calling for the international support demonstrations for Colombia's fight against

Briefly

terrorism, Club of Life chairman Helga Zepp-LaRouche observed: "Since President Belisario Betancur came into power in 1982, he has waged an unrelenting war on the drug mafia that has turned his country into the chief international supplier of marijuana. He has moved to expropriate the drug financiers, to arrest the leading drug warlords, and to *wipe out* the drugs themselves with a Mexican-style program of paraquat. He has insisted that Colombia will not depend on its most profitable exports—marijuana and cocaine—but rather move to provide for its own future and that of the entire South American continent with a program of industrial and cultural development.

"President Betancur has undertaken this effort with full knowledge that he is going up against the genocidal, pro-drug policy of the International Monetary Fund and the Swiss bankers. . . .

But, as we in the Club of Life are well aware, even the fight against terrorism cannot be won in one nation alone. Like the IMF genocidal policy of pushing drugs down Third World nations' throats, the policy of terrorism comes from a group of international bankers and their allies who can only be stopped if there is an international fight to cut off their blackmail power. To help Justice Minister Lara Bonilla to protect his own government officials, himself, and the Anti-Drug Coalition, we must have an international mobilization against the terrorists."

1453 A.D.: What Lord Carrington should know

The closest precedent to what Peter Lord Carrington is currently attempting to accomplish with respect to the Soviet Union is a little-known episode which occurred at the time of the fall of Constantinople in May of 1453:

Constantine Paleologue's Byzantine Empire, confronted with internal disintegration and external military menace by the armies of the Ottoman Turks, had decided

to abandon byzantine cultural obscurantism and adopt the humanist, optimistic doctrine of then-emerging Renaissance Italy associated with the theological principle of the *Filioque*, that the Holy Spirit proceeds from the Father *and the Son* (*filioque* in Latin), i.e., that by which the human becomes divine. This had been accomplished earlier at the Council of Florence which decided on the unification of the Christian Churches.

The leading oligarchs of Byzantine society, however, felt greater affinity with the Ottoman oligarchical tyrannical system than with the republican system implicit in the doctrine of the *Filioque*.

The leading such pro-Ottoman Byzantine oligarch, the Lord Carrington of his day, was Grand Duke Lukas Notaras. Notaras organized the opposition, within the Byzantine Empire, to the decisions of the Council of Florence. He triggered a movement of military collaboration between a portion of the Byzantine population under his influence and the advancing Ottoman armies, which led to the fall of Constantinople five months later.

When the Ottoman Sultan Mohamed II captured Constantinople, he named Notaras a Councillor of State, according him all the privileges enjoyed by Ottoman officialdom. One such privilege involved supplying the sexual needs of the Sultan.

One night in the middle of a palace orgy, the Great Sultan remembered his councillor. He waved to his chief of bodyguards: "Go to the pavillion of Lord Notaras and inform him that the Sultan shall do honor to the Notaras family tonight. Lord Notaras himself is to bring to me his twelve-year-old son and his fourteen-year-old son this evening for the joy of my bed."

The chief of the sultan's bodyguards took a detail of troops and marched to Notaras's pavillion. Lucas Notaras, ashen-faced according to the chronicler, asked the officer to wait while he went inside to prepare the children. The officer waited at attention outside while old Grand Duke Notaras took his two sons into the family chapel, cut their throats with his own sword and then took his own life by falling on the same sword.

● **CARDINAL CASAROLI**, the Vatican State Secretary, is rumored to be headed for Moscow, while Soviet Foreign Minister Gromyko comes to Rome, as part of a new Vatican *Ostpolitik*. Casaroli himself declared: "This would not be a mediation in the technical meaning of the word, but an activity to push a rapprochement to overcome the difficulties." Casaroli also declared himself convinced that "all the parties have good will."

● **RABELAIS** was honored at a gigantic conference held in Paris Dec. 9-10, attended by 250 students and a hundred adults.

● **SOVIET DEFECTORS** are in four out of ten cases in fact KGB operatives deployed to disorient the West under the cover of their defection, one leading European intelligence source says. Noticeably, Soviet emigrés into the West of late have been posing "all-Russian" nationalism and other blood-and-soil themes, as a supposed "alternative" to the regime of Andropov in the U.S.S.R.

● **EDINBURGH** Sovietologist John Erickson warns that the Soviet Union has reorganized its military structure into five "strike commands" aimed at launching "some form of preemptive strike." This threat is made more credible, according to Erickson, by extraordinary Soviet efforts to create an "almost invulnerable defense system" through crash research and development of beam weapons: "We have to do away with the nominal conceptions of the question of the Soviet Order of Battle. . . . They are re-packaging their forces, into separate strike commands, in terms of strategic, chemical-biological, and nuclear preemptive strike commands."

The combat-readiness of the Reagan administration

by Richard Cohen in Washington, D.C.

If the Soviet Union or anyone else is taking current U.S. actions in Lebanon as a measure of what the White House response will be to escalating Soviet military provocations, it is making a dangerous miscalculation. Our evidence, corroborated by sources close to the U.S. administration, indicates that a subtle but dramatic shift has developed in foreign policy decision making since the period leading up to President Reagan's decision to undertake the Grenada rescue action.

The miscalculation is not just on Moscow's side, however. The State Department has issued equally misleading "signals," particularly after the events of Dec. 4-5 when Syrian forces, acting as proxies for Moscow, launched an unprovoked attack on the U.S. peacekeeping forces.

On Dec. 4, United States fighter aircraft based on the large naval fleet hovering off Lebanon in the eastern Mediterranean struck against Syrian anti-aircraft batteries which only one day before had fired on two unarmed U.S. reconnaissance planes. On Dec. 5, Lebanese factions operating from within Syrian-controlled territory began heavy firing against U.S. Marine positions around Beirut Airport. The Syria-supported attack was unlike any previous shelling against American force positions in the airport vicinity. It left no doubt that the Marines were the direct target, and eight were killed.

The Syrian-backed barrage was only silenced with heavy

bombardment from U.S. guns on the Mediterranean task force.

Undersecretary of State for Political Affairs Lawrence Eagleburger, who had been a central figure in midwifing the U.S.-Israeli strategic agreement announced in Washington on Nov. 29, appeared on national television Dec. 4 to emphasize that the U.S. retaliatory strike should be read as a clear signal in Damascus. The next day George Shultz, responding at a Washington press conference, explained the intended message. "If you see someone who will defend himself and who can defend himself, you would better be a little careful how you handle it." Shultz went on to extend the signal from Damascus to Moscow, charging that the Soviet Union is "a presence connected with Syrian aggression."

Blustering overconfidence that Moscow will "get the message," as exemplified by two of the top figures in the State Department, has spread since mid-November throughout the State Department bureaucracy while gathering influence within segments of the Central Intelligence Agency, the Pentagon, and the National Security Council. This has led to a broad misperception within leading ranks of the Reagan administration that the Soviet leadership will be scared off its provocative course of ignoring the determination to resist shown in the U.S. demonstrations of force initiated with the Grenada military operation and building up to the latest,



U.S. Marines observing the fighting in Beirut from their defensive position.

badly needed and long-delayed, U.S. retaliatory action in Lebanon.

It is on this basis that many leading national security counsellors of the President foolishly believe that the escalating series of Soviet provocations beginning with the Sept. 1 downing of KAL Flight 007 will remain in the range of what administration spokesmen identify as "low-order probes" and will not escalate into a serious challenge to U.S. vital interests in the Middle East, Western Europe, or Korea. This chatter, heavily encouraged by the White House politicians around Chief of Staff James Baker III, itself dangerously encourages serious Soviet miscalculation.

The President prepares to make command decisions

More and more, President Ronald Reagan, acting on his own beliefs, is determining and directing U.S. foreign policy. It would therefore be a misreading in Moscow if the overconfident, soft-minded mutterings of Shultz and many others in the administration were to be taken as an indication of the combat-readiness of the President and his more trusted advisers under conditions of a threat to U.S. vital interests.

Moscow would be well-advised to read important statements made by leading administration officials *since* a telling National Security Council meeting on Nov. 30 dealing with ballistic-missile defense. These statements should be consid-

ered urgent reading by Soviet leaders, especially since they differ markedly from signals being sent from the State Department and others convinced that the United States' relatively meager show of force up to this point has frightened the Kremlin into sobriety.

One day after Marshal Ogarkov's shattering rebuttal to those in the administration who had been predicting that business-as-usual in U.S.-Soviet relations was just around the corner, United Nations Ambassador Jeane Kirkpatrick, known to frequently express the personal views of the President, gave a speech at the annual meeting of the American Enterprise Institute in Washington. There she warned that "the vast majority of Americans will fight rather than accept Soviet domination. . . . These are especially dangerous times." She went on to identify the nature of the immediate crisis, reporting that the world is rife with regional conflicts marked by "unparalleled Soviet aggression from an unprecedented position of strength."

Kirkpatrick then attacked the liberal media as representing the institutional opposition to bipartisanship in foreign policy, taking a whack at the Kissinger-Carrington dominated Eastern Establishment foreign policy elite, all of whom have parroted the State Department line on U.S.-U.S.S.R. relations in the past several weeks: "They are more interested in being elected to the board of the New York Council on Foreign Relations than the presidency." She warned that we must face this crisis and its Soviet factor, for we would ignore it at our own peril.

On the same day and on the same platform, U.S. chief negotiator at the intermediate-range nuclear force (INF) talks in Geneva, Paul Nitze, went further in identifying current Soviet motives. He acknowledged the Soviets have negotiated seriously throughout the INF talks, but stated, "That is not the problem. The problem is their purpose, and their purpose in these negotiations is to split the Alliance."

The Nitze-Kirkpatrick evaluation represents the harshest assessment of real Soviet motivations yet promoted publicly by any Reagan administration official. Further, Kirkpatrick's statement represents a clear warning to the Soviet leadership, which has based its willingness to engage in high-risk provocation in part on the belief that the U.S. population, still dazed by Vietnam and Watergate, will not fight if U.S. vital interests are jeopardized, and that the U.S. political leadership—often mistaken by Moscow to be the liberal Eastern Establishment crowd—will not, particularly in a national election year, lead a resistant American population to fight.

The beam-defense question up front

On Dec. 1, Defense Secretary Caspar Weinberger left for a trip to France and Brussels with the priority purpose of informing the NATO allies on pending presidential decisions with respect to ballistic missile defense, which had been the central topic at the Nov. 30 NSC meeting. On Dec. 2, Weinberger, speaking before the Atlantic Institute in Paris, warned that "the Soviets are ahead of the U.S. in the development of

anti-missile defense systems.” He added that the possibility the Soviets might be the first to develop an effective defense against nuclear attack was one of the most frightening prospects he could imagine.

Reportedly, a substantial portion of the Nov. 30 NSC meeting dwelled on the existing Soviet ballistic missile defense program.

Weinberger warned that the newly deployed U.S. cruise missiles in Europe are subject to “an increasingly successful defense.” He then added that the U.S. decision to accelerate development of its own defensive directed-energy beam weapons followed years of Soviet activity in the field. Finally, Weinberger implied that the United States’ ballistic-missile defense program would be applicable to Europe and Japan as well.

One day after the NSC meeting, in which an apparent general decision was made to go full-steam ahead with the program, research scientist Dr. Lowell Wood of Lawrence Livermore Laboratory identified at a Washington, D.C. seminar at the National Press Club the existing depth of Soviet advantage in defensive weapon systems capability. Wood revealed that according to photographic evidence, the Soviets are at least two years ahead of this country (see page 57).

Indeed, sources at a number of government agencies closely involved with preparations for the U.S. program uniformly indicated that, before his January State of the Union address, President Reagan will publicly identify what they call “a very large program” in this area.

White House sources reported in early December that the President will shortly unveil a comprehensive public report of Soviet arms control violations of both the SALT I and SALT II treaties. Demonstrating unwillingness to be held hostage to the fraud of arms-control negotiations, Reagan has overruled long-term State Department objections in deciding to release this information.

Misleading signals about Lebanon policy

But presidential toleration and even echoing of the absurd forecast that Moscow will back off from escalating confrontation after only a few slaps on the wrist, and the administration’s simultaneous failure—up to this point—to take the reality of the crisis as painted in Kirkpatrick’s speech to the American population, can only raise questions in Moscow and elsewhere. The questions will be on whether the President and his leading advisers really believe the U.N. ambassador’s contention that Americans will fight, rather than submit to Soviet domination.

The White House and intelligence community contend that what is considered in Reagan administration circles a minor display of U.S. force in the case of Grenada resulted in “surprising reactions of fear and caution” among Soviet leaders, and that the second U.S. use of force in Lebanon may have delivered an additional jolt. Contrary to that view, the Soviets’ systematic evaluation of U.S. demonstrations of force up to this point does not discourage their willingness to

take risks.

A case in point is the curious context in which the United States chose to respond to Syrian provocation.

On Nov. 29, after two days of meetings between Reagan, his national security advisers, Israeli Prime Minister Yitzhak Shamir and Israeli Defense Minister Moshe Arens, a relatively undefined U.S.-Israeli “strategic alliance” was announced. Dismissing the protests of Washington and Tel Aviv that only political and diplomatic joint actions would be coordinated, most Washington observers believe that Eagleburger and Shultz, the principal promoters of the plan originally proposed by former Secretary of State Henry Kissinger, intend to generate the perception that the Israeli army would now be affixed to the U.S. naval presence in the eastern Mediterranean.

In the Kissingerian interpretation of the accord, Israel and the Lebanese army would play the part of U.S. proxies in a showdown with Syria, relieving the U.S. military of the obligation to carry out more than a token “peacekeeping” role in the defense of Lebanese sovereignty to which President Reagan is committed.

The U.S.-Israeli strategic alliance was followed up on Nov. 30 and Dec. 1, when Lebanese President Amin Gemayel found no support in Washington for his desire to wriggle out of the May accord between Lebanon and Israel providing for withdrawal of Israel forces from Lebanon on the condition that Syria also withdrew. Gemayel’s desire was enforced through heavy blackmail by Syria and Soviet surrogates in Lebanon, as well as encouraged by frightened moderate Arab states led by Saudi Arabia. But after his Washington meetings, Gemayel was forced to snub his blackmailers while at the same time affixing his marginal Lebanese national armed force capability as an asset within the U.S.-Israeli strategic accord.

It is in this context that the U.S. retaliated against Syria, even though the conditions for the retaliation—specifically, anti-aircraft fire at U.S. unarmed reconnaissance planes and even worse, the Beirut massacre of Oct. 24—had existed long before the Washington week of diplomacy.

Under these circumstances, Eagleburger’s and Shultz’s “tough” message to Damascus and Moscow might wind up receiving an opposite reading. For Soviet planners are sure to believe that U.S. officials had assessed that a direct U.S. retaliation against Syria may lead to the escalation of conflict in Lebanon. Therefore the question is raised: Whose troops will fight? Will Americans fight? Will the President ask Americans to fight in an election year?

The strategic alliance with Israel may provide the Soviet leadership with what they think is an answer to those questions. That answer has little to do with what President Reagan intends to do, and provides grounds for a great and dangerous Soviet miscalculation on the basic question of whether the American population will fight, whether the President would ask the country to fight, and how our European allies would react in such a crisis.

Experts warn Washington: U.S. must revamp strategic thinking now

by Carol White and Leo Scanlon

“There will be three minutes to decide,” warned physicist Lowell Wood, “and then all coastal command centers will be destroyed.” He was referring to the threat *now* posed to the United States by Soviet nuclear missiles, which Wood claimed are located on both the Atlantic and Pacific U.S. coastlines.

Dr. Wood was speaking at a National Press Club forum in Washington on beam weapons defense systems, hosted by the American Legion Nov. 30. The head of a special study group at Lawrence Livermore National Laboratory, Wood has been aptly described by Dr. Edward Teller as playing the same role in the development of beam weapons to defend against nuclear missile attack that Teller himself played in the development of the hydrogen bomb.

Wood’s presentation of the grim reality of the strategic situation contrasted strongly with the inconclusive resolution of the National Security Council meeting which was held Nov. 29 to discuss beam weapons development. Although the *New York Times* reported that the NSC heard shocking evidence of the Soviets’ massive effort and rapid progress in beam development, it made no decision to move ahead with a crash program.

The issue now being debated is whether to develop beam weapons on a business-as-usual basis or to have a program modeled on the World War II crash effort to develop the atomic bomb before the Nazis—the Manhattan Project. Were the President to go public with evidence of flagrant and repeated Soviet violations of arms control treaties, some think it would immediately make clear what’s at stake in the beam weapons decision.

As *EIR* has documented, the Soviets are already in advance of the United States in developing beam weapons, an evaluation was substantiated by Dr. Wood in his talk, of which the transcript appears on the following pages.

Since the U.S.S.R. rejected President Reagan’s March 23 offer to negotiate a new strategic doctrine now that Nuclear Deterrence has broken down, it has been clear that the Andropov government is intent on world domination.

Soviet empty chair

The Soviets’ frame of mind was shown when Second Secretary Vitaly Churkin of the Soviet embassy in Washington, D.C., canceled out of a Nov. 29 debate on beam weapons

with Criton Zoakos, *EIR* editor-in-chief, only hours before the scheduled debate at Georgetown University was to take place. As *EIR* reported last week, the debate was planned well in advance in full cooperation with Churkin, who had asked for the opportunity to reply to Zoakos’ charge at a Washington press conference Oct. 26 that “the Soviet Union is currently on a course toward deliberate thermonuclear confrontation, hoping to force the United States into a humiliating strategic backdown, yet willing to risk nuclear war in the process.” It was this assertion which Churkin at the last minute failed to rebut, withdrawing without any excuse.

The American Legion-sponsored meeting at which Wood spoke featured two additional speakers: Gen. Volney Warner, former commander of the United States Readiness Command and head of operations and logistics for the U.S. Army, and Michael Liebig, chief of *EIR*’s European Bureau.

Immediate necessity: expand military production

General Warner pointed to the inadequacy of present NATO strategic thinking, which rests upon the assumption that a war in Europe could be fought as a conventional war. While endorsing an interministerial committee within NATO to develop beam weapons, he also warned of the critical necessity to upgrade U.S. deployment of Trident submarines, the B-1 bomber, Pershing II missiles, and to modernize the M-1 tank, Pershings, and personnel carriers.

Liebig demonstrated the necessity for the United States to cooperate with its European allies to develop and deploy beam weapons not only for strategic, but for tactical defense as well. He warned, “The United States is no longer threatened with a Soviet second strike because of the U.S. nuclear weapons in Europe, but rather the U.S.A. is threatened by a Soviet first strike.”

He added, “It is my conviction that the Soviet Union, once it has decided to take the immense risk of a continental offensive in Western Europe, would also simultaneously conduct a comprehensive first-strike against the territory of the United States, in the not-unfounded hope that the remaining American second-strike capability can be sufficiently limited to make it also a calculable risk, so that Soviet losses would not be that much higher than those of World War II.”

On Dec. 2 U.S. Secretary of Defense Caspar Weinberger sought to reassure Europe that U.S. beam weapons development was intended to protect American allies as well as the United States. "It worries me very much," said Weinberger at an Atlantic Council meeting in France the following day, that the Soviets may be able to deploy beam weapon anti-missile defense systems in place before the United States. The next day, the NATO parliamentary assembly approved a report prepared by Canadian and British parliamentarians calling for a NATO-wide effort to develop ABM defenses.

Ten minutes to Armageddon under MAD

From the outset, Dr. Lowell Wood stressed the extreme danger, instability, and vulnerability to which the logic of Mutual and Assured Destruction has brought the United States. With the present state of U.S. defenses, coastal areas would be wiped out within three minutes of a Soviet nuclear strike from a submarine, and "it will take from six to eight minutes for these intermediate range missiles to reach the SAC command center in Omaha." With the Pershing IIs in Europe, neither side would have more than 10 minutes to make a command decision. The best news for the human race in 40 years, Dr. Wood affirmed, is the President decision to shift to defensive weapons.

Nuclear offensive weapons are easy to target at the launch site, but a total system should also target the missiles at midflight and when they are near the target. Dr. Wood sharply distinguished the system he advocated from Gen. Daniel Graham's High Frontier space-war apparatus, speaking of ground-based lasers which might be operated from the ground or "pop up" into space at the time of an attack.

The Livermore physicist laid out a program to put a defensive system up in five to eight years. When questioned, he agreed emphatically that this was "not our best effort, not a crash effort, but just a feasible, business-as-usual effort." Endorsing a crash program, Wood said that he "couldn't even imagine the possibilities for achievement if President Reagan were to get on nationwide television and mobilize the American people behind a crash program."

Save Europe with beam defense

It was precisely for such a crash program that Uwe Parpart-Henke of the Fusion Energy Foundation argued on Nov. 27 at another seminar in the Washington metropolitan area. He presented in stark, measured terms the threat of a Soviet first strike against the United States and NATO alliance. He then demonstrated that only beam weapons provided the range of strategic and tactical defenses against Soviet military capabilities, while at the same time driving an economic recovery which could be the basis of true long-term national security.

The seminar at McLean, Virginia, sponsored by the Technical Marketing Society of America, drew an audience of about 75 including a virtual Who's Who of the space weapons community, for a day-long review of the field.

Parpart pointed out that the foolish adoption of the strategy of Mutually Assured Destruction (MAD) made inevitable its corollary—the proposition that Europe is fundamentally indefensible by the U.S. strategic arsenal, and will be sacrificed to the Soviets when and if they reject MAD unilaterally with the onset of a war.

"The doctrine of 'flexible response' is the fundamental threat to the NATO alliance," said Parpart, "and it accepts the premise of Soviet strategic designs since the end of World War II: the separation of Europe from the United States. With the exception of beam weapons proposals such as that of the Fusion Energy Foundation, every other strategy is in fundamental agreement with this consequence of the flexible response doctrine."

Addressing himself to Lt. Gen. (ret.) Daniel Graham, the leading spokesman for the High Frontier proposal, who was in the audience, Parpart continued: "This includes the High Frontier proposal—and this issue should be debated here. With High Frontier you *cannot* defend Europe. If you want to de-couple Europe from the U.S. as the Soviets do, then go with High Frontier."

It was Parpart's attack on the sacred cow of arms control that most upset the equilibrium of Dr. Robert Bowman, head of the Institute for Space and Security Studies. "The greatest damage done by MAD has been to introduce to the thinking of all in the defense community the concept that we determine our security needs on the basis of negotiated deals made at places like the Pugwash conference," Parpart said. "We have to throw this out the window and start from the premise that we must do whatever we know how to secure our defense, and negotiate later—build beam weapons and then talk about it."

Bowman, the next speaker and veteran of the Pugwash arms control circuit, jumped to the podium and began: "I'll have to throw out the entirety of my prepared speech to rebut what has just been said." Dr. Bowman belongs to what the *New York Times* calls the "shadow cabinet," the group of arms control specialists who have built their careers around defending the MAD doctrine and are now sabotaging the President's beam weapons policy.

"We must start from the doctrinal standpoint that we must not do that which is likely to increase the risk of war, and do that which is likely to reduce the risk of war. Developing beam weapons will increase the risk of war," Dr. Bowman asserted, threatening that the Soviets will "launch a first strike" in response.

The audience counterattacked in the question period. Bowman was asked, "What do you propose to do about the fact that the Soviets are already on a first strike course?" Bowman's answer: "We must be careful what image we project to them . . . we should be careful to not project an image which will antagonize them." Two days later, Dr. Bowman appeared at the Zoakos-Churkin debate and insisted on presenting the anti-beam weapons position in the place of the absent Soviet embassy official.

Soviet missiles off U.S. coast mean 'three minutes to decide'

Following is EIR's transcript of the speech by Dr. Lowell Wood of Lawrence Livermore National Laboratory before a National Press Club forum on beam-weapons defense on Nov. 30. Dr. Wood emphasized that he was speaking as a private individual.

. . . I would like to briefly recapitulate the current strategic arms situation for you, which I suggest is essentially that of two men staring each other face to face holding cocked guns thrust at the other fellow's head. You heard a recapitulation of the basic situation very eloquently from the previous speaker; we are faced with a situation in the United States that Soviet strategic ballistic missile launching submarines are positioned right off both coasts of the United States. We of course have the bulk of our international assets on or close to the coasts, including our capital, and, in particular, from the time that Soviet submarines launch ballistic missiles toward the United States, there is roughly three minutes for political decision makers, located in or about the capital of this country, to live, after the breakwater event is confirmed: That is to say, after the military command centers notify the decision-making authorities in and about Washington, there is somewhere between 150 and 200 seconds to go. That, I would suggest, leaves very, very little time—realistically, negative time—for intelligent political decision making. Maybe it leaves time for no political decision making at all. Then, the thing that happens after that is that you have six to eight minutes after breakwater confirmation until the North American Air Defense Center at Colorado Springs and the Strategic Air Command post at Omaha are destroyed by these same missiles. The bomber field in Fort Omaha is in about the geographic center of the country, so all the U.S. bomber fields are under attack by that time, and the missile fields of the United States are subject to pindown attack—that is to say, having bombs exploded over them launched from submarines, until Soviet missiles from ICBM fields in Central Asia and elsewhere arrive to definitively destroy missile fields and any remaining bomber bases. After that, U.S. decision making capability falls to the National Emergency Command Post's so-called Looking Glass—that's a plane that flies

around over the United States and tries to stay alive and tries to command strategic war; it's going to run out of fuel within eight hours and it would have no place to land. And so, sometime within eight hours of the time that war starts, the United States is left with essentially no political or military decision making capability.

In a circumstance such as I've just sketched, the evaluation of options by the commander-in-chief of the Strategic Air Command—to whom authority will legally devolve to become the commander in chief after most of the political decision-making capability of the country has been wiped out—was circumscribed, to phrase the matter delicately.

On the other side, in particular the deployment of Pershing IIs leaves the Soviets less than 10 minutes to make intelligent decisions after launch confirmation, because, to be candid about it, the Pershing IIs will be aimed, if they are optimally deployed in a military political fashion, they will be aimed at Soviet decision making points, Soviet command posts, and not just Soviet military pockets, in order to symmetrize the situation that Soviet ballistic-missile-launching submarines place the United States in.

So I suggest to you that automatic means, particularly computers, and not political military leaders, will fight strategic war after it's initiated, and very specifically, I invite your attention to the likelihood that strategic weaponry will come under attack—as the previous speaker described—very, very early in the war because of its very high military potential; strategic weaponry will come under attack, and the owners of strategic weaponry will have the option of using it very quickly or losing it in its entirety, and that provides a great deal of impetus toward across-the-board salvo in strategic weaponry by both sides very early in the war.

So I would suggest to you that deterrence through retaliation is a strategic posture which is profoundly unstable, and if anybody is still inclined to doubt that in 1983, I would ask how in the world it is to be rationalized that both sides have increased by roughly an order of magnitude the strategic weaponry in their arsenals during the last dozen years? If deterrence through retaliation is working, why is it that we have to have 10 times more of it now than we did a dozen

years ago on each side? The simple fact of the matter is that it's failing, and failing on a daily basis.

I suggest that there are four basic ways out of this circumstance that I've sketched: political, military, economic, and technical. I'm not a military man, nor am I an economist or a politician, but I do have some technical expertise and experience, and I will speak to you for the remainder of my time on the prospect, from a technical standpoint, of making nuclear war, certainly large-scale nuclear war, technically infeasible to conduct. In particular, I will be exploring with you the prospect of coming up with the analogue of the armor concept and of the armor technology vis-à-vis the stalemated defense-dominated trench warfare, for instance, of World War I. And I'll be specifically attempting to provide some suggestions to the question: what is the analogue of the tank for strategic nuclear warfare? What is the technological fix for the current situation which we're in, if any?

First of all, I'll remind you of certain governmental secrecy regulations in this country through which very little can be discussed publicly by those who are informed about the technical prospects. And I will enlarge on this. Regretfully, the public is frequently misled by either knaves or fools, since the government chooses to stand mute on the subject. There are knaves who knowingly led the public in a direction they have chosen, who know what they're talking about but edit the truth in order to dodge the government's security regulations and sell their point of view in the process, and fools who don't know what they're talking about, but are willing to stand up in public and shoot their mouths off and share their ignorance with their fellows. I fall into the former category; I'm reasonably well informed, and I have a point of view to sell.

I would suggest that the bases for the current approaches to strategic defense, particularly strategic defense against nuclear attack, are much more strongly oriented than in the past, certainly than in the ABM debate and technology explosion of 10, 12, 15 years ago, to attacking strategic nuclear offensive systems very early in their operational use period. This is a major departure from previous circumstances. The reasons for this are sketched out here: The sites of origin of these attacking systems are mostly very well known; often the geographical locations of missile bases and of missile silos within missile fields are really very precisely known by both the United States and the U.S.S.R. Delivery vehicles early in their operational use periods are relatively very slow moving. They are self-illuminated, and the most striking cases, of course, are the very big boosters which are used to loft intercontinental ballistic missile warheads. These exhausts are extremely bright; in the infrared, they are as bright as a good-sized city, except that they come from, essentially, a point in space, so they are enormously bright objects. These delivery vehicles are often clustered; missile launchers in particular had to be very tightly bunched geographically. . . .

Very importantly, strategic offensive systems are extremely fragile early in their operational use cycles. This is

an immensely understandable state of affairs, namely, you don't build bombers and you don't build missiles any stronger than they need to be, because in order to get strength, you have to put more weight on. If you put weight on a vehicle, you have to take weight off the warhead. And the trade-off in its quantitative aspects is a very stringent discipline. You make bombers, for instance, essentially flying fuelheads. You make intercontinental ballistic missile boosters very similar; you can literally, in many cases, with a hammer break through the fuselage or the skin of missiles and bombers—just a hand-held hammer.

Finally, and very importantly, it's not feasible for the owner of the strategic offensive systems which the defense is attacking, to use the nuclear weaponry itself as a sacrificial defense for other aspects of the offensive weapon system. A very, very critical way in which nuclear weapons can be used as they are descending on their targets is for some of them to explode, and thereby greatly improve the likelihood that the ones which are not deliberately exploded in that fashion will penetrate on through to their targets. Alternatively, when they are under attack, when a Soviet warhead is under attack over the United States, it can be salvage-fused very effectively, so that though it might not do maximum damage, the damage it would do if it landed precisely on its target, it can still do a very great deal of damage, and the offense has thereby salvaged a very substantial fraction of its military utility. This is not an option which is feasible if, for instance, the United States attacks Soviet ballistic missiles while they are still over Soviet territory.

The technical basis for defense against nuclear missiles derives from advances of very substantial magnitude across a wide technical spectrum over the past decade, and I'll just mention the four areas in which advances have been especially crucial and especially helpful in proving the technical prospects for strategic nuclear defense: telecommunications, digital computing, the pulsed-power technologies where you get the energy to actually operate these defensive systems, and, very importantly, the directed energy area itself, the means of generating and projecting energy in some cases of very high velocity and mass as well as energy, in a militarily useful fashion over long distances at very high speeds, in many cases at the speed of light, from the point where they originate in a defensive system towards strategic offensive nuclear systems that one is attempting to defend against. These technical advances have resulted in not one or two, but many independent, and, incidentally, possibly synergistic technical options which have been laid before the administration over the last few years, and, specifically, I believe which the President had in mind in his history-making speech of the 23rd of March, in which he called for a shift in emphasis from strategic offense to strategic defense. And these options are both in respect to the technologies which can be used for strategic defense, and the modalities of use which have thereby become feasible; not just terminal phase defense, which one heard about a great deal a dozen years ago or so, but

defense while the bombers or the missile-launched nuclear warheads are in mid-course, and, very importantly, while they are in the very early launch phases of their course.

I'd like to just review for you and attempt to debunk some of the fashionable myths which have grown up about the concept of strategic defense since the President's speech. I won't have time to go into each of these in detail, but I'll just call out to you some of them which I think might be of particular interest. I have already indicated that there is a technical basis for strategic defense, and this is most definitely not wishful thinking. It is most definitely not based purely on nuclear weaponry. There is a large number of prospects, some of which have been discussed publicly, fairly widely publicized, even in the unclassified area, which have no connection with nuclear weaponry for their operation. It is an extremely widely based misconception that strategic defense is necessarily based on weaponry in orbit. There are severe problems with weaponry in orbit, namely, the potential attacker can dispose of it before he launches his attack per se. And so there are a number of proposals whereby all strategic defense weaponry would be ground-based—it would be "popped up" into space and not into orbit, but it could be popped up only in wartime. It is said that strategic defense necessarily violates the ABM treaty, but a constrained, pop-up-oriented system could readily comply with this treaty if it were considered desirable in the foreseeable future to retain that treaty. I would suggest that it's not at all clear that that treaty is in the best interests of the United States or of the Western Alliance. . . . It's not clear that the Soviet Union is capable of violating this treaty in the eyes of the United States.

It is also said that strategic defense can't address the air-breathing threat, in particular bombers and cruise missiles. I would suggest that bombers and cruise missiles indeed are the easier portion of the strategic defense challenge: They are slow-moving, they are soft, and they are easy to detect.

There are certain strategic defenses intrinsically destabilizing; I argued a few minutes ago that it is the current offense-dominated posture which is profoundly unstable, and I would suggest for you that strategic defense is intrinsically a very, very stable option indeed.

The final three points that I would suggest to you, which are fundamental misconceptions, are that strategic defense would lead to the militarization of space—space is already very extensively militarized, and the real goal of any true defense is the demilitarization of places in or around where the people of this planet live. It is said that a defense can always be overwhelmed by our offensive effort; the crucial consideration there is how much does defense cost relative to how much offense costs; when a unit of defense costs less than the counter to that defense, the defense definitively wins. It is said that strategic defense would necessarily be imperfect and that any imperfection is unacceptable. I would suggest that the present posture of accepting total helplessness in the face of offense, is the thing that is totally unacceptable.

EIR Special Report

How Moscow Plays the Muslim Card in the Middle East

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Eye on Democrats by Anita Gallagher

Whose side are they on, anyway?

It may look like the eight "Moscow Democrats" running for the party's presidential nomination are playing partisan politics again, but the latest attacks on President Reagan betokens something worse.

Timed almost to the hour with the attacks by Syrian artillery on U.S. reconnaissance planes in Lebanon, all the candidates except LaRouche issued verbal blasts against the U.S. military presence in Lebanon, and, except for Walter Mondale, denounced the U.S. for not abandoning Lebanon to the Syrians.

Since September, George McGovern has called for bringing the Marines home. He declared on Dec. 4: "Step by step, the United States is approaching war with Syria." President Reagan "has virtually consigned our marines as hostages of the Arab-Israeli conflict. Those who have survived should be brought home immediately."

Also on Dec. 4, California Sen. Alan Cranston said that President Reagan's "trigger-happy and reckless approach to foreign policy has landed us in more wars at once." Spelling out his appeasement views, Cranston noted that there is a "U.S. Soviet equation" in the Middle East and therefore, "We should not be in places where we invite attack."

Senator Gary Hart (D-Colo.) on Dec. 4: "It's almost inevitable that there will be an escalation of the conflict the longer we remain on Lebanese soil. . . . I'm concerned that the administration will increase the level of hostilities, particularly with the Syrians."

Within hours of the downing of the U.S. planes, Jesse Jackson was on television Dec. 4 with a plea to appease the Soviets. "It is very clear to me that our presence in Lebanon can only serve no good end. This apparent escalation of tensions in the Middle East, a kind of declaration of war, is unwarranted. It is provocative. . . . We simply, unless we intend to go much deeper into Lebanon militarily, should get out as quickly as we possibly can, before we find ourselves in a quagmire and cannot get out."

Gov. Reubin Askew of Florida had a statement Dec. 5: "We are caught in a continuing civil war and we are perceived as taking sides in that civil war, without any hope that the presence of our troops will play any constructive role in this conflict." The United States must replace its troops with U.N. troops, says Askew, "otherwise, we may drift into an all-out war with the Syrians—and perhaps with the Soviets as well."

Dodging the issue of the Soviets

Both Glenn and Mondale implied that the Lebanese situation is the result of mishandling by the administration, rather than one of a series of escalations in the Soviet global showdown gameplan.

Glenn was characteristically self-righteous: "I have warned against allowing the situation in Lebanon to deteriorate into a direct Syrian-American confrontation. I have called for clearly defining our mission. If the administration considers a large protracted battle with the Syrians in Lebanon an option, let them present their plan to the Congress and the American people."

The KGB-preferred Mondale, playing the role of the cautious front-runner, passed on a statement Dec. 4, then admitted on Dec. 5 that "as long as our troops are in Lebanon, we must

respond to unprovoked attacks. But retaliation is not a substitute for a policy to ensure our forces will not be deployed in Lebanon indefinitely. The Reagan administration has no plans except the status quo. . . ." Mondale would pressure besieged Lebanese President Gemayel for a timetable for removal of U.S. ground forces. Says Mondale: "I would undertake an all-out effort to pressure the Syrians."

And just who does he think is running the Syrians?

For Lyndon H. LaRouche, Jr., the only Democratic presidential candidate warning of the Soviet intention for a global showdown, the Moscow-allied Syrians' escalation in Lebanon is part of that larger strategic picture. In a campaign statement issued at the end of November, LaRouche said: "During mid-April of this year, I estimated and reported that the Soviet government was committed to a global thermonuclear confrontation during the early period ahead. I reported my estimate that the countdown toward this confrontation would probably begin during August of this year, and build up to placing the mainland United States under threat of Soviet thermonuclear attack by as early as December 1983. . . ."

"The Soviet government is committed to an early thermonuclear confrontation with the United States, with the purpose of risking war in the expectation that the United States will back down, and in backing down will provide Moscow such extensive concessions that Soviet military superiority will be unchallengeable for the decades ahead."

LaRouche says, "My goal is to persuade the President to implement a war-emergency powers order now, to place our security forces on full alert status, and to launch a 1939-43 economic mobilization of our nation. These measures are necessary to persuade the maddened Soviet leadership that a nuclear confrontation with the United States is unwise at this time."

'Reagan must apply Mondale's policies now'

Henry Kissinger, the man who claims to be Reagan's guarantee for re-election, is campaigning for a "bipartisan" foreign policy, based on the Trilateral Commission policies of the Carter-Mondale administration to be implemented now. Kissinger's aim: strategic backdown in the face of Soviet terror even before his man Mondale is elected to the White House.

In a Nov. 30 talk to the New York Dental Association, Kissinger criticized the American Constitution under which "every four to eight years there is a changing administration," and urged Reagan to instead pursue a "bipartisan" foreign policy. His specific recommendation, abandoning support for the sovereignty of Lebanon, was echoed when each one of the Harriman/Kremlin-approved opponents to Reagan called for the United States to pull its forces out of Lebanon (see *Eye on Democrats*). In justification, Kissinger sang the tired old song with a Russian melody about how there are "sixteen parties fighting each other" in a conflict not readily resolved.

Kissinger repeated his "prediction" that the Soviets would return to arms control negotiations within a year. This is the same New Year's prediction Kissinger made in January 1983 when he declared this year, the time was ripe for a "major negotiation" with the Soviets. The year is ending, of course, with the Soviets walking out of two major negotiations and refusing to even consider the only viable negotiating proposal for ending the age of thermonuclear terror—Rea-

gan's beam weapons development proposal.

Central America commission to deliver its report

The American Enterprise Institute sponsored a "peekaboo" session on Dec. 7 to preview the recommendations of the National Bipartisan Commission on Central America, which Henry chairs. Although the AEI panel discussion purported to be a presentation of several papers to be included in an upcoming book on Central America policy, almost all of the panelists had appeared as advisers to the Kissinger Commission, and one of them, Dr. William Walsh, was a Kissinger Commission member who concluded with high praise for Dr. K. and reported his "personal" view of the "concerns" of the commission.

It is a good bet that Kissinger will propose that the United States stop acting as a sovereign nation in the Western Hemisphere, conducting "bilateral" dealings with other sovereign nations. "The idea of bilateral negotiations by the United States in this region will be resented, and will be foolhardy," Walsh said. Walsh went so far as to accuse the United States of making Cuba a "fulltime surrogate of the Soviets" by negotiating with Russia, not Cuba, the Cuban missile crisis. Instead, it will be recommended that the United States operate through what amount to channels for the Socialist International (represented on the Kissinger Commission in the form of AFL-CIO president Lane Kirkland, chief fixer for the Socialist and Communist International-preferred presidential candidate, Walter Mondale) to influence the domestic policies of nations in the region.

This policy was advocated by Eusebio Mujal-Leon, who admitted that the Socialist International under the leadership of Willy Brandt, whom he

failed to identify as a close friend of Dr. K.'s, had promoted distinctly "non-socialist" and "non-democratic," in fact terrorist movements in Central America. Mujal-Leon insisted on "keeping the lines open to the Social Democratic movements in building 'democracy' in the region."

Kissintern policy: no beam weapons

Elsewhere at AEI's 1983 Policy Forum could be heard a number of other Kissintern operatives, notably Kissinger's former National Security Council assistant and current gofer at Kissinger Associates, Gen. Brent Scowcroft, and former Kissinger Mid-East expert Harold Saunders. Scowcroft was the featured speaker on a panel on arms control which was billed as including a discussion of ballistic missile defense strategy. In fact, the only discussion of ballistic missile defense was from two advocates of the Kremlin's policy of opposing beam-weapons development for the United States, Pamela Harriman's second-generation fascist Jeremy Stone of the Federation of American Scientists and Kissinger's former arms control adviser, Raymond Garthoff. Privately, Scowcroft, whom Reagan had appointed to build bipartisan support for his strategic policy, told reporters that Reagan's idea of "making nuclear weapons obsolete" was "crazy."

Saunders, meanwhile, co-chaired a panel announcing the beginning of a new project he is co-directing at AEI for the purpose of "re-evaluating American foreign policy" to determine if the idea of the "primary position of the nation-state, and the emphasis on national sovereignty" were not outmoded in policy making and should not be abandoned in favor of a system of "complex interaction" in which governments are ignored and regions are controlled through manipulation of social institutions. Anyone smell the Trilateral Commission?

National News

100 trillion watts for fusion: Sandia

Sandia National Laboratories has announced two major decisions concerning the construction of its Particle Beam Fusion Accelerator II (PBFA). Scheduled to begin operation in January 1986, the PBFA II will be the world's most powerful particle-beam accelerator, producing 100 trillion watts for inertial confinement fusion reactions.

Sandia researchers have chosen lithium ions, rather than protons, to bombard the target in the 36-beam machine. A choice of diode type has also been made. A circular device about a foot in diameter, the diode converts electromagnetic energy supplied by the accelerator's pulsed power drivers into an ion beam.

These decisions "clear the way toward final design and construction of the PBFA II accelerator," said Dr. J. Pace Vandevender, manager of the Fusion Research Department at Sandia. PBFA II scientists' main task for 1984 is to find the best way to make the plasma which serves as the source of lithium ions.

The output of the pulse from the PBFA will be several times greater than the instantaneous output of all power plants on earth.

'Let's make Philippines like Iran': ambassador

William H. Sullivan, Jimmy Carter's ambassador to Teheran at the time of the Khomeini takeover, is advising the Reagan administration to create the same kind of disaster in the Philippines. In an article released in December by *ForeignPolicy* magazine, Sullivan (who was ambassador to Manila before his Iranian assignment) calls on the Reagan administration to intervene in the Philippines to bring about democratic elections "before it is too late."

"The days of the Marcos administration

are numbered," Sullivan warns. "The Reagan administration can take immediate, positive action to lend American weight to a process of orderly political transition."

The current American ambassador to Manila, Michael Armacost, is reportedly scouting the field for possible successors to Marcos. One often-mentioned name is that of Cesar Virata, prime minister and finance minister. Virata, a graduate of the Wharton School, has concluded a loan agreement with the IMF that will mean zero growth for the Philippines in 1984.

Kennedy and Velikhov confronted by NDPC

The National Democratic Policy Committee (NDPC) intervened Dec. 8 into a propaganda forum on Capitol Hill. The platform for the Soviets was provided by Senators Ted Kennedy and Mark Hatfield, co-sponsors of the nuclear freeze, at a "Joint American-Soviet Scientific Forum On Nuclear War."

Dr. Vladimir V. Aleksandrov, head of the Laboratory of Climate Modeling at the Computer Center of the Soviet Academy of Sciences, and Yvgenii Velikhov, vice-president of the Soviet Academy, gave detailed elaborate scenarios of how a nuclear exchange would have such devastating effects that a nation which launched an attack would be automatically destroyed by the indirect effects of its own attack, even if the country it was attacking did nothing.

Academician Sergei Kapitsa declared that "in the U.S.S.R. everyone thinks more scientifically than in America, and we have a superior intellectual culture."

The first NDPC intervention was an inquiry about the Soviet civil defense program. The NDPCer was immediately thrown out of the room by security guards, but his question remained, so Jack Geiger, of the KGB-Pugwash-run Physicians for Social Responsibility, advocated the "death knell for all proposals of civil defense."

At Ted Kennedy's prodding, everyone including the Soviets—except for Veli-

khov—gave wholehearted approval to this denunciation of civil defense.

NDPC representative Alan Ogden challenged Velikhov: "Dr. Velikhov, it's clear you were ordered to lie here today. Aren't you heading up Soviet research and development of beam weapons? . . ." Before Velikhov could say a word Kennedy interjected, "Ask that man to leave."

"Kennedy, you are speaking treason. Do you think you are going to disarm the United States?" Ogden challenged.

Mark Hatfield also refused to ask Velikhov about Soviet beam-weapon missile-defense. Instead, the senator, who is attending seminars of the brainwashing operation, blasted "lasers, particle beams, High Frontier, Star Wars. . . . It is even taking on a cultish appearance at times where information is disseminated in the airports on this."

Finally Velikhov enumerated the many meetings and discussions that the Soviets have had on the issue, adding lamely that it is "very improbable to make a full defense." Senator Kennedy ended the meeting with the pronouncement that "war is obsolete."

ACLU champions suicide struggle in California

Columnist Patrick J. Buchanan had some words of warning concerning the case of Elizabeth Bouvia, who recently checked herself into the psychiatric unit at Riverside General Hospital in California to demand assistance in committing suicide:

"While husband, family, and doctors are attempting to persuade this 26-year-old victim of cerebral palsy that she is loved, that her life is important and worth living, the ACLU [American Civil Liberties Union] has gone to court to demand that Mrs. Bouvia be allowed to commit suicide by starving herself to death. . . ."

"Instinctively, handicapped Americans have taken alarm at the ACLU's enthusiastic support for Mrs. Bouvia's decision. . . . It is only a short step from concluding that a handicapped person has made a perfectly

reasonable decision to commit suicide to asking others, with similar handicaps, why they have not arrived at the same conclusion.

"While the position taken by the ACLU may seem abhorrent, it is not illogical given the [ACLU's] premises. . . . Theirs is a 'quality of life' ethic, as opposed to the 'sanctity of life' belief rooted in religious tradition. . . . Under the quality of life ethic, while all life is equal, some lives are more equal than others. . . .

"Euthanasia, the mercy killing of those who surely would take their own lives if they had the means, is the inexorable next step."

Buchanan's remarks appeared in the *New York Post* Dec. 8. It has also been learned that the ACLU is screening all mail and contact with Mrs. Bouvia. ACLU lawyer Richard Scott, who has taken a deep interest in the case, is the 1980 founder, along with the English-born Derek Humphrey of the Hemlock Society, a national organization dedicated to the promotion of suicide, both self-inflicted and assisted.

Supreme Court refuses Harrison Williams appeal

The Supreme Court has refused to hear the Abscam case of former senator Harrison Williams of New Jersey, who was convicted of corruption in 1981 after being targeted by the large-scale FBI "sting" operation.

FBI agents posing as wealthy Arab sheiks made repeated attempts to bribe Williams, which the Abscam videotapes themselves show Williams as refusing. Nonetheless, an indictment was constructed around an editing of the tapes to make it appear as if Williams agreed to use his influence improperly with respect to an idle titanium mine which he had an interest in.

Judge George C. Pratt essentially charged the jury to infer that Williams was of a "criminal disposition." FBI documents showing the agency's utter failure to produce any evidence against Senator Williams, before attempting a final set-up using

convicted con-man Mel Weinberg, was withheld from both the jury and the defense. Pratt was handed a promotion to the Second Circuit Court of Appeals just months later.

In March of 1982 the Senate Ethics Committee rubberstamped the court decision, and Williams resigned from the Senate.

Adding its seal of approval by refusing, without comment, to hear Williams's appeal, the Supreme Court has opened the door to every sort of entrapment and *ex post facto* incrimination imaginable.

In "Operation Greylord," a new FBI sting, FBI agents have been posing as assistant State's Attorneys in an effort to entrap over 40 judges as well as police officers and criminal defense attorneys.

Lyndon Hermyle LaRouche, Sr., dies

Lyndon Hermyle LaRouche, Sr., the father of *EIR* founder Lyndon H. LaRouche, Jr., died on Dec. 4 at the home of his daughter, Leonore, and son-in-law, Wesley, near Washington.

Mr. LaRouche was a technical consultant for the U.S. Department of Justice during the immediate post-war period, and from 1938 until his last illness was active as a technical consultant to the shoe manufacturing industry in the United States and abroad, including in Europe during the postwar reconstruction.

Mr. LaRouche was a dedicated member of the Society of Friends from early youth in Lynn, Massachusetts, and long an embattled opponent of the influence of the liberal American Friends Service Committee in the Society. His 1930s tract, *Present-Day Quakerism In New England*, written under the pen-name Hezekiah Micaiah Jones, continued to rankle American Friends Service Committee circles and admirers into the 1970s. Apart from his business activities, Mr. LaRouche's chief interest was supporting the religious work in the Society of Friends of his wife, Jessie Weir LaRouche, deceased in 1978.

Briefly

● **THE JUSTICE** Department has decided to close its investigation of Jesse Jackson's dealings with Libya without requiring him to register as a Libyan agent. The department's inquiry into Jackson's activity was begun in late 1980 after Libya's chief diplomat in the U.S., Ali Houderi, contributed \$10,000 to Jackson's Chicago-based Operation PUSH.

● **LABOR LEADERS** who are following AFL-CIO president Lane Kirkland's orders to turn out the troops—and money—for Walter Mondale have a few serious problems. While making a speech at the Labor Temple in Fresno, California Dec. 2, Mondale was asked by a representative of the National Democratic Policy Committee if he was indeed a member of Winston & Strawn, the main law firm of union-busting Greyhound Lines. When Mondale finally, faintly answered "yes," claiming not to know the firm's connection to Greyhound, the head of the Fresno AFL-CIO walked out in disgust.

● **MEL KLENETSKY**, campaign director for Lyndon LaRouche's presidential effort, sent an open letter to union leaders detailing both Mondale's associations with union-busters and national security threats.

● **ELLIOT GREENSPAN** and a slate of eight LaRouche Democrats announced for federal office from New Jersey, at press conferences Dec. 7 in Trenton and Newark. Greenspan is challenging "Three Dollar" Bill Bradley in the Democratic primary.

● **A REPORTER** at the recent Hatfield-Kennedy-Soviet scientists War and Peace-fest found the televised hearing a bit much even for a veteran of such productions, since the Soviets had just walked out of the START talks as well as the INF talks. "I wonder when they're going to walk out of here," he commented.

Strategic miscalculations

If one took the threats and actions of the Soviet Union seriously, one would have no doubt that they are fully prepared to precipitate a superpower crisis that will threaten world survival in the weeks and months ahead.

But who is taking the Soviets seriously?

Certainly not the U.S. press, which has gone out of its way to try to prove that Marshal Ogarkov and the Soviet leadership are just demonstrating their "reasonable outrage" at the "warmongering provocations" of the Reagan administration. This is understandable only from the standpoint of the long-term Malthusian deal which the Council on Foreign Relations-based controllers of that press think they have with the Soviet leadership. They want the Soviets to play the angry bear—but they expect them to continue to abide by the rules of the game.

Certainly not the West German government, which has uttered the most ludicrous drivel in support of the hysterical wish that the Soviets will come back to the negotiating table. The West Germans may not believe what they are saying, but they are clearly willing to grovel before the Soviet Union in the conviction that any sacrifice would be better than further enraging the beast.

In fact, it appears that not even certain high-level advisers to the President are taking the Soviets seriously. These advisers are, and have been, fully committed to the program of directed-energy beam-weapons defense, and understand the necessity of proceeding with the development of that capability very rapidly to try to defuse the emerging war showdown. But many of these advisers are caught in the psychosis of the election ritual. They don't *want* to overturn the customary banality and compromise of the President's reelection campaign in order to mobilize the country for the coming showdown. In effect, they have convinced themselves that the Soviet Union (with its great respect for democracy?) will also respect the election rules—and wait to provoke a superpower showdown *after* President Rea-

gan is re-elected in November of 1984.

What we are facing is indeed a grim prospect. For if the leading circles of NATO, led by the United States, do not immediately mobilize a show of strength—with an alliance-wide crash program for beam weapons at its center—there will be nothing to stop the Soviet Union from escalating its campaign of intimidation to a showdown.

It's about time we stopped interpreting the Soviet threats as the demands of the latest union negotiator. Just look at the record recently.

Marshal Ogarkov and the official Soviet press had promised before NATO carried out the deployment of the Pershing IIs in Europe that they would walk out of the negotiations on the intermediate-range nuclear force if the missiles were deployed. They did.

Secretary of State Shultz, for one, didn't seem to think that was so serious. He proposed to meet with Foreign Minister Gromyko at an upcoming conference on arms control in Sweden earlier this year. Marshal Ogarkov, in his press conference of Dec. 5, was not impressed. We're serious, he said, and we're not interested in meeting with the Americans who emplaced these missiles in Sweden, or elsewhere.

How long are we going to continue to ignore the clear implications of the Soviets' actions and words? They are acting under a unified military command, putting into implementation precisely the order of battle which General Sokolovskii outlined in the 1966 party Congress, and which has governed Soviet actions ever since. There has been strict political continuity in the Soviet military command, and an explicit commitment on their part to *total and victorious* war for the Motherland.

Of course, the Soviets too are miscalculating—miscalculating that the United States will back down before their threats. The longer we ignore the truth of their intent, the more dangerous and irreversible the danger of total war will become.

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