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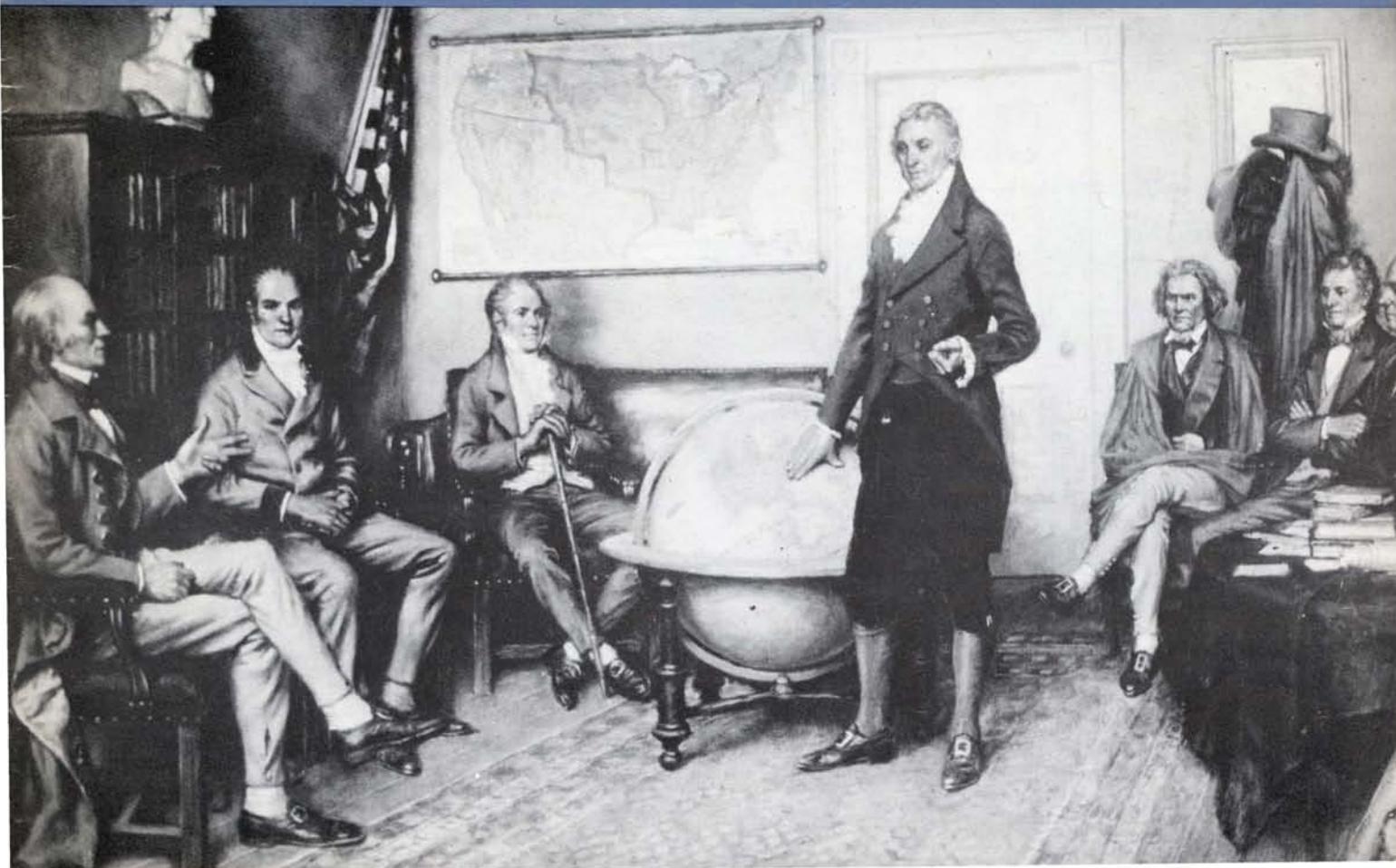
Executive Intelligence Review

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Reagan's being sold a plan to wreck agriculture
Weinberger, Abrahamson on why we need 'Star Wars'

**U.S. Central America policy:
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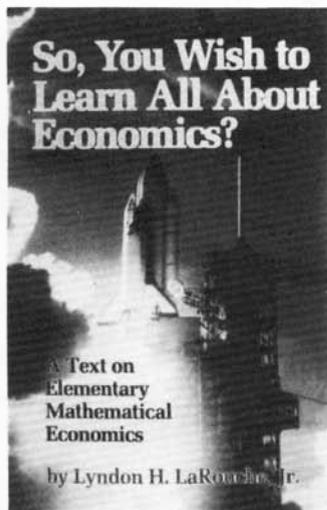
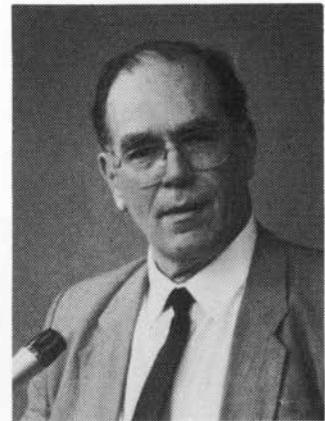


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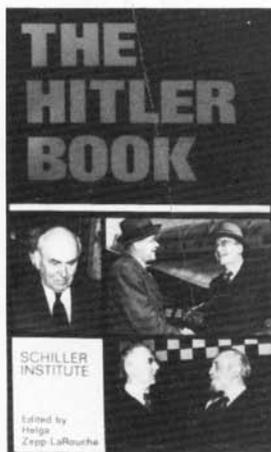
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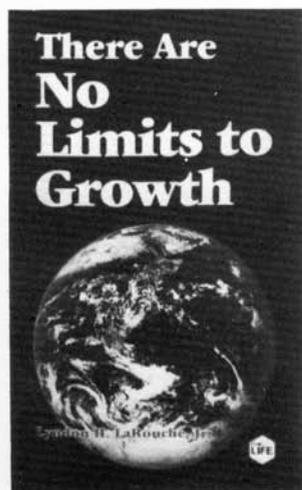
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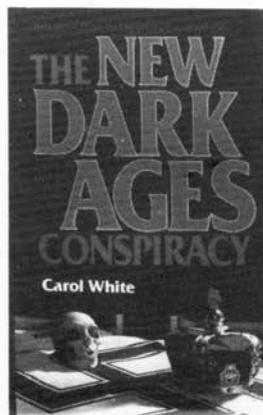


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From the Managing Editor

This issue is particularly packed with the information and analysis the Reagan administration is going to need, even well before the Jan. 21 second inauguration of the President. We put it in your hands with the confidence that *EIR*'s readers will use this material to intervene powerfully in the factional battle that broke out into the open in Washington early this month, and change history.

● The *Special Report*, our second from the Third International Conference of the Schiller Institute, lays the basis for a new U.S. policy toward Central America, as proposed by trade union, business, and political leaders from Panama, Argentina, Mexico, Colombia, and El Salvador, who mince no words about what's wrong with the present one. The conference panel was keynoted by *EIR* president Fernando Quijano, who retraces here the real history of the Monroe Doctrine.

● What the White House will have to do to balance the budget and shake off the Wall Street stooges in Washington demanding cuts in defense and other vital programs, is the lead to our *Economics* section—the only program that will work, by Editor-in-chief Criton Zoakos.

● Secretary of State George Shultz must be dumped from the administration, if the President's beam-weapon defense program against nuclear missiles is to be achieved. National Democratic Policy Committee chairman Warren Hamerman gives the "bill of particulars" in the *National Report*.

● In *Economics*, Christopher White outlines the fabulously wealthy private interests behind "Kissinger Associates." As Lyndon H. LaRouche, Jr. put it in a Nov. 5 national TV broadcast, "This firm earns its money from private clients by assisting those clients in looting the various nations of Central and South America. The way in which Kissinger earns the vast fees paid to his firm is by controlling the foreign policies of the United States toward Mexico and South America. In other words, the foreign policy of the U.S. State Department is being used by Kissinger as a collection agency for Kissinger's private firm."

● Former Libyan Prime Minister Bakouss, who narrowly escaped assassination by Qaddafi's hired hitmen in mid-November, makes a strong case for a boycott of Libyan oil to end the career of the madman of Tripoli (see *International*).

Vin Berg

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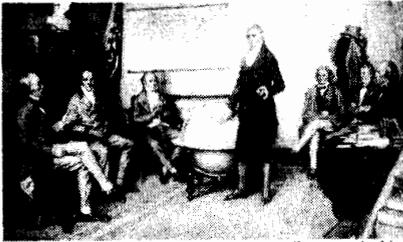
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Correction: Pictured on the left is Tunisian parliamentarian and director-general of *Al Amal* newspaper, Ahmed Kedidi, who spoke at the Nov. 24-25 conference of the Schiller Institute in Crystal City, Virginia. On the right is Prof. Gouda Abdel-Khalek of Cairo University, Egypt, another participant in the conference, who was misidentified as Mr. Kedidi on p. 25 of our Dec. 11 issue.

Special Report



Bettmann Archive

President James Monroe, in this painting by Clyde O. De Land, briefs members of his Cabinet on the Monroe Doctrine. Secretary of State John Quincy Adams, the author of the doctrine, is shown at the far left.

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The federal budget and the 'sacred cow' of debt service

by Criton Zoakos

As President Reagan was hopelessly laboring to cut \$42 billion from next year's federal budget, Lazard Frères banker Felix Rohatyn made a speech in New York to present to Reagan the terms of surrender which the underwriters of our national debt are attempting to impose on the federal government. Rohatyn, the man who turned New York City from a prosperous metropolis into an immiserated, drug-infested, crime-ridden hellhole, is not known for his concern for the poor and disadvantaged; his attacks against President Reagan's proposed budget cuts are not motivated by compassion. Rohatyn is the banker made famous by his outrageous promise to New Yorkers to give them "pain and agony," as his main means of financial restructuring.

What Rohatyn had to say to the President about the Federal budget was this:

"To bring the situation under control requires an extremely delicate combination of policies. . . . This might be done by a quick, bipartisan budget package to reduce the deficit by \$150 billion over three years, half by taxes, half by cuts:

"On the expenditure side an *across-the-board budget freeze*. It would include all military and domestic spending, *except interest costs*, saving about \$40 billion in the first year."

The remainder of Rohatyn's proposals is irrelevant. His demand to have debt-service payments be accorded the treatment of a "sacred cow" is the crux of the problem of our federal budget and our federal debt. The President of the United States will continue to remain hopeless and helpless in his attempts to deal with the monstrous problems of federal finances unless he proceeds to do the exact opposite of what Rohatyn proposes and stop treating the federal debt-service payments as the sacred cow.

For the 1986 budget now under discussion, these debt-service payments will be somewhat more than \$165 billion,

i.e., almost equal in size to the entirety of that year's projected budget deficit. For the sake of dramatizing the importance of the matter, one may argue that if the United States government announced a temporary 365-day deferral of debt service payments, the "monstrous federal deficit" would simply disappear, with hardly the need to touch any other federal program. If in addition certain other federal programs which are popular with Rohatyn's banker friends were to be cut or eliminated, the country would end up in 1986 with a net surplus, after having paid all its obligations in Social Security, medical care, and everything in the defense budget that Secretary Weinberger has requested.

The Paul Volcker balloon

The \$165 billion in debt-service we are asked to pay in 1986 is due to the \$1.8 trillion debt the national economy is laboring under. Most of this debt, almost exactly *one trillion* dollars, was contracted during Paul Volcker's tenure as chairman of the Federal Reserve from 1979 to date. An item-by-item analysis of this debt will reveal that it is not justified on economic grounds. Volcker's arbitrary policies caused it, and were designed to cause it—for political reasons.

Volcker in 1979 launched an operation to strangle the U.S. economy ("controlled disintegration," he fondly called it in private), which he tried to rationalize as a "fight against inflation." His principal instrument was to bring interest rates up to 22-25%, thus driving the mafia out of business. Virtually instantaneously, the United States was plunged into the deepest economic depression in 50 years, with the army of the unemployed swelling to over 25 million persons. With a collapsing tax base, the federal government's tax revenues declined at the same time that the government was obliged to pay out scores of billions of dollars for unemployment compensation and related depression-induced costs. Because of

Volcker's policies, the federal government, to wit, "we the people," were forced, like damned fools, to borrow *one trillion* dollars for the purpose of 1) paying Volcker's higher interest rates, 2) paying for depression-caused loss of tax revenue, and 3) paying for depression-caused federal outlays such as unemployment compensation.

Since "we the people" can easily demonstrate that this *one trillion* dollar Volcker-debt was a politically induced cost caused to occur by a conspiracy of high-flying bankers and manipulators of "high finance," then we can also easily argue that this component of the \$1.8 trillion federal debt be set aside to be given special treatment—such as being frozen and all payments to it being frozen, pending completion of a full-scale investigation of the conspiracy to incur it. Merely freezing this portion of the debt would save the Treasury about \$100 billion in debt-service payment during the first year of the investigation.

The President's political problem

Such a sweeping political move would attempt to reverse a process of gradual takeover of the American Republic's finances by oligarchical financiers, a process which began with the Specie Resumption Act of 1876, accelerated with the Federal Reserve Act of 1913, and is now about to reach its climax, as the oligarchs' "creditors' committee" demands that we scrap our national defenses in the face of the growing Russian imperial drive, and submit to "Chapter 11" bankruptcy proceedings.

President Reagan will have to choose between the bankrupting and security-stripping of the United States on the one side, and a pitched battle with his "creditors' cartel" on the other. If he thinks there is a third option, he is misreading both the situation and the intentions of his enemies. The question is: What are the political assumptions from which the President must proceed in order to construct a competent federal budget for 1986?

First, the government budget must enable the Executive Branch of the government to fulfill its constitutional responsibilities, to do its job. In the context of the political realities of 1985 and 1986, this primarily means that the administration must efficiently defend the Republic from the Russian strategic challenge. A serious military evaluation leaves no doubt that nothing short of a 1939-44-style wartime economic mobilization would be adequate to solve our security problem.

The budgetary and fiscal implications of this fact are that 1) the defense budget must be the only admissible "sacred cow" of the total federal budget, and 2) all other items of federal expenditures must justify themselves by the degree of contribution they make in mobilizing and augmenting the actual productive apparatus of the national economy, which must be put on mobilization footing. The President has the constitutional right to declare *force majeure* and proceed along these lines. He also has the popular mandate with which he can steamroller any congressional opposition to what he

must do.

From this standpoint, many of the budget cuts which the President has proposed are ill advised, and many of the cuts which he could reasonably have made, he unfortunately avoided. For example, agricultural price subsidies must be increased, not decreased; funding of the Ex-Im bank must be increased, not decreased; funding for training the labor force must be dramatically increased, not decreased or "frozen."

Also from this standpoint, the matter of tax reform has not been presented by the Treasury in any reasonable way. The tax policy appropriate to a "wartime economic mobilization" of the United States must be so designed as to improve the quality and quantity of skilled labor power and of capital plant and equipment. It must provide tax breaks and tax incentives for the working population and for those investing entrepreneurs who choose to engage in actual production of tangible goods. At the same time, it must tend to "tax out of existence" every type of wasteful, speculative, or useless expenditure of capital.

Finally, a balanced-plus 1986 federal budget should be based on the following broad features: freeze of payments to the *\$1 trillion* Volcker component of the federal debt (thus saving about \$100 billion for this year), complete elimination of certain programs and agencies whose purpose is to discourage economic activity or which are being used for political ends by the "creditors' committee" of the government. In the first category, one should include the entire Environmental Protection Agency and its \$3.5 billion, the various programs of the Department of Housing and Urban Development, which merely subsidize rentier slumlords to the tune of over \$3.5 billion, and the various New York and Boston bankers' schemes for social control and corruption which go under the rubric of "Great Society" projects—Head Start, community "poverty pimp" programs, various "endowments" for "Arts" and "Humanities," the Legal Services Corporation, the neo-fabian "Mediation and Reconciliation" services, the National Labor Relations Board, the fraudulent Bureau of Labor Statistics, etc., saving the country an estimated \$20 billion annually. In the category of federally financed institutions which operate against the federal government and on behalf of Paul Volcker's "creditors' committee," one should not fail to place on the chopping-block the entire \$1.1 billion budget of the FBI and about one-third of the State Department's nearly \$3 billion budget.

These cuts, together with a freeze of the "Volcker component" of the debt, would enable us to balance the budget without touching so much as a hair from either the defense budget or Social Security, Medicaid, farm-price supports, etc.—and before we have even started increasing the revenue base which would result from an actual economic mobilization.

This year's budget debate has only one political problem to be dealt with: When Rohatyn proclaimed "interest costs" to be sacrosanct, nobody in the administration told him to shut up.

President Reagan is being sold a plan to wreck American agriculture

by Lawrence Freeman

Between Dec. 3 and 6, officials from the U.S. Department of Agriculture (USDA), the infamous grain cartels, and numerous odd-looking but dangerous creatures from the world of academia descended on the Washington, D.C. area in two nearly identical and overlapping conferences to formulate the Reagan administration's 1985 farm bill. The key points religiously repeated by every speaker were:

- 1) We must reduce surpluses since we are producing too much food;
- 2) We must lower loan support programs (which will increase the loss of family farms);
- 3) We must launch aggressive trade wars against our European allies for a larger share of the world export market.

While these proposals were carefully wrapped in the jargon of "free trade," the combined result will only benefit the Soviet Union. The Soviets will be quite pleased as they watch us aid their decoupling plans by fighting our allies in the Western alliance and voluntarily destroying our own agriculture industry.

The "Annual Agricultural Outlook Conference" sponsored by the USDA met in Washington on Dec. 3-5, while its twin conference, "Food Agriculture and Resources: Policy Choices for 1985," met across the Potomac in Roslyn, Virginia, on Dec. 4-6. The most infamous Malthusian zero-growth policy planners shuttled back and forth to promulgate their plans for the continued destruction of agriculture and the further contraction of food production.

At the USDA event Secretary of Agriculture John Block outlined several objectives to be included in the new farm bill. These centered on the need for farmers to make themselves "competitive" in the world market, requiring "lowering loans to market-clearing levels." Block called for a five-year transition to phase out obsolete commodity programs and "phase in the market-oriented provisions." He raised the battle cry against our allies by stating: "It is the federal government's responsibility to challenge our competitors rather than unthinkingly aid and abet them."

Joining Block at the conference were Undersecretary of Agriculture Daniel Amstutz, a former employee of the Cargill Grain Co. for 25 years; Ed Schuh, director of Agriculture and Rural Development at the World Bank and formerly at the Humphrey Institute and University of Minnesota; Dan

Paarlberg, Purdue University, a member of Orville Freeman's inner circle; Lester Thurow of MIT; Carol Tucker, Foreman Center for National Policy; Thomas Saylor, Garnoe Grain Co., a subsidiary of the André grain cartel; Earl Butz, Purdue University; and Sherman Rice, Continental Grain Co.

Ed Schuh, who was exposed publicly by this author for committing genocide worse than Adolf Hitler for his policies of global starvation, generally agreed with the litany presented, but offered a solution more befitting his reputation. Schuh said we have to go beyond domestic programs, we need to utilize the International Monetary Fund to provide a strong global control of our food policies. He said that the next item on his list is to broaden the powers of GATT.

Enter the Heritage Foundation

The Heritage Foundation kept a low profile at the USDA conference but its previously published pamphlet "Mandate for Leadership II, Continuing the Conservative Revolution," with a chapter on agriculture written by George Dunlap, provides the most detailed policy outline of the presentations. Although the Heritage Foundation has been exposed by *EIR* for harboring KGB moles, it is still spearheading the "free market" budget cutters' assault on the Reagan administration's agricultural policy.

Belying the history of our country, Dunlap argues against the American System of economy in favor of the British free-trade colonialist method and childishly reports that loan rates, target price, and farmer-held reserve programs are distorting the market. The cited proof that "these three elements are out of balance" is the global overproduction of food. This "problem" of overproduction, according to Dunlap, must be corrected by utilizing the strength of the market. The report recommends:

- 1) *Lower floor prices* to 70-85% of the average market price for the last five years. The intended effect is floor prices below the world market price. Government floor prices now are between 50-60% of parity. With market prices artificially depressed by the grain cartels at such low levels, this program would lower prices paid to farmers by an additional 10-15%.

- 2) *Eliminate target prices*. After the loan rates have been lowered, they want to bring down target prices to this lower level and then get rid of them altogether.

3) *Reduce FmHA lending by tightening eligibility.* With FmHA as the lender of last resort, the report recommends farmers get credit elsewhere which is becoming more and more difficult due to the reduced value of land and equipment needed for collateral for new loans. The report suggests that farmers who do not have a reasonable chance for success should not be "subsidized."

Complementing these attacks on farm programs is the Heritage Foundation's support for stricter enforcement of conservation policy. The heavy emphasis on conservation with its reluctant acceptance by the administration is a new foot in the door by the environmental alliance of conservatives and liberals.

The second main feature of the Heritage Foundation's farm recommendations follows from the first. If we are going to put the American farmer through the wringer, then we must gain greater access to foreign markets. It is well known what this really means—smash the European Economic Community agricultural program. Let them speak for themselves.

"If the new administration is not prepared to invoke a full range of measures to force predator nations to end their massive subsidies to agricultural exports, it can hardly ask U.S. farmers to move toward a market-oriented system and be underbid by subsidized West European agriculture. To date U.S. response to this has been far too measured."

The list of co-sponsoring organizations of the Roslyn conference includes the American Farmland Trust, Center for National Policy, the Curry Foundation, the National Audubon Society, the National Wildlife Federation, the Wildlife Management Institute, the Conservation Foundation, and more.

Under their academic veneer, the sponsoring institutions and their speakers represent the most concentrated collection of hard-core, evil genocidalists. These two-legged animals *hate* modern, high-technology farming, they want *less food* produced in the world as a tool to *reduce* the world population to protect the pure environment from the human species.

A broad look at the pedigree of the chief co-sponsoring organization, the National Center for Food and Agricultural Policy, directed by Dr. Kenneth Farrell is quite revealing. Its Advisory Committee includes Robert O. Anderson, Chairman of the Board of ARCO (Atlantic Richfield Company), and Orville Freeman, former Secretary of Agriculture and leader of an inner circle of former USDA officials and grain cartel employees who have been shaping U.S. agriculture policy for the last 25 years.

The National Center was established earlier this year by Resources for the Future. Resources for the Future is itself a mere face-lift for the older, pro-Nazi Conservation Foundation. The Conservation Foundation was founded in the 1940s by the Swiss League for the Protection of Nature, and on the U.S. side, by the Eugenics Society led by the Harriman family, who were early supporters of Adolf Hitler's Third Reich. Throughout the 1950s and 1960s, the Conservation

Foundation, run by British intelligence and the Fabian socialist movement, spearheaded the campaigns for sterilization to stop population growth.

Documentation

Trade war on the agenda

Statements at the "Annual Agricultural Outlook Conference," USDA, Washington, D.C., Dec. 3-5.

Don Paarlberg, Purdue University: The Chinese have a saying: "He who would ride the tiger should have plans for dismounting." What I next outline is a five-part plan for dismounting. . . .

1) Reduce Loan Levels

Loan levels are such as to stimulate production and choke off markets. They should be reduced. They should be related neither to parity, which is outmoded, nor to production costs, a flawed concept, but to a percentage of a moving average of farm prices. . . .

2) Reduce Target Prices

The unacceptable cost of these programs can most readily be cut by reducing the target prices. . . .

Edward Schuh, director of agriculture, World Bank: We desperately need to begin the process of reforming and strengthening our international institutions so a more sensible international economy can evolve. Unfortunately, as a nation we have become disillusioned with international institutions at precisely the time in which they have become increasingly important to us. We cannot long stay this disillusionment. We need to get on with the world as it is, not as we would like it to be.

High on our agenda for reform should be our international monetary arrangements. We should seek to phase the U.S. out as central banker for the world and strengthen the IMF in the role originally conceived for it.

Excerpts from "Mandate for Leadership II: Continuing the Conservative Revolution," Heritage Foundation.

The new Administration should:

1) Develop a Cabinet consensus that the use of predatory export subsidies and other unfair trade practices in agriculture is intolerable for the U.S.

2) Make it clear to foreign countries that the U.S. will no longer accept subsidized attacks on its export markets and that, as a last resort, it will impose countermeasures in carefully calibrated steps against the offending nations.

3) Call for a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade to draw up new rules of free trade. If—and only if—an acceptable agreement is forthcoming, it should pursue vigorously a market orientation for U.S. farm commodity programs.

Volcker and the banks ready federal debt crisis to force budget cuts

by Richard Freeman

The *fondi*, the pooled resources of the European oligarchical families and their Eastern Establishment junior partners, are set to explode a national debt crisis on President Reagan around the time of his January inauguration. Their aim is to use the massive budget deficit as an unassailable argument against embarking on a crash program for development of the "Star Wars" anti-missile defense program.

One spokesman for the pro-appeasement, Wall Street-dominated Bipartisan Budget Appeal, which leads the budget-cutting forces, stated Nov. 27: "The growth of the budget deficit is the strongest argument that can be used against the Star Wars. The first few years of Star Wars will not be expensive, but its cost will become huge, unless stopped."

The truth is that an unleashing of America's scientific and technological capability to develop a beam-weapons defense is the one sure way to get out of the budget bind.

The *fondi* will try to force a budget-cutting crisis by mid-January, through a steady media drum-beat about the effect that a large budget deficit will allegedly have in forcing interest rates back up in 1985 (interest rates will rise, but not for this reason). Next, look for a bond-market and stock-market collapse, rigged by the holders of the national debt, to convey the idea that there is a lack of confidence. Finally, imagine headlines in the *Wall Street Journal*, "Investors No Longer Trust President."

Reagan will either cut the defense budget or he will be pilloried in a manner few individuals have ever had to endure.

This mood is buttressed by a series of statements, which come from some predictable but nevertheless unexpected sources. Newly elected Senate Majority Leader Robert Dole (R-Kan.) has told the President in a face-to-face meeting with Republican leaders that defense will be cut. Dole is known to oppose the Strategic Defense Initiative.

One of his close intimates is Robert Ellsworth, one of the chief fund-raisers for the disinformation organization, the International Institute for Strategic Studies think-tank of London. Dole's replacement as Senate Finance Committee chairman, Robert Packwood, a liberal from Oregon, has called for \$30 to \$50 billion in budget cuts.

And in the realm of the bizarre, Barry Goldwater (R-Ariz.), the new head of the Senate Armed Services Committee, raised his voice Dec. 5 for a military spending freeze for the 1986 fiscal year budget. Goldwater also called for all funding to be dropped for the absolutely essential MX Peacekeeper intercontinental ballistic missile.

No choices

The weakness of President Reagan's posture right now is that he doesn't understand the terrain that he is operating on. He is surrounded by disloyal advisers such as Treasury Secretary Donald Regan and OMB director David Stockman, not to mention James Baker III's palace guard.

The troubled President, whose understanding of economics is limited, is proceeding to his second inauguration and State of the Union address on the economy prattling and cooing about his economic recovery. This reminds one of the country bumpkin all set for his first date in a shiny new suit that is two sizes too small. When he gets to his intended's house, he finds that she is 11-feet tall, has glasses the thickness of the bottom of a Coke bottle, chews garlic for a snack, and has the Marine insignia tattooed on her arm.

The spate of economics statistics showing falling home sales, durable goods orders, and auto sales, indicate that the faked 1983-84 recovery is deflating at an alarming rate.

No budget can possibly be balanced with a collapsing real economy in process.

Buying up America

The percent increase in *fondi* control over America's national debt since 1979 is prodigious.

A chart helps to illustrate the point. If one adds up government debt held under the categories foreign, bank, insurance company, corporate (where the corporation is under *fondi* control, such as IBM, etc.), personal trust funds, and pension funds (which are nominally owned by unions but run by investment banks like Lazard Frères), one finds that the *fondi* own approximately 60% of the U.S. government debt. The government and Federal Reserve own another 30%, and

Who Owns the U.S. Government Debt

Ownership of Federal Securities (In Billions of Dollars)

Year	Total	Fed & Other Gov't Agencies	Com'rel Banks	Individual	Insurance Co's	Corporation	State, Local Gov'ts	Foreign	Other
1956	273	74	57	67	14	17	16	6	20
1970	383	155	63	81	7	7	28	20	23
1979	834	305	94	113	16	24	77	120	83
1981	1004	334	113	110	28	18	96	131	171
1983	1382	396	176	130	47	36	na	160	na
1984	1592	na	190	142	na	48	na	171	na

that leaves very little for the average citizen to own.

The foreign owners of U.S. debt have increased their share of ownership from a mere 2% in 1956 to 11% in 1984. And most of these are not Arab sheiks. The overwhelming majority of owners are the old European families—the Cecilis, the Thurn und Taxis, the Pallavicini, and the big Swiss banks which operate as financial safehouses for the old European family funds.

Then there are the commercial banks and insurance companies. They owned 11% of the debt as late as 1979, but it is projected that they will control 20% of the debt by 1985.

Remember back when your grandparents bought you a savings bond for \$18.75 for your birthday, which upon maturity would be worth \$25? That is now a thing of the past. Private investor ownership of the debt has declined from 25% of the share in 1956 down to a mere 9% today. And even that figure is deceptive. Because embedded within the category the Treasury describes as "Private Investors" are partnerships and general trust funds, which are just instruments of the *fondi*. Take those out, and private individual ownership of the U.S. government debt does not exceed 3-4%.

The average American doesn't own his country's debt.

The Volcker 'revolution'

The most brutal irony of the current situation is that the United States, as a feature built into the national psyche, prides itself that it is a creditor to the poor Ibero-American, African, and Third World nations. In reality, the *fondi* are exploiting America's status as the world's largest debtor nation, a status entirely the responsibility of the noxious Paul Volcker.

The transformation in ownership of our country's debt came about during the same years that Paul Volcker's tenure at the Federal Reserve was bloating the size of the debt. With his October 1979 interest rate "revolution," Volcker created a climate in which it was impossible to make high-technology investments, develop manufacturing, or operate a farm. As a result, \$1 trillion was added to the national debt.

In the fourth quarter of 1979, when Volcker took office,

the national debt was \$817 billion. By the end of fiscal year 1985 (which ends Sept. 30 of next year), the national debt will be at least \$1,828 billion.

It could be larger. The Reagan administration is predicting a \$205 billion budget deficit for fiscal year 1985 premised on a 4% real rate of growth in Gross National Product (GNP). However, that isn't going to materialize. The GNP may grow as little as +1% or may even become negative. That could swell the deficit to \$250 or \$300 billion.

Volcker brought about this situation in three principal ways: First, he collapsed the economic activity, and hence the revenue base, of the nation by plunging the United States into three successive dips of an ever-worsening economic collapse. This has cost the United States \$500 billion in lost tax revenues since 1979. Second, he has swelled the interest on the public debt by an amount more than \$150 billion. Third, he has added more than \$70 billion in pay-outs for unemployment benefits, and food stamps, etc., due to unemployment.

Each year that a nation runs a budget deficit, government securities are being sold as Treasury debt, and the total for that year is added onto the outstanding national debt. Were the country to run a budget surplus, the national debt would be reduced accordingly. Up to the time of Paul Volcker, except the war year of 1943, the United States had only one year in which the national budget deficit was larger than \$50 billion per year. That year was 1976. A national budget deficit of \$50 billion was unheard of and had to be accounted for by an extraordinary event such as World War II or the effects of the oil shock, as in 1976.

But under Volcker, not only has the \$50 billion deficit become common. The United States has run a \$200 billion deficit (fiscal year 1983), four times the highest amount ever. Two hundred billion dollars is more than the deficit for all 12 combined years of Franklin Delano Roosevelt's term, including the cost of World War II. Clearly, the best thing President Reagan can do to reduce the budget deficit is to fire Volcker and eliminate the *fondi* control over the lifeblood of our economy.

The investment bankers behind Kissinger Associates, Inc.

by Christopher White

In the two and a half years of its existence, Henry Kissinger's international consulting company, Kissinger Associates, has become perhaps the principal conduit for the implementation of oligarchic policy around the world. Katharine Graham's *Washington Post* notwithstanding, the accumulated influence of Kissinger Associates does not depend on anything to do with the degenerate agent of Russian influence whose name was appropriated in the title of the company. It is the financial forces that pooled their power in the front group known as Kissinger Associates that made the outfit what it became. Here, spanning four continents, we find a collection of the world's most powerful insurance companies and banks, the institutions which control the world grain trade, and the illegal world drug trade. As recent investigations have shown, wherever there is large-scale drug dealing, there are always terrorism and political assassinations.

The members of the board of Kissinger Associates are divided into two types. There are those who worked with Henry Kissinger, inside the U.S. government, during the years Henry was secretary of state, and there are the others. The others are the more important reflections of the power behind Kissinger Associates.

In the first category are: **William D. Rogers**, a former under-secretary in the State Department; **Brent Scowcroft**, a former aide to the Kissinger National Security Council, and national security adviser; **Lawrence Eagleburger**, diplomat who rose to the highest position in the permanent foreign service; and **William Simon**, a former treasury secretary, and cabinet member in the Nixon and Ford administrations.

In the second category there are three Americans: **Robert O. Anderson**, the head of the Atlantic Richfield oil company, board member of the Aspen Institute; **Thomas Jefferson Cunningham III**, the vice chairman of Kissinger Associates inside the United States, and **Edward Palmer**, the former president of Citibank. Citibank is heavily connected to the Nazi-backing Swiss **Isselin** family, and to the **Nestle's** interests. Cunningham is a governor of one of the major contemporary policy-making circuits in Britain, known as **Ditchley Park**, was a former chief of international operations for David Rockefeller's Chase Manhattan Bank, and has been associated with leading Canadian banks, **Wood Gundy** and the **Royal Bank of Canada**, as well as being senior international

adviser to the British **Midland Bank**, and its U.S. subsidiary **Crocker National Bank**.

Other American interests represented on the board include **Goldman Sachs**, **E.F. Hutton**, and **ITT**. William D. Rogers, formerly the attorney for Nicaragua, now attorney for Henry Kissinger, represents the law firm from which the notorious **Institute for Policy Studies** of **Marcus Raskin** and **Richard Barnett** was founded, but which now concentrates some of the top financial warfare specialists in the United States in its ranks, including former senior officials at the **Federal Reserve Board**, and the **Securities and Exchange Commission**, such as John D. Hawke, Jr., Robert E. Mannion, and John Fedders.

The non-Americans in category two include: **Signor Mario D'Urso** of the American investment conglomerate **Shearson-Lehman-American Express** and the **Jefferson Insurance Company**. The Jefferson Insurance Company is the U.S. arm of the world's premier insurance companies, the **Assicurazioni Generali di Venezia** and the **Riunione Adriatica di Sicurta**, which are still the family fiefdoms of such old Venetian families as the **Giustiniani** and the **Luzzattos**, and allied families from other sections of the Italian old nobility such as the **Dorias**. Signor D'Urso has provided escort services for the British royal family's **Princess Margaret**.

This complex of insurance companies hooks up with the notorious grain cartel of companies such as **André**, **Cargill**, **Continental**, **Bunge**, and **Dreyfus**. The relationship is typified by another associate of Kissinger's from his days in the Nixon administration, **Nathaniel Samuels**, an associate of D'Urso with Shearson-Amex and Jefferson Insurance, and chairman of the **Louis-Dreyfus Holding Company Inc.** in the United States, and Director of the **Banque Louis-Dreyfus of Paris**. This was the Bank which, in the 1960s, funded the notorious **Permindex** organization's assassination operations against President John F. Kennedy and Charles de Gaulle of France.

Among the other non-Americans are Britain's **Lord Peter Carrington**, who, before his seconding to NATO, was the actual head of Kissinger Associates. Carrington was most closely associated with Britain's **Barclays Bank** and the **Hambros** investment house. Barclays is in turn closely related to the **André Company** and its U.S. affiliate, **The Gar-**

nac Corporation, which handles the activities of the Soviet foreign trade agency **Amtorg** inside the United States, and to the Continental Grain company of Michel Fribourg, and its partner, the Venetian **Recanati** family of Barclays' Israeli associate, the **Israel Discount Bank**.

André has most recently backed the Khalistan Sikh separatists of **Chauhan Singh**, the circles who killed Indian Prime Minister Indira Gandhi, and have targeted India's major food producing region, and backed separatism in southern India among the Tamils.

Lord Carrington was replaced on the board of Kissinger Associates this past summer by **Lord Eric Roll of Ipsden**. Roll, with the London merchant bank of **S.G. Warburg**, has like his British friends Harold Lever and Jeremy Morse, backed so-called New Bretton Woods type plans to reorganize the bankrupt international credit and monetary system into a new genocidal form of imperial domination of the nations.

Over the summer the financial interests with which Roll is associated were reorganized under the umbrella of the Warburg holding company **Mercury Securities**. Merged with Mercury and the Warburg interests were: the London stockbroker **Mullens**, the investment house **Rowe and Pitman**, and the stockbroker **Akroyd and Smithers**. Mullens is the house which handles the sale of British government debt on behalf of the **Bank of England**. It is deployed from the Bank of England. Rowe and Pitman is the investment broker for the **British royal family**, handling the royal family's foreign investment portfolio. Both houses have handled these functions for more than 200 years. Akroyd and Smithers is one of the top two City of London investment houses.

At the same time **Charter Consolidated** of the **Oppenheimer** gold and diamond mining and distribution interests, bought a 9% share in this new Warburg-headed consortium. Like André and Warburg, the Oppenheimer interests have maintained their own arrangements with the Russian central bank, the **Gosbank**, most recently dating from a 1979 agreement on world gold marketing, which was exposed in this magazine at the time. Warburg is then hooked up with the largest private banking operation in France, the **Banque de Paris et des Pays Bas**, which again overlaps into the direct sphere of the Venetian family insurance companies.

The European side of the Kissinger-fronted organization is completed by **Pehr Gyllenhammer**, the chairman of the Swedish **Volvo** company, a representative of the **Wallenberg** interests and the **Scania Insurance Company**. From this post in the far north, roads again lead eastward to Leningrad and Moscow, and southward into the Venetian insurance company complex again.

But Kissinger Associates is not limited to Europe in its operations. There is an Asian side, too, represented by **Sir Y. K. Kan** of Hong Kong and **Saburo Okita** former foreign minister of Japan. Okita is a member of the **Trilateral Commission** and the genocidal **Club of Rome**. Y. K. Kan, former

chairman of the **Hong Kong Trade Development Council**, is associated with the four Chinese families which run the Hong Kong-based **Bank of East Asia**.

Bank of East Asia gained distinction last year in forming the first joint arrangement with the central bank of the People's Republic of China, the **Bank of China**. Together with **Société Générale** of Paris, a leasing company was formed with the Bank of China called **Tri-Lease International Ltd**. Among its first ventures inside China was the establishment of a **Club Méditerranée** resort inside one of China's fabled free-enterprise zones.

This arrangement is Henry Kissinger's second business venture with the Bank of China, the first being the Chinese state-backed, Hong Kong-based **Everbright Industrial Corporation**, headed by **Wang Guang Ying**, the brother-in-law of former PRC premier **Liu Shaoqi**. This venture was established as a vehicle for trade with Pakistan and Egypt, among other places.

Otherwise the Bank of East Asia is itself a partner with S.G. Warburg of London in **East Asia Warburg**, which is, in turn, another joint project with the Bank of China. **David Li**, the present chairman of the bank is also chairman of the **Hong Kong Chinese Banks' Association**.

Hong Kong is of course the principal financial center for the international trade in opium and its derivatives, a trade which has long been the basis for the financial power of the island colony's leading bank, the **Hong Kong and Shanghai Bank**, which is the bank of issue for the colony, handling over half of the deposits within its banking system.

Thus, as the British monarchy has negotiated terms for ending lease agreements between the colony and mainland China, the old opium tongs, like **Swires**, have moved out into such new locations as the **Bahamas**. Under the terms of this shift the Caribbean basin is being built up as a major drug supplier to the United States, with the island of **Jamaica** one of the major centers of the trade. The accelerating growth of the drug economy of Jamaica took place while Eagleburger was in charge of the relevant aspects of policy at the Department of State. During the same period, Y. K. Kan was brought into Miami, Florida, in his capacity as chairman of the Hong Kong Trade Development Council, for a joint conference of Jamaican and Hong Kong banking interests to discuss the growth of "trade and cooperation" between the two colonies of the British empire. Even the *New York Times*, in a recent series on marijuana, has pointed out the role of Eagleburger in promoting the growth of the weed.

Financial power, drugs, terrorism, and political assassination, are the capabilities gathered together in Kissinger Associates for the families which run the private fortunes which in turn aspire to dispose of the world, as if they were gods. To break the power of Henry Kissinger over the U.S. government is also to begin to break the power of this financial oligarchy which seeks to arrogate to its own account, the destiny of the world.

Olivetti's man to bankrupt Italy

by Liliana Gorini

Is he really the "man of the year" in Italy, as the Italian press portrays him in "opinion polls," according to which he is the most popular minister in years? Or is he an accomplice of the Italian Communist Party in imposing a "technocratic presidential government" in which he would be prime minister and the Communist Party the main component, with a program "better suited to a Marxist-Leninist regime in Nicaragua than Italy," as was stated by the Social Democratic leader and parliamentarian Massara? Who is the Italian Finance Minister Bruno Visentini, who has been recently at the center of the biggest battle ever over his tax plan, which is opposed by millions of self-employed workers and family businesses who see themselves threatened with destruction by it, and fervently supported by the communist-influenced trade union federation CGIL-CISL-UIL, because it would "divide sacrifices" among all?

When all the Italian parties asked for fundamental changes in his plan during a parliamentary debate because many clauses of the bill violate the Italian Constitution, he refused to change a single comma, stating proudly that "his philosophy is more important than the parliamentary requests," and that he "has the courage of being unpopular." What is this philosophy of Visentini's, in the name of which thousands of shops and family businesses should simply cease to exist? Is he really the "gentleman," the "man above the parties," the "expert free of any political game" daily praised by the press, which accuse his foes of defending the privileged and even of acting like the truck drivers in Chile?

A Venetian financier

Bruno Visentini was born in Treviso near Venice in 1914 and now lives in Rome. He graduated from law school, and taught commercial law at a university. A turning point in his life was during the Resistance to Mussolini, when he was a founding member of the Partito d' Azione, the party created by British intelligence to make sure that the Italian Resistance would be totally controlled by the British secret services and that the Italian population would not emerge with a sense of

national pride from the ruins of the war. In 1950, he became vice-president of IRI, the Italian state-owned company, and finally in 1964 he was named president of Olivetti, the Italian computer and telecommunications giant which he still controls through the Olivetti Foundation, which he chairs, and through the new president of Olivetti, Carlo De Benedetti, his close associate.

Visentini was also vice-president of the Italian industrialists' association Confindustria in 1974. In 1972, he replaced the late Ugo La Malfa as president of the tiny but powerful Italian Republican Party. He is also president of the Cini Foundation, the Venetian oligarchical center which determines "cultural" and political trends not only in Italy but throughout Europe, and which hosts Aspen Italy and has a large share in the Venetian insurance company Assicurazioni Generali.

He has been in several Italian governments, and particularly in those which involved a voting bloc with the Italian Communist Party around a program of brutal austerity to pay back Italy's debt to the International Monetary Fund. For example, he was vice-premier and budget minister in the second Andreotti government, known in Italy as the "government of national solidarity" because, for the first time, the Italian Communist Party blocked with the majority in order to impose "equal sacrifices" on all.

Visentini and De Benedetti share not only a Venetian background, but also a very clear pro-communist tendency. During the Italian national elections in 1983, they launched a campaign to form what Communist Party head Enrico Berlinguer called during a TV debate with De Benedetti "a government decoupled from the parties" and led by "technocrats" and "experts," under which cover communist ministers could be allowed in the government. To justify this proposal, Visentini and De Benedetti declared that the "firm Italy" was bankrupt and that its "board," i.e., the Italian Parliament and the parties, had to be deprived of any decision-making power in economics and finance and replaced by "experts" or "technocrats." The "firm" Italy should be put under "receivership" according to them, and placed in the hands of those who can really balance the state budget, cutting the cost of living escalator, and imposing heavy taxes on all households.

This is the program agreed upon by Visentini, De Benedetti, and the Italian communists and peddled to the dupes as "fiscal equity." This is why the Italian trade union federation, led by the Communist-controlled CGIL, even held a general strike in support of Visentini on Nov. 21, with banners and buttons such as "I pay taxes, and you?" The worries expressed by parliamentarian Massara concerning a "technocratic presidential government with Visentini as prime minister and the PCI" are not far from reality if one considers that the Italian Communist Party, formally in the opposition, is considering abstaining from the parliamentary vote on Visentini's plan, entering de facto into the majority, and that Giorgio Benvenuto, head of the trade union UIL, one of the

three making up the CGIL-CISL-UIL federation, has already compiled for Visentini long lists of names and addresses of "tax evaders" identified by his "hounds," as the press calls them. It is thanks to the trade-union propaganda that many normal citizens in Italy really believe that Visentini will finally "force the rich to pay taxes," and delude themselves that their own incomes will thus be spared further cuts.

Tax-collection to enrich Olivetti?

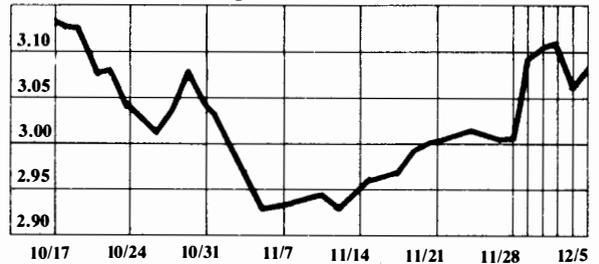
When they praise his "just" fiscal plan, the newspapers and the Communist leaders inevitably fail to report that Visentini is not at all "above all parties," and that he, still heavily involved in Olivetti's business, is guilty of serving "private interests in public office." Visentini's plan in fact forces all shops and self-employed workers to buy expensive cash-registers which would allow the revenue services to check their income and tax almost 40% of it. The idea of the cash registers was discussed by Visentini and De Benedetti when the former was still president of Olivetti and the latter managing director. Then Visentini just happened to accept the post of finance minister in the Craxi government, even though it was not the "technocratic government" he wanted, and immediately presented his tax package, which will enrich Olivetti if only by the forced buying of at least one-million cash registers by the shops. But where will the three-billion liras collected by Visentini by taxing 40% of all self-employed incomes go? Certainly not to pay back the wage-cuts of the workers, who were duped to believe that all their troubles were due to the privileges of the shopkeepers and the middle class. Officially they will go to pay back Italy's debt, which was transformed into treasury bonds, more than half of which are property of big companies such as Olivetti, FIAT, Pirelli, and so on. Once again Olivetti will earn plenty, thanks to this "honest gentleman above all parties."

Bruno Visentini hates Italian blue collar workers as much as he hates the self-employed. For him, the war between different categories of workers launched by the trade unions is only a means to destroy both. His "philosophy" is his dream of a technetronic post-industrial society, in which goods-producing factories are shut down, in which the large networks of small shops emanating an aura of prosperity in the streets of Italy are closed and only the "sunrise industries," computers and telecommunications, of his friend De Benedetti grow. Not by chance, the Cini Foundation just organized a conference on the "conversion" of the Italian economy from heavy industry to computers and telecommunications. Visentini hopes to soon see all Italy looking like oligarchical Venice in the 16th century: rich thanks to usurious banking and slave-trading, and full of spies who, like the "bravos" who targeted their victims by writing the name on a piece of paper and throwing it into the mouth of a stone lion in St. Mark's Square, will denounce their neighbors or even their relatives to the public treasury in the hope of being spared themselves.

Currency Rates

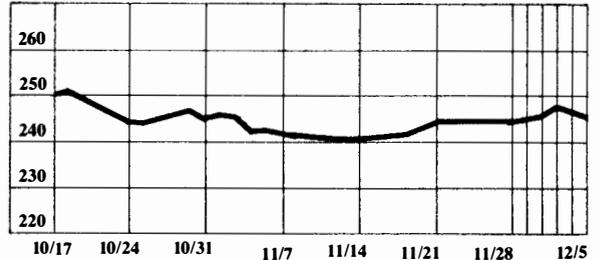
The dollar in deutschemarks

New York late afternoon fixing



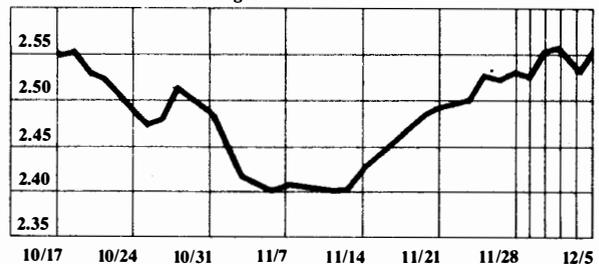
The dollar in yen

New York late afternoon fixing



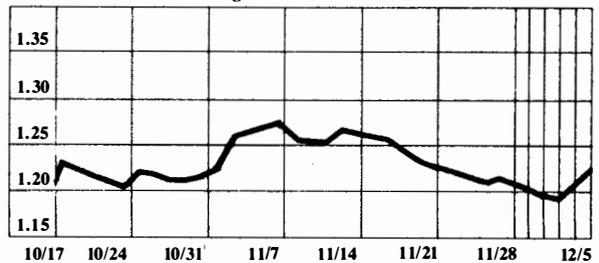
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



A 'lenders' strike'?

The budget-busters are threatening President Reagan with capital outflows.

Congressional Budget Office director Rudolph Penner told a seminar held at the American Enterprise Institute in Washington, D.C., on Dec. 3 that the United States is now dependent on foreign capital inflows, and that matters could become extremely serious if inflows dry up. This is an argument first offered by Federal Reserve chairman Paul Volcker in July, and again as recently as last week; it was also the central thrust of the International Monetary Fund's *Annual Report* of September. The IMF warned of a "precipitous drop in the dollar" unless the United States took urgent measures to reduce its budget deficit, i.e., through unilateral disarmament.

Penner echoed the IMF's imprecation, warning that there might be "an international lenders' strike" and it "could be very serious business indeed." He added that the CBO is not forecasting such a development, but said that the reliance on foreign capital "poses a big risk."

At the same conference, Malcolm Fraser, former Australian prime minister, warned that international money managers were waiting to see if the administration cuts the deficit, arguing that they don't believe that the United States can go on spending more than it takes in year after year. "Heavy U.S. reliance on foreign capital is simply not a sustainable position," Fraser concluded.

The administration's spokesman at the affair, Council of Economic Advisors economist William Poole, re-

jected these warnings out of hand. It is wrong to say that the U.S. dollar can't remain high for the foreseeable future, Poole maintained, as long as the United States maintains a strong investment climate. He argued that those who insist the dollar will fall if no action is taken on the U.S. budget deficit and those who say the dollar will fall if the deficit is cut sharply, can't both be right.

The Council of Economic Advisors' position appears unchanged from its January 1984 *Economic Report to the President*, the thrust of which was to report the \$100 billion per annum and up capital inflow into the United States as a permanent condition of financial life during the 1980s, and a major source of financing for the federal budget deficit.

Some administration economic advisors are less sure. One White House economist worries that a collapse of oil prices early in 1985 could spark a generalized banking crisis, and bring the dollar down in its wake. This perception is accurate, but too limited in scope. The post-winter collapse of oil prices will be flanked by 1) a rapidly declining American economy, 2) the worst of the post-harvest wave of farm bankruptcies, 3) rapidly falling U.S. commercial real-estate prices, and 4) the re-emergence with full vengeance of the Ibero-American debt crisis.

As long as the U.S. Federal Reserve System can play usurer to the world, there is no reason for the dol-

lar, the vehicle for such usury, to decline. However, when the results of such usury undermine the financial institutions which issue dollar credit, the dollar's role as reserve and lending currency will disappear, perhaps in a matter of weeks, and the unprecedented weakness of America's trade balance will destroy the dollar exchange rate.

The oil price issue is central for one reason, namely, that a huge portion of the bloated debt structures of the past decade are based on an artificially high oil price. The most recent developments among the oil producers suggest that the oil price will fall sharply below the present \$28-\$29 level as soon as the winter is past.

Norway, whose price cuts last month prompted reciprocal British cuts and an emergency reduction in OPEC production quotas, is said to be on the verge of a further price reduction, under pressure from Norwegian oil customers. Rather than set prices during the week of Dec. 3 as expected, the Norwegian government delayed the decision until the end of December, "to avoid disruption of world oil markets."

Britain's national oil company, meanwhile, is reportedly on the verge of changing its own price system to match the so-called spot price, the daily-fluctuating price of the 10% or so of world oil consumption sold outside of regular supply contracts. This extraordinary measure would end the de facto cooperation of major oil producers with the OPEC group, and guarantee a plunge of world oil prices in its immediate wake.

The foreign creditors of the United States are, indeed, preparing a lenders' strike, but not in the form that Rudolph Penner's remarks might suggest. The British maneuver suggests a more devious, and more fatal, means of achieving the same result.

Pushing Argentina to the wall

The new deal on the foreign debt constitutes "subversion by the IMF," Ibero-American leaders say.

The New York banks' agreement to stretch out some \$25 billion of Argentina's foreign debt Dec. 2 is not meant to end Argentina's debt crisis, but is part of Henry Kissinger's Trilateral Commission plan to "Iranize" Argentina and render it ungovernable.

In late 1982, Kissinger warned Argentine business associates to take all assets out of Argentina because "terrible things will happen there." Kissinger traveled to Argentina this September and "profiled" leaders. At a private New York lunch for Argentine creditors Sept. 25, Kissinger told bankers to push Argentina to the wall.

Argentina can still break profile. But under the Trilateral plan, they will get no real new money, interest rates will be raised, and austerity dictated by the International Monetary Fund will create social chaos. "The IMF is the best ally of subversion in Latin America," former Venezuelan President Luis Herrera Campins told a press conference Dec. 5. "The IMF is all that is needed for subversion, and more than enough."

Argentina was targeted by the banks for harsher terms than offered Mexico, Brazil, and Venezuela in recent reschedulings because it might lead a debtors' cartel. The Kissinger strategy was to "pick off" debtors, by offering Mexico and Brazil easy terms earlier this year. Now they have isolated Argentina.

The banks will stretch out \$25 billion in principal due in 1984 and 1985—which Argentina could never pay in any case—over 10 years. But

the interest will rise to 1.25% over the 11.25% U.S. prime rate, plus a front-end "rescheduling fee" that makes the effective rate 13.25%. Bankers call the rate "enticing."

In order to temporarily clean up banks' books and enable Argentina to pay most of the \$1 billion it owes in past-due interest—which would otherwise force Manufacturers Hanover and other lenders to take losses as of Dec. 31—Argentina is also to be given \$3.7 billion in "new loans" during the next three years—all of it "to pay interest."

But the banks won't even hand this money to themselves right away. Instead, the U.S. Treasury, desperate to put on the show that IMF austerity can solve the debt crisis, will give Argentina a \$500 million "bridge loan" as soon as the banks sign the deal. Argentina is committed to using that \$500 million, plus \$250 million of its own, to make overdue interest payments immediately.

For this "agreement in principle" with the 11-bank creditor steering committee to go into effect, it has to be approved by Christmas by Argentina's 350 creditor banks. They will only sign if Argentina agrees to the harsh IMF austerity program: reducing real wages by about 20%, further restricting imports, and exporting everything in sight. Tight money has already caused interest rates of over 1,000%.

Argentine Industrial Union vice-president Arnaldo Etchart termed it, "A very harsh adjustment . . . real

wages will fall, business will turn negative."

The banks, of course, may refuse to sign the agreement at all, playing a cat-and-mouse game to further undermine the government. "Nobody is in a hurry to accommodate Argentina," one banker told the *Washington Post*. "There isn't a lot of enthusiasm for Argentina," said another.

Bankers claim that Argentine debt negotiators backed down right after Kissinger's trip in September. "Of course, the earnings are important," said one, "but more significant to most of us is the decided change of mood of the Argentines in this last round."

Bankers told the *Wall Street Journal* Dec. 3 that Argentine President Raul Alfonsín personally has been pressured into concessions. On Nov. 25, a bomb exploded at the site of one of his speaking engagements. The Interior Ministry announced arrests in a second "plot by top people in high places" to kill him. The City of London's *Financial Times* warned Nov. 27 of "a time bomb for Sr. Alfonsín. . . . What would happen in Argentina if the assassin's bullet found its target?"

The Trilateral Commission's use of the debt crisis is political. The banks are not concerned with payment, but with keeping the Ibero-Americans playing the debt game politically, dangling "solutions" which only wreck debtor economies more deeply. The important thing is control over the debtors' economies. Foreign bank representatives in Buenos Aires say that "with a lot of nerve you can make 25% a month profits" on under-the-counter lending to strapped Argentine industrialists and farmers. Citibank, for example, made 20% of its global 1984 profits in Brazil; most of the cash came from loan-shark loans in Brazilian cruzeiros to strapped Brazilian industry.

Business Briefs

Operation Juárez

Peronists repudiate acceding to IMF

Argentina's Peronist-run General Labor Confederation (CGT) declared on Dec. 6: "We are indignant that the government subordinates the sovereign interests of the people to a socio-economic policy seriously compromised by the impositions of the International Monetary Fund. . . . We workers are not willing to pay the foreign debt nor put up with starvation wages nor for retired co-workers earning \$110 after having sacrificed their working lives to making the country greater."

The labor unions called for all sectors of the country to unite against the IMF-dictated policies. Peronist legislators responded in similar tones.

The CGT boycotted official briefings on the deal with the bankers and announced that it would no longer participate in talks with a government which wanted merely to use it as "a figurehead" for austerity policies.

International Trade

Is Malta becoming a new off-shore haven?

The strategic Mediterranean island of Malta is rapidly becoming a crossroads for East-West traffic, according to the West German media. The *Süddeutsche Zeitung* of Munich reported on Dec. 4 that Malta is becoming a new "springboard" for offshore deals between German firms, Arab countries such as Libya, and the Soviet Union.

According to the Munich paper, in recent months, since the withdrawal of British naval-basing treaty provisions following independence in 1980, Malta has become a peculiar offshore "tax-free" haven. Maltese gold reserves are reported to be at the astonishingly high level of 3 billion deutsche-marks, about double the per capita level for Germany. In recent weeks, Malta has signed trade deals with the Soviets for construction of a major new medical-technology facility and a major oil-import agreement with Qad-

dafi's Libya. West German firms are also building a grain silo in Malta with an 80,000-ton capacity, which will make it one of the largest in the Mediterranean. This could position the island to become an entrepôt for the vast East-West grain deals now ongoing via the Big Five grain-cartel companies.

Austerity

City of London attacks Italy's Craxi

In its daily survey on Dec. 4, the London *Financial Times* attacks the Craxi government of Italy with an article on the Italian economic and banking crisis entitled "Frustration on all sides." Author Alan Friedman accuses Craxi of failing "to come to grips with Italy's frightening public-sector deficit."

"The International Monetary Fund," says the *Times*, "warns periodically of the deficit being a 'time bomb' or a 'cancer'" and that "in a worst-case scenario the situation could deteriorate over the next few years to become a financial crisis." According to the paper, the reason for such a crisis would not be the conditionalities policy of the IMF, but the fact that "social programs are sacred to all political parties" and that "traditionally Italian budget cuts are met by stiff parliamentary resistance." The *Financial Times* notes that the "current effort to increase taxes on Italian shop-keepers caused 1 million of the shop-keepers to shut down and strike two weeks ago."

American Industry

Unemployment and factory orders fall

The Commerce Department reported a 2.5% drop in October orders for manufactured goods, including a 3.5% drop for durable goods and a 9.3% drop for non-defense capital goods. Both orders and the order backlog are roughly at their early-1984 level.

Meanwhile, the nation's civilian unem-

ployment rate allegedly fell 0.2% to 7.2% of the work force in November, from 7.4% in October, according to the Labor Department.

The department said that much of the employment gain was the result of larger than usual hiring in the retail sector—related to the holiday season. Other services also increased employment during the month.

Ibero-America

Japanese banker predicts Brazil loans

According to an official of the Bank of Tokyo, Brazil may start receiving voluntary loans from international commercial banks as early as next year.

"There is a possibility of new voluntary lending to Brazil next year or the year after" if Brazil continues to keep interest payments on principal current. Tomoo Miyazaki, senior managing director of the Bank of Tokyo said.

The Bank of Tokyo is one of Brazil's largest creditors. Brazil has heard such promises before.

Voluntary lending refers to loans that aren't part of the forced debt-rescheduling agreements that banks have had to make with most Ibero-American countries since 1982.

Tomoo Miyazaki said Brazil already has made "excellent progress" in adjusting its economy, especially its external accounts. At the cost of misery and hunger, the country is expected to have a trade surplus of at least \$13 billion this year, double the record \$6.5 billion surplus of 1983.

International Credit

Swiss bankers' group rejects SEC secrecy plan

A new dispute threatens to disrupt the already tense relationship between the U.S. Security and Exchanges Commission (SEC) and the Swiss banks. The Swiss Bankers'

Briefly

Association has firmly rejected SEC proposals to override banking secrecy laws of foreign nations when securities are bought and sold in the U.S. market.

In a letter to the SEC, the association accused the United States of "attempting to impose unilateral law" in U.S. securities transactions. It warned that the SEC's plan, which would apply to the direct and indirect sales and purchases of securities, could be an infringement of international law. In addition, the association said that the proposals could lead to a loss of business for U.S. brokers and stock exchanges.

The SEC asked interested parties in July to comment on a proposal that "the purchase or sale [of securities in the U.S.] would constitute an implied consent" to disclose information and relevant evidence.

The Invisible Hand

German government finds Greens in red

An official report on party finances compiled by the Federal Accounting Office of the West German government has found that the Green Party's finances are not sound, and do not accord with relevant laws.

The report, covering the 1979-84 period, documents that the Greens were never able to finance their operations through membership dues, but lived largely from state funds in the form of election campaign refund monies. In 1979, the Greens financed 98% of their operations through such funds, and in 1980, 80%. Even in 1983, with more Green Party members officially registered, the party relied on state funds for 70% of its operations. Since 1979, the federal organization of the Greens has been paid 45 million deutschmarks by Bonn—for politics fundamentally opposed to the government.

Under new party laws adopted last January, it is expected that the Greens will have to repay 50% of their "earnings" from the European Parliament election campaign, and there is some talk about prosecuting them for violating party funding laws.

Four Christian Democratic parliamentarians posed a parliamentary question regarding Green finances, and got official

confirmation from the office of the president of the parliamentary assembly that the Greens have failed to meet party funding laws. One of the four told *EIR*: "We definitely want to move against the Greens—this was just a beginning. We did it because the Greens thought they could teach other parties lessons on alleged bribery and other financial irregularities. . . . The reports here prove one thing very clearly: The Greens have violated laws, and they knew they did it."

In another prominent case, the pro-Green spokesman for the Social Democratic Party (SPD), Jo Leinen, also national spokesman of the BBU, the umbrella organization of European "ecologists," has failed to document how he spent a sum of between 80,000 and 105,000 deutschmarks which he received from the previous SPD government for "dialogue between state and citizens' groups." Christian Democrats investigating the case found that the money went to bank accounts which had—at least officially—nothing to do with his organization.

Additionally, the Interior Ministry in Bonn wants to take a more thorough look into the "East bloc connection" which is channeling at least 50 million deutschmarks into the Green movement annually.

Banking

More stringent regulations urged

William Poole, a member of President Reagan's Council of Economic Advisers, said on Dec. 5 that current banking regulations allow too much of banks' funds to remain protected by federal insuring agencies such as the FDIC. Poole said banks are now in a position to take whatever risks they like up to a point, and the FDIC takes the loss if the gamble fails.

To solve the problem, he suggested that strengthened capital requirements be put into place and that banks be required to have a set percentage of their deposits in unsecured notes.

Poole, who will leave the administration in January, said the requirements would "slow down and discipline" the rapid growth of banks and savings and loan institutions.

● **COLOMBIAN** President Belisario Betancur wound up a three-day visit to Mexico by reiterating "the need for the whole continent to integrate to be able to confront problems which overwhelm us, especially the foreign debt." Betancur was insistent that a meeting between the United States and Ibero-America to solve the debt problem take place during the next four months.

● **SUMITOMO** Bank has begun lending and borrowing dealings in the European Currency Unit, the second major Japanese commercial bank to do so, following the Bank of Tokyo. A company spokesman said the bank offered 6 million ECU (\$4.5 million) in loans to Daiwa Securities Co., and borrowed 5 million ECU (\$3.6 million) from Sumitomo Mutual Life Insurance Co. The use of the ECU has been a special project of Central European financial interests who seek a financial "decoupling" from the dollar.

● **THE PRESIDENTIAL** Commission on Organized Crime was told by a Colombian launderer of drug money how he laundered more than \$250 million in drug money through several financial institutions. He presented testimony especially against the Great American Bank of Miami and the New York branch of the exchange house Deak-Perera.

● **DEAK & CO.**, the holding company that owns Deak-Perera U.S., Inc., one of the largest non-bank foreign currency and precious metals trading firms, filed for reorganization under the U.S. Bankruptcy Code. The bankruptcy-court petition didn't include Deak-Perera U.S. nor the separately owned Deak National Bank. Also excluded was Deak & Co.'s blocked-funds unit, which helps companies with foreign operations bring back funds to the U.S. when they have been tied up in foreign currencies due to foreign government restrictions.

U.S. Central America policy: Bring back the Monroe Doctrine!

by Susan Welsh

At an international conference near Washington, D.C. Nov. 24-25, the Schiller Institute called for the new Reagan administration to take up the 1823 Monroe Doctrine of John Quincy Adams as the basis for a thorough revamping of United States foreign policy. That doctrine formed the foundation for a community of principle between the nations of North and South America, and for excluding marauding European colonial powers from the affairs of the hemisphere. Lyndon H. LaRouche, Jr., in his speech to the conference, declared that the Monroe Doctrine must now be expanded in scope, to include the republics of Europe, and those nations of Africa and Asia that are aspiring to free themselves from the last vestiges of colonialism.

"This must not be misinterpreted," LaRouche cautioned; "it does not mean, and should not be misunderstood to mean, a kind of imperial domination exercised by the United States. It must be a pact of friendship and alliance among republics which are each fully equal in respect to their sovereignty in all matters of economic and political life. Among the ranks of its friends, the United States must never aspire to anything more than the status of first among equals."

The Schiller Institute's conference was attended by nearly 2,000 people from 50 countries, and their aim was to shape the policy of the new Reagan administration at a time when the grip of Henry Kissinger and the Eastern Establishment over the presidency had been weakened by the overwhelming mandate which the President received on election day. "The United States of 1776 is not yet fully awakened," said LaRouche, "but forces within our government and among our citizens are sitting up and rubbing their eyes."

Subsequent panels at the conference, including those presentations which we highlight in this *Special Report*, took up the question of how this kind of transformation is to be achieved.

The urgency of this intervention is most clearly seen in the fast-moving developments around the Central America crisis. On Nov. 11, Defense Secretary Caspar Weinberger had issued warnings to Nicaragua, the Soviet Union, and its allies, invoking the Monroe Doctrine in reference to the threatened introduction of "of-



NSIPS/Philip Ulanowsky

The Schiller Institute is challenging the Reagan administration to relaunch the original conception of the Monroe Doctrine to deal with the crisis in Central America. This is a far cry from the gunboat diplomacy for debt collection advocated and practiced by Teddy Roosevelt, Henry Kissinger, and the International Monetary Fund. It would put U.S. relations with the other countries of the hemisphere on a new and positive footing. Here, Fernando Quijano addresses the panel on Central America at the Schiller Institute's conference.

fensive" weapons in Nicaragua by the Soviet Union. This hint at a U.S. military intervention was precisely the misunderstood notion of the Monroe Doctrine that LaRouche warned about in his speech two weeks later. Were the United States to launch an invasion of Nicaragua, it would merely play into the hands of Soviet strategic designs, leading to a withdrawal of American troops from Western Europe, as Henry Kissinger and his friends at Georgetown University's Center for Strategic and International Studies have demanded. In addition, every nation in Ibero-America would turn against the United States as a neo-colonialist threat to its own sovereignty, and would view this country as a marcher lord for the International Monetary Fund and the New York, Swiss, and London banks.

After the Schiller Institute's conference, an open fight over Central American policy broke out within the administration. Weinberger publicly attacked those State Department officials who are seeking to embroil the United States in a Vietnam-style military quagmire in Nicaragua. In a speech to the National Press Club on Nov. 28 (see article, page 56), the defense secretary carefully delineated the conditions under which a military action would occur. "The President will not allow our military forces to creep—or be drawn gradually—into a combat role in Central America or any other place in the world," he said. "And indeed our policy is designed to prevent the need for direct American involvement."

The Schiller Institute conference's panel on Central America was the principal forum for discussion of expanding the Monroe Doctrine. Fernando Quijano, Executive Committee member of the Ibero-American Labor Committees,

laid out the historical background of the doctrine, its basis in natural law, and the way it could be implemented today.

The economic policy of the United States toward the Third World, he said, represents a flagrant violation and betrayal of the Monroe Doctrine. The Ibero-American debt is now \$350 billion—a result of the high-interest-rate policies of the U.S. Federal Reserve and the International Monetary Fund's austerity measures, which the U.S. State Department and the Treasury have fully supported. The result has been the most unabashed colonialist looting the world has ever seen.

Quijano traced the thinking behind this to Teddy Roosevelt, whose "corollary" to the Monroe Doctrine stipulated that the United States could intervene in Ibero-America to enforce debt-collection. Roosevelt, like the British whom he emulated, was a thorough-going racist, who called the Ibero-Americans "Dagoes," because they were "unruly" and incapable of maintaining order. This is the ideology of Henry Kissinger and company today.

Debt, natural law, and the Monroe Doctrine

We continue with major excerpts from Mr. Quijano's subsequent discussion of debt, natural law, and the Monroe Doctrine.

The year is 1823, and the British Empire and the Holy Alliance are determined that the oligarchical system should not be further challenged by the formation of more constitutional republics modeled on the young United States. The Holy

Alliance wishes to deploy on behalf of Ferdinand VII of Spain and retake the formerly Spanish colonies in the New World. The British, more intelligently, wish to establish their pre-dominance over Ibero-America through a neo-colonial system of trade and loans, by offering an alternative to the Holy Alliance—the Holy Alliance that they had helped create, still coordinated in every conceivable machination, and were still a part of! The United States wisely does not fall for the trap of siding with Britain against the “bad” imperialists; instead, it issues the Monroe Doctrine on Dec. 2, 1823. It reads: “The American continents by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subject for future colonization by any European power. . . . It is impossible that the Allied powers should extend their political system to any portion of either continent [North and South America—F.Q.] without endangering our peace and happiness; nor can anyone believe that our southern brethren, if left to themselves, would adopt it of their own accord.” The author of the Monroe Doctrine, Secretary of State John Quincy Adams, had made clear even before this declaration that “the whole system of modern colonization was an abuse of government, and it was time that it should come to an end.” . . .

The Monroe Doctrine rests completely on the fundamental concepts of natural law and cannot be separated in any manner from the doctrine that went into the founding of the United States: George Washington, in his farewell address of 1796, stated: “Observe good faith and justice toward all nations. Cultivate peace and harmony with all. Religion and morality enjoin this conduct; and can it be, that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.” Washington, wanting to take no part in the oligarchical conflicts that were wrenching Europe, stated in the same address: “Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics. . . .”

The Monroe Doctrine evoked rage and anger in oligarchical Europe. Metternich, the idol and role-model of Henry Kissinger, stated: “In their indecent declarations they have cast blame and scorn on the institutions of Europe . . . in permitting themselves these unprovoked attacks, in fostering revolutions wherever they show themselves, in regretting those which have failed, in extending a helping hand to those which seem to prosper, they lend strength to the apostles of sedition, and reanimate the courage of every conspirator. If this flood of evil doctrines and pernicious examples should extend over the whole of America, what would become . . . of that conservative system which has saved Europe from complete dissolution?” Canning was more succinct but not less enraged: “We cannot acknowledge the right of any power

to *proclaim* such a principle; much less to bind other countries to the observance of it”! Kissinger is still enraged by it! . . .

Henry Kissinger and Teddy Roosevelt

The Monroe Doctrine, in its opposition to all form of colonialism and neo-colonialism, is being blatantly violated by Kissinger and by the U.S. government when they endorse the usurious debt collection of the likes of Paul Volcker, the IMF, and the New York, British, and Swiss bankers. That usury is colonialist! What is being implemented today is the Roosevelt corollary to the Monroe Doctrine, which is what Kissinger in his Central American Commission report bases himself on. The Teddy Roosevelt corollary stated that the United States had the right to intervene militarily in Ibero-America in order to re-establish order in cases of chaos and to ensure that the Ibero-American countries paid their debts to their European creditors! What did this have to do with the Monroe Doctrine, you wonder? Very little. Nevertheless, the argument went on to state that if an Ibero-American country did not pay its debts, then the European powers would be forced to intervene militarily and would reluctantly end up occupying the country in order to ensure “financial responsibility.” That obviously would violate the Monroe Doctrine, so better if the United States itself intervened militarily to collect the debt! Not only was Teddy Roosevelt failing to keep European oligarchical imperialist practices out of the New World; he was putting the United States at the service of those very practices—a violation of every principle enunciated by the founding fathers of the United States, contained in the U.S. Constitution, and expressed with total clarity in the Monroe Doctrine.

With no hesitancy in following the British example, Teddy Roosevelt’s corollary was implemented on numerous occasions: While the British had gone into Egypt to restore “financial responsibility” and ended up staying 70 years, the Marines went into Nicaragua in 1909 (no MiGs were found), again in 1912, and pretty much stayed there without interruption until 1933. The Marines went into the Dominican Republic and headed straight for the Treasury, took the gold and shipped it back to the New York bankers, and manned the customs houses in order to collect more. President Wilson, the man whom Jimmy Carter emulated, invaded Veracruz, Mexico in 1914, because the Mexican government and army there refused to raise the U.S. flag and give it a 21-gun salute as a form of an “apology” for an incident that had occurred with U.S. sailors. Examples are unlimited; my time allotted is not.

In counterposition to this, Ibero-America promulgated the Drago Doctrine. Luis Maria Drago, the Argentine foreign minister at the turn of the century, correctly basing himself on the Monroe Doctrine and on Alexander Hamilton, stated unequivocally that force could not be used to collect the debt. The incident that necessitated this pronouncement was the British, German, and Italian shelling and blockading of Ven-

ezuelan ports in retaliation for non-payment of the debt. It was this intervention which the British used to convince Teddy Roosevelt to issue his corollary.

That is, sovereignty cannot be conditioned and forced by individuals. Drago went to state that naturally this meant that all national sovereignties are equal and to be equally treated and respected, regardless of the power at their disposal—a principle which we in the Schiller Institute must insist on, for the violation of the sovereignty of a small and powerless Ibero-American or African country will be used as a precedent by the bankers dictating terms to the most powerful of sovereign states—the United States.

Today, the principles of the Monroe Doctrine are represented by Lyndon H. LaRouche. Not only has he demanded the implementation of that doctrine in the case of the Malvinas, but he has gone on to create an economic doctrine that would end colonialism once and for all—Operation Juárez. In all fairness, it must be mentioned here that U.S. Sen. Jesse Helms also called for the implementation of the Monroe Doctrine in the case of the Malvinas, but he has not been very clear on the issue of its violation by usurious debt collection.

The implementation of the doctrine

Now, the question is how do we apply the Monroe Doctrine in Central America? The answer is simple, the United States and Ibero-America must apply it *fully*. As the Monroe Doctrine states clearly, there can be no choosing between the “bad” imperialists and the “civilized colonialists,” between the Russian Empire and the Anglo-Swiss-American financial oligarchy. Both represent a deadly threat to the sovereignty, security, and continued existence of Ibero-America and the United States.

How do we prevent Russian MiGs from being installed? The MiGs could not have been introduced to Nicaragua if the State Department and National Security Council (NSC) of the United States had not consciously sabotaged the efforts to have a peace treaty signed between the Central American countries and the Contadora group in October. That protocol, which Nicaragua signed, prohibited the future introduction of weapons of that nature into Central America. Instead of the NSC gleefully leaking documents showing how successful it was in blocking the Contadora Treaty, it and the rest of the U.S. government should quickly rush to remove the U.S. impediments to the signing of that treaty, which would clear the way for the signing of it by the rest of the Central American countries—we probably still have time to stop the introduction of MiGs (and F-5s) in Central America if that procedure is followed. In fact, given the fact that the Contadora Group in its efforts for peace (Colombia, Mexico, Venezuela, and Panama) base themselves on their constitutions and the best tradition of inter-American law, documents which are coherent with and doctrines that are based on the Monroe Doctrine, the Drago Doctrine, and the LaRouche economic doctrine, I propose that the Schiller Institute give its full

support to the Contadora peace effort. If Contadora succeeds, we will have no MiGs.

Above all, if we are to guarantee the implementation of the Monroe Doctrine, we, the Schiller Institute, must prevent the military intervention of the United States into Central America. Kissinger has already declared Central America an area of “vital interest” to the United States, just like Britain had once declared Antwerp. In short, Kissinger wants the United States to abandon “moral precepts” and to apply British Hobbesian diplomacy through a military intervention into Central America. Meanwhile the Socialist International—in particular the German Social Democracy of Willy Brandt, et al., which today represents, with the Greenies, those old German imperial interests of the 19th and 20th centuries—is continuing the policy it has had since 1978, that of promoting as many provocations as possible by the Sandinistas and other juvenile delinquents in Central America. The Social Democrats are allied in this policy with the Russian Empire and the Jesuits with their liberation theology. This policy is not new—it has been tried before. Let me quote the Mexican foreign minister in 1912:

“I have received news from trustworthy sources, according to which Germany is pushing the United States to intervene militarily in Mexico with the purpose of tying the United States down to a prolonged war and thus making them the object of hatred throughout all of Latin America. While the United States would be stuck in this trap, Germany would try to present itself as the savior to the Latin American countries, and would begin colonizations and annexations in Latin America.”

That is the policy of the Russian Empire and the Social Democrats today. It is the policy of Kissinger—and no one knows for sure where his British Hobbesianism ends and his Marxist Hobbesianism begins. Kissinger just recently stated that he and Socialist International creature Olof Palme agree on Central America! It is a policy that is intended to decouple Western Europe from the United States—which again is the policy of Kissinger, the Socialist International, and the Soviets. And it is a policy that would cause such turmoil in the United States that the Strategic Defense Initiative, or “Star Wars” program, of the Reagan presidency would most likely perish. And again it is the Soviets, the Socialist International, and Kissinger who have publicly opposed the SDI. Therefore I think that it is a must that the Schiller Institute take the action necessary to banish Kissinger from every position of influence throughout the world, that he be declared *persona non grata* everywhere. I also think it essential that the same treatment be accorded the Socialist International.

To end, I would like to read an epigram by Schiller, “Dignity of Man”:

Stop now, I beg you. Stop talking. Let's feed him, provide him with shelter. Once Adam is clad, dignity comes by itself.

El Salvador's war of extermination

by Rutilio Remas Ayala

An eyewitness report from a journalist in El Salvador.

The constant campaigns to discredit El Salvador organized over the last several years by the foreign news media, principally that of the United States, constitute one more reason for writing this message. I say one more reason, because the primary and most tragic one of all is the guerrilla war that has caused the death of 50,000 Salvadorans and the destruction of one-third of our agricultural lands, the flight of our professionals, and the exile of our best labor-power, estimated at more than one-half million persons, many of whom have been unable to find relief abroad but only all sorts of miseries, including death in many cases.

I therefore take advantage of the opportunity the Schiller Institute affords me in the context of this very important international conference—which unfortunately I am unable to attend—to testify before you to the pain, suffering, and destruction of which the Salvadoran people have been victims. I append some statistical background reports to elaborate my point.

I also take this occasion to tell you that the agrarian reform carried out in my country over these last few years, contrary to what some politicians have reported insistently in the public media, has been a total failure, as was the reform carried out in Peru some 15 or 20 years ago—both reforms planned and executed by the same so-called specialized committees, the same individuals, and the same groups which deliberately waved the flag of social justice to destroy what little progress has been achieved in these countries over so many years.

I am honored to make this presentation through the international Schiller Institute which has opened its doors to all the underdeveloped countries and in particular to those of Latin America. The Schiller Institute, in its brief existence, has kept us abreast of the most important world developments, enabling us to know and understand the true roots of our chronic backwardness. It is the Schiller Institute which has opened our eyes. . . . It is Schiller who has shown us the pathway of hope, hope that is not utopian but realistic; a hope that Mr. Reagan, recently re-elected President of the most powerful nation on Earth, could realize through his government.

Once more the American people have told the world, through their vote, that they repudiate “zero growth” and similar policies; that they repudiate the moral collapse and cultural pessimism that overwhelms the United States and

Western world. Once more the American people have rejected the policies of the powerful groups of right and left which have created the current conditions of endless warfare, revolution, terrorism, large-scale drug-trafficking, and economic crisis that impose “austerity” (misery and hunger) upon the great majority of the human population.

President Reagan must know that his people are offering him a *second opportunity* to rule for the *Good*. The international forces that are consolidating to halt progress and social justice are complex and powerful, but unbreakable and stronger still is the will of the noble North American people with their fervent devotion to democracy, to social justice, to law and order. President Reagan should rely upon this noble potential within the American people and do everything in his power to stop these opposing forces which, wrapping themselves in apparently noble flags, mislead with such euphemistic phrases as “limits to growth,” “small is beautiful,” “what the ecologists could teach the economists,” “the dangers of the population explosion,” and similar nonsense. Taking advantage of the economic crisis, these emissaries of backwardness propose complex and vast programs of destabilization of governments and world economic disintegration. This has been the worst assault that the oligarchic, hegemonic, neocolonialist, and totalitarian socialist empires have launched against the material and spiritual life of humanity. President Reagan today has the opportunity to amend past policies, including those of his own government, which have given impetus to these insidious powers that Pope John Paul II calls “the culture of death.”

The war in El Salvador

Concretely, in El Salvador, we have seen how these forces prepared the environment which facilitated the corruption of successive governments, the class struggle, and finally the guerrilla war that gained strength when President Jimmy Carter named Robert E. White as ambassador to El Salvador. It was then that the tactics came to light which one Salvadoran newspaper described in the following way: “At the same time that the government is destabilized, the economy is destroyed and the red terror is set upon us.”

As *Executive Intelligence Review* correctly proved, Ambassador White was “the ambassador for the opposition,” and not to the established government in El Salvador. He strengthened those opposition parties militarily and ideologically trained by the Jesuits and other promoters of “liberation theology” which operated from the colleges and universities, as well as from the pulpits, to unleash this demographic war we are still suffering; a war that the Salvadoran armed forces could have brought to an end a long time ago.

With the appendix and this brief review I hope to give the audience and North American readers a view of the *harsh reality of this war of extermination* that has now been going on for more than five years in my country. Four U.S. nuns have died, along with other experts and advisers—unfortunate cases which have been commented upon innumerable

times in the foreign press. Yet for El Salvador, this infamous conflict has cost more than 50,000 lives! As one bishop has said: "The great powers provide the arms, El Salvador provides the corpses."

The following are some of the measures I consider urgent to undertake, not only for El Salvador but for the Western world in general:

Understanding the reality and the true cause of this war which continues to mow down Salvadoran youth and children, as well as this situation of continuous deterioration of our economy, we believe that emergency measures should be immediately taken, on a world scale, against the "limits to growth" and usurious policies of the international banks. The image of the United States, so deteriorated recently among countries that previously considered themselves friends, must be restored with works, with real deeds. I propose that, in El Salvador and on a world level, the following changes be implemented in some form:

"President Reagan must know that his people are offering him a second opportunity to rule for the Good. . . . He has the opportunity to amend past policies, including those of his own government, which have given impetus to these insidious powers that Pope John Paul II calls 'the culture of death.'"

1) Effect changes in the U.S. diplomatic corps, eliminating those representatives of policies of extermination such as the infamous Global 2000 Report and the neocolonialism of the International Monetary Fund. President Reagan has the word.

2) Considerably lighten the burden of the Third World debt by granting longer terms and very low interest rates.

3) Grant soft credits for high-tech development of agriculture and industry and not, as is occurring now, by conditioning credits to block private enterprise and reduce population growth-rates.

4) Promote the development and education of the people, through established channels, eliminate Malthusian policies of all types, and collaborate to promote free enterprise.

5) Help implement in Latin America the worthy recommendations contained within Lyndon LaRouche's study "Operation Juárez," so broadly known among leading circles throughout the Americas but so little acknowledged by the United States government and by the press and mass media of that country.

The IMF threatens Honduran democracy

by Ondina Sierra de Hodges

Mrs. Hodges is a journalist with Tegucigalpa in Honduras.

Honduras is a small Central American country which depends almost entirely on the exploitation of its natural resources for foreign exchange. . . . During the past few years, due to the high interest on international loans, countries like Honduras have found themselves in a very critical political and economic situation.

The International Monetary Fund, acting as the political weapon of the international bank consortium, has imposed severe restrictions on the government of Honduras. The point has arrived at which the government is no longer ruling the country, but the New York, London, and Swiss banks.

For the first time in many years, Honduras has a democratic government honestly elected by the majority of the people. This government has tried to improve the country and eliminate corruption, and is totally supported by the military. Nonetheless, the government has been forced to take unpopular measures such as a general increase in different taxes. The result of all this has been general discontent among the Honduran people, caused by the bankruptcy of private enterprise, and a worsening of the political situation both within and outside the country.

Responsibility for all this rests with the International Monetary Fund, which has blackmailed and threatened the government of Honduras with a cutoff of international aid if it does not accede to its demands. To comply with these demands, the government is forced to enter a vicious circle, constantly increasing taxes to satisfy the voracious appetite of the IMF.

I, as a citizen of Honduras who in the beginning had great hope for our infant democracy, today feel disillusioned and concerned for our future.

The U.S. government must understand that true capitalist democracy will not preserve itself with arms, but with work and social well-being. Honduras needs a breathing space, a lowering of interest rates on international loans, and time for its young democracy to become institutionalized. Our industries must be rehabilitated and modernized. Import taxes must be lowered and industrialists given access to low-interest credit.

If the economic situation in Honduras and Central America could be resolved by giving a job to all who need and want it, the political problem of Marxism, which feeds on discontent and frustration, would cease to exist.

U.S. must end support for the fascist PAN

by Angel Mario Vázquez Jiménez

Speech by Mr. Vázquez, a journalist for the newspaper of the Mexican Workers' Federation (CTM), the main labor sector of the ruling Institutional Revolutionary Party (PRI).

Mexico, our fatherland, has traditionally been a peaceful nation. We never assaulted any country, but we have been the victim of treacherous aggressions, adventurist appetites, and even of the loss of a large part of our territory. Mexico has stoically endeavored to change itself into a nation which respects others, in hope of being itself respected.

It could be said that our country began its reconstruction in 1917, the year in which the Mexican Revolution brought forth an excellent and wise constitution, a model of social aspirations and democratic goals. Mexico has not been searching for its destiny for long, but its noble and legitimate aspirations are today seriously threatened by the intervention of foreign perfidy, which, not satisfied with economic subjugation, seeks total possession of our country.

On these precedents, I, in my role as president of the Anti-PAN Popular Front, come before this international forum to protest the open and shameless intervention my country has had from U.S. Ambassador John Gavin, who surprisingly has Mexican roots. In fact, the defiant and arrogant attitude of the United States ambassador to Mexico is unmatched, in the view of the diplomatic corps in Mexico City. Although there have been other U.S. ambassadors with harmful plans, those ambassadors knew how to display an image of non-interference in the internal affairs of our country.

During the past two years, top officers of the U.S. embassy have met at least three times with representatives of the Sonora oligarchy to conspire and launch a plot to assure the victory of PAN leader Adalberto Rosas Lopez, in the race for governor of Sonora, the state which borders on Arizona, during the coming 1985 elections.

To give an idea of what this means, I suggest that these meetings are the same as if the U.S. ambassador in Iran had exhibited himself in the streets of Teheran embracing the Ayatollah Khomeini at the beginning of the destabilization of the Shah's regime. The Mexican people have clearly interpreted Gavin's signals: The United States has given the green light to destabilizing Mexico and has decided to employ the National Action Party (PAN) as its battering ram.



Mario Vázquez at the Schiller Institute conference.

The State Department and the PAN

The PAN was founded in Mexico in 1939 as an explicit reaction against the oil nationalization decreed in 1938 by President Lazaro Cardenas. Even today, National Action representatives place a reversal of the valiant decision of Cardenas near the top of their economic and political program. They would hand over Pemex [Mexico's national oil company—ed.] to frontmen for foreigners. National Action was inspired by Nazi-fascist ideology, and it still is. That's the kind of ideas it propagandizes. For example, José Angel Conchello, the renowned PAN ideologue, explicitly advocates the economic model of Hitler's minister, Hjalmar Schacht, in several of his books. I quote him: "Mexico's economic program needs the ideas of a great banker, Hjalmar Schacht, chief of German banking during Hitler's empire. We need to invest physical labor to create capital. . . ." And this is the very same José Angel Conchello who was a guest of honor at the recent Republican Party convention in Dallas!

We do not know if President Ronald Reagan knows about this. Does President Reagan know that while he is preoccupied with Nicaragua, the State Department finances, promotes, and supports a party which has an active alliance with the ultra-left in Mexico? The Nicaragua reference is not only ironic. Support for National Action in the northern part of Mexico and threats of a U.S. invasion of Central America are seen by Mexico as a "pincer operation." While conditions are provoked for a civil war on Mexico's northern border, the southern border smells of the possibility for a new Vietnam in Central America. We also know that the State Department's tactics do not exclude other kinds of infiltration and operations which help PANism.

For example, the U.S. press, which is read daily by Mexican businessmen, "predicts" that the PAN will win, eight months before the elections. In particular, it predicts

without a blush that the PAN will win in the state of Sonora, where I live, a state which, having played a major role in the Mexican Revolution and now being the greatest food-growing state, has considerable political importance.

That same press and State Department have devoted themselves to propagating the lie that "Mexico is going communist." Every time my country has taken measures to slow the bloodletting from capital flight, speculation, and usury, the "communist" label is pinned on us. The truth is that Mexico's political system operates under different postulates from the false "left-right" geometry. We follow postulates of social justice and democracy which have served to keep the peace and progress of our country.

Now that this is threatened, we came to this respectable forum not only to give our solidarity to our brother countries of Africa, India, and the Central and South American peoples. We also came to alert the generous people of the United States, whose spirit is illuminated by Abraham Lincoln. We came to ask the labor organizations of this powerful country and the entire U.S. community to support us so that, to symbolize an improvement of relations between Mexico and the United States, John Gavin is removed as ambassador.

"I come to protest the open and shameless intervention my country has had from U.S. Ambassador John Gavin. . . . His defiant and arrogant attitude is unmatched, in the view of the diplomatic corps in Mexico City."

Not only for the shameful job he has been doing in Mexico. He also harms the U.S. people and a great number of its children and youth. When he connives with the National Action Party, he is supporting the apparatus of the narcotics traffic, which is an intimate ally of the PAN. Suffice it to recall that in offering his support to PAN's Adalberto Rosas for the governorship of Sonora, a famous trafficker declared that drug use had to be avoided inside Mexico, but marijuana-growing should be encouraged for export, to pay the debt with the income, so that foreign kids would be the ones to poison themselves. That's what he said.

Precisely on this point, one begins to ask: Why does a party like the Republican Party, which carried Ronald Reagan to victory, ally with the National Action Party with its fascist ideology, when the people and government of the United States gave their lives and blood to defeat Hitler's murderous hordes? Ronald Reagan and the American people have their chance to respond, and history will tell the rest.

What Argentina's nationalists want

by Brig. Gen. (ret.) José M. Insúa

General Insúa, of the Center for Strategic Studies of the Argentine Air Force, Buenos Aires, submitted this policy paper to the conference.

I would like to offer certain brief reflections at this time with the intention of opening up a richer and more profound dialogue in the future. Before I go into these, however, I believe it appropriate to first underscore certain facts that historically characterize my country, Argentina.

1) In the 1950s, when the Gloster Meteor VII was the newest-generation interceptor produced by Great Britain (maximum velocity ± 0.76 ; maximum range in profile high-high-high ± 700 km; it did not have an ejectable seat); a prototype arrow wing developed and produced in Cordoba, the "Pulqui II," successfully carried out test flights (maximum velocity ± 0.80 ; maximum range ± 1.400 km; ejectable seat).

2) Argentina has more than one scientist awarded with the Nobel Prize.

3) In 1983, with our own scientists and our own methodology, we succeeded in mastering the technology of uranium enrichment.

4) Argentina is potentially a nation with no problems and with extensive possibilities for energy and food export.

These facts allow us to conclude that Argentina possesses all of the necessary and essential elements for being a developed country. We have:

1) necessary and sufficient gray matter;

2) necessary and sufficient potential capacity for production of food, energy and basic products;

3) sufficiently skilled labor power.

Despite this, today in 1984, for both internal and external reasons, Argentina is a country with a debt of nearly \$50 billion, approaching a three-digit inflation rate, with an economy in recession.

Within this context of undeniable deterioration, it is worth noting one socially important characteristic: the organized labor movement in Argentina has been, since the middle of the 1940s, an effective and combative deterrent to Marxism. Observe that the economic proposals that this organization has made to the government and the private sector—today when Marxist ideas have begun to intensify their campaign

through the public mass media—are totally capitalist in nature.

Putting to one side the national situation and looking for a moment at the international arena, we see that from Yalta to the present, we can prove that the red menace has spread by means of indirect strategy to a degree normally unexpected in the free world. Latin America today has begun to feel the pressures of ideological penetration, and Argentina—previously an anti-Marxist bastion—has not escaped this influence.

Ideological penetration finds fertile ground in the misery and above all in the false antinomies that the left seeks to morally legitimize. Should Somozism be defended or aided to oppose Sandinism? Should Batistism be defended or aided to oppose Castroism?

This antinomy has not presented itself in Argentina for many years and the national Christian sentiment of the masses did not allow for the proliferation of materialist and atheist philosophies, in a socially acceptable context.

Today, the social context has become increasingly favorable for the spread of the socialist philosophies. Our youth, idealistic by nature and bombarded by Marxist-Leninist ideas, begins to fall captive to these.

“It is the responsibility of all Argentines . . . to do battle in defense of our Western culture and the norms of our Christian morality. But it becomes the work of Titans when the exogenous causes or influences are of such disproportionate magnitude. The paradox is that the greatest pressures to which we are subjected in this sense are from the countries of the Free World.”

It is the responsibility of all Argentines, *and I know this well*, to do battle in defense of our Western culture and the norms of our Christian morality. But it becomes the work of Titans when the exogenous causes or influences are of such disproportionate magnitude. *The paradox* is that the greatest pressures to which we are subjected in this sense are from the countries of the *Free World*.

Argentina and the Western alliance

Argentina is a potentially rich country, as I have said. Its people, within the Free World, could be content and have an acceptable living standard. We could collaborate with the material leader, the United States, in spreading this happiness

“The United States exercises the leadership of the Free World. Within that country, . . . however, can be found the seeds of its own destruction.”

to the peoples in the rest of Latin America. (I say material leader because it has absolutely not merited this title in the spiritual or moral realm.)

The natural enemy of Argentina and the Southern Cone has been Great Britain. Today it exercises its destructive activities through the Trilateral [Commission]. Nonetheless, through hostile propaganda, it has managed to present the U.S. as the main enemy. The average Argentine, even after the Malvinas War, has less sympathy for the U.S. than for England.

It is probable that an adequate growth rate for Latin America would slow down somewhat the accelerated growth of the United States. I say probable, even though I don't share this belief. But assuming that this might be the case, *I ask*: what is worth more, to travel together towards a future of freedom, or to allow the red menace to spread?

In truth, Argentine nationalists hold no animosity toward the United States, or England, or Russia; this is circumstantial. What is the case is that we love our *nation* and our people. Within the Christian concept of man, we want our people to be the happiest possible. For this we fight and for this we would die.

Our position cannot be so wrong, because with these principles, a few Dagger fighters and some old A-4Bs and A-4Cs (but which are strong in combativity), we made the British fleet pay dearly for its incursion into the Malvinas.

But we wish to be able to fight for the happiness of our people—within these norms and concepts—not *against* anyone but working with all, respecting individualities; as *equals*, if not in fact, at least in spirit.

The United States, *de facto*, holds and exercises the leadership of the Free World. Within that country, and also within this Free World, however, can be found the seeds of its own destruction. If intelligence is responsible for guiding the battle, would it be possible to be on your side in some instances, or should we follow a third route? (Who could join in the battle between Somocistas and Sandinistas?)

As you well know, this subject could easily fill several volumes, or at least produce one good basic work. I have only wanted to reflect on a few points, as a bridge of sorts, to enable us to initiate this dialogue.

I look forward to hearing the results of the Congress and I ask you to give my respects and best wishes for success to Mr. LaRouche.

U.S. must back the Contadora program

by Pedro Rubio

Mr. Rubio is secretary general of the Workers' Union of Bogotá and Cundinamarca, Colombia (Utraboc), and an Executive Committee member of the Workers Union of Colombia (UTC).

"When we can finally come to an agreement and find common denominators to develop ourselves in order to pay [our debts], on the horizon appear hostile signs coming from bureaucracies which still practice colonialist philosophies. . . . Latin America has a vocation for democracy and freedom, but needs the Free World's help and understanding to emerge revived from this dilemma," said Colombian President Belisario Betancur when he welcomed Gaston Thorn, chairman of the European Economic Community, to Colombia on Oct. 30.

This quote summarizes the dilemma facing relations between Ibero-America and the United States. Either George Washington's nation returns to the community of principles among the fraternal republics of America, as outlined in the Monroe Doctrine, or the great giant of the North will be nothing but a colossus with feet of clay, responsible for its own destruction for having condemned its best trading partners and political neighbors—the Ibero-American nations—to genocide and social chaos.

In particular, it is in the interest of the United States itself to work jointly with the Contadora Group in formulating and implementing an aggressive program of development for the area, conducive to a long-standing peace in the Caribbean region, and to reject any militaristic Kissinger-like adventures evocative of Teddy Roosevelt's Big Stick. Nothing would better suit Soviet imperial designs than a U.S. military intervention in Central America, since it would give the Russian czars the opportunity to kill many birds with one stone: A good portion of the U.S. troops quartered in Europe would be re-deployed to the Caribbean, leaving the door open behind them for a Warsaw Pact invasion of Europe. The Soviets would then have an "excuse" to retaliate in response to the aggression suffered by a friend of the Kremlin czars. Thus, not only Europe would be "decoupled" from the United States, but also Ibero-America, since such a preposterous move would be politically intolerable to all governments, from Mexico to Argentina.

Aware of the fact that lasting peace can only be defined in economical and political terms and not in militaristic ones per se, the governments of Mexico, Colombia, Venezuela,

and Panama created the Contadora Group. Their aim was to halt the fratricidal war bleeding Central America and threatening to expand to the rest of the continent. Mexican President Miguel de la Madrid vehemently expressed himself in this respect last April: "It is right there that the origins of tensions lie, in the poverty, in the poor health, in the general backwardness, in the exploitation systems, and in the authoritarian regimes that have prevented democracy and liberty in Central America." Undoubtedly, de la Madrid was referring to the colonialist practices of businesses like United Fruit Company, today known as United Brands—the same drug-trafficking pirates that coined the surname of "banana republics" in reference to the degraded and looted Caribbean nations. Rightfully have the Contadora leaders stressed repeatedly that no lasting peace in the region will be reached if the prevailing injustices dictated by modern colonialism are not progressively eliminated.

Nevertheless, the State Department, bastion of Henry Kissinger's stooges, has done everything possible to sabotage Contadora's peace initiatives. By Oct. 15, following the tireless diplomatic efforts by the foreign ministers and presidents of Mexico, Colombia, Venezuela, and Panama, five Central American countries were about to endorse the second version of the "Contadora Treaty." Without due warning, four of the Central American nations decided Oct. 19 to meet separately to raise objections to the document, so as to make it unacceptable to Nicaragua. Costa Rican President Luis Alberto Monge publicly admitted that these nations' governments had acted under State Department pressure and blackmail. Guatemala, however, announced her readiness to sign the original document.

Shultz and Kissinger oppose Contadora's plan of action, considering it preemptory: "The cessation of hostilities and of belligerent acts or preparation for war, arms restraint, a commitment of all the countries in the region not to support subversion or destabilization of neighbors, and withdrawal of foreign military forces." Furthermore, the notorious bipartisan commission for the Caribbean, known as the "Kissinger Commission," was explicitly created to counter Contadora. The Kissinger Commission report advocates the "Hong Kong model" (whose basis is drug trafficking), presumably as a panacea for the Caribbean economies. The country which most dramatically reflects the effects of rigorously applying these recommendations is Edward Seaga's Jamaica. This country is being praised by the *New York Times* and the *Washington Post* as a paradigm of "free enterprise" for having devoted its land and population, to marijuana production, or "ganja," as it is locally known. A second Reagan administration cannot keep supporting these crimes against humanity. President Reagan must rapidly get rid of those Malthusian officials and advisers who are using the power of the United States to commit genocide.

As a labor leader, I have had the opportunity to discuss these problems with my Central American counterparts, and I can assure you that no worker differs with what I am telling

you. I have been deeply moved on hearing directly of the violence which ravages the region, and I was anguished to remember the bloody events which stole the lives of more than a half-million Colombians at the end of the 1940s. I have witnessed the self-sacrificing efforts of President Betancur to prevent this from happening again, and I pray that President Reagan has the wisdom to understand the magnitude of what

is risked if he does not act in time to prevent this holocaust. What is at stake is Western civilization itself. Before it is too late, everything that smells of Henry Kissinger and his oligarchic sponsors must disappear from the political scene. Let us turn the anger which wells up in us from these injustices into creative energy and mobilize the world in favor of a new movement in defense of the inalienable rights of man.

Resolutions passed by the Schiller Conference

Support the Contadora Group

The Third International Conference of the Schiller Institute unanimously voted to give its absolute and total support to the efforts and policies of the Contadora Group toward bringing peace to Central America.

The resolution, which was presented at the end of a discussion panel on the Central American situation Nov. 25, also condemned plans for a U.S. military intervention in the region, promoted by the faction of Henry A. Kissinger in the government of the United States.

Investigate the Trilateral Commission

On the initiative of Alejandro R. Iaccarino of Argentina, the conference of the Schiller Institute unanimously endorsed the creation of a Latin American committee to investigate the Trilateral Commission's activities, which undermine the sovereignty and prosperity of the nations of Ibero-America. The guidelines elaborated by the members of the new committee include:

"1) The primary headquarters are to be established in the city of Buenos Aires, Republic of Argentina.

"2) Each Latin American country will have its own headquarters, to the effect of compiling and establishing any and all relevant information to be remitted to the main headquarters in Argentina.

"3) In Washington, D.C., a secondary headquarters will be established, given the participation of multinational companies with their controls in the United States.

"4) Each participating member of the committee will have access by request to the central archives of information. . . .

"6) All Latin American organizations and leaders who agree with the objective of broadening the investigation of the goals and means of domination implemented by the Trilateral Commission and the International Monetary Fund will be part of this investigatory committee.

"7) The leaders of said investigatory committee should

be men of renown in the national profile of each one of their respective countries.

"8) Each member will have the responsibility for keeping the mentioned investigative work private.

"9) They will have the responsibility to protect, despite any personal risks, the established mission in defense of their own country and of Latin America as a whole.

"10) Information gathered will be released to the public as it is compiled."

Form a labor alliance

Trade-union representatives attending the conference met to launch the activities of the new labor section of the Schiller Institute. Their press release reads in part:

"To be able to give our countries real alternatives, we declare our irrevocable commitment to fight to defend the *inalienable rights of man*. We set the following tasks:

"1) Formation of commissions by country, region and continent responsible for making sure the tasks are carried out. . . .

"4) Setting up the means to educate children and parents in order to develop the creative power of human beings.

"5) Taking inventory of the material and economic resources, and especially the human resources to achieve this plan.

"6) Convoking as soon as possible the First World Gathering of Worker Members of the Schiller Institute."

Translate works of LaRouche, Perón

The following resolution, submitted by a delegation of workers from Argentina, was adopted unanimously:

"Given the similarity of thinking and philosophies expressed by Mr. Lyndon LaRouche of the United States, and the Argentine philosophies inspired in the thinking of Gen. Juan D. Perón, made known by the Argentine delegation here, let it be resolved here:

"1) the writings and conferences of Mr. LaRouche be translated and disseminated in Spanish;

"2) similarly, the works on social justice and labor by General Perón be translated into English and into the other languages of our brother nations which have participated in this conference."

Peruvian unionist denied visa, sends greetings

. From Juan Rebaza Carpio, general secretary of the Unified Union of Fishery Workers of Lima.

It is with profound sorrow that I am not present at this historic conference. It is because the U.S. embassy in Lima, Peru, arbitrarily denied me a visa to enter the United States. . . . Denying me a visa requested explicitly to attend the Schiller Institute conference is for me nothing but proof that inside the U.S. administration there are people opposed to friendly collaboration between the United States and Ibero-America to build together a new world economic order. . . . Officials like these, who serve the interests of Kissinger and his bosses and institutions like the IMF, work together to destroy the material bases of our republics and undermine our republican and Western identity. . . .

The 'Americanist spirit' can reverse the crisis

From the policy paper by Raúl Drueta, parliamentary deputy from Argentina's Partido Justicialista, the Peronist party.

I was specially invited to speak at this international conference and will be doing so in my own name. I proudly affirm here not only the Argentine identity, but also the Americanist spirit forged over decades of history of the nations of this great continent.

I bring the contribution of the Justicialist doctrine, whose creed was initiated by General Perón, not only for America, but for all humanity, as a way of helping find the truth to illuminate a more fortunate future with full justice and freedom for the nations and people of the world. . . .

Panamanian labor leader hits IMF's austerity

From the policy paper by Eduardo Enrique Ríos Molinar, secretary general of the Construction Workers' Union (Sun-

trac) of Panama.

. . . We hold that the resistance of a few countries to that [austerity] policy which we workers of Panama and other Latin American countries oppose today, shows that the IMF and World Bank will have to reconsider their postures and try to understand the defective origins of these countries' debts and remove the noose from around their necks, letting them have a moratorium; to either implement genuine aid policies toward the Latin American countries or run the risk of having them as enemies.

Argentine industrialist: Expose the Trilaterals!

From the speech by Dr. Alejandro Romulo Yaccarino, chairman of the Argentinian Economic Confederation.

. . . The critics of the nation-state proclaim: To finish off the "obsolete" concept of the nation-state, we must act in various ways by inventing agencies with limited objectives and leaders elected case by case, thereby we will go on eating away national sovereignty piece by piece until we have finished it off. . . . I put forward as a concrete proposal the creation of a commission to investigate the Trilateral Commission in Latin America. That way we shall see clearly the destructive operations, the social-economic chaos, toward which they wish to lead us. . . .

IMF conditions wrecked the Colombian economy

From the speech by Jorge Carrillo Rojas, vice-president of the Colombian Workers' Union and president of its Bogota section.

. . . Allow me to speak of the case of Colombia. . . . Through the application of Friedmanite recipes, credits were cut and salaries restricted. Interest rates in the unofficial credit markets are above 50% annually. In this environment of speculation, healthy businesses began to go bankrupt and industrial and agriculture production collapsed, at the same time that unemployment rates reached 15%. This situation provoked enormous capital flight; international lending agencies cut credits to the country and the International Monetary Fund publicly demanded the application of harsh austerity. . . .

Soviets move to implement the 'Ogarkov Doctrine'

A high-level Western intelligence source has informed *EIR* that the Soviet high command is in the advanced stages of putting into operation a strategic war-fighting plan referred to as the "Ogarkov Doctrine." This report corroborates *EIR*'s hypothesis that Marshal Ogarkov—far from being "demoted" on Sept. 6 of this year—was elevated to a field-command position overseeing the implementation of Soviet plans to fight and win a strategic confrontation with the West, a plan that Ogarkov called for having fully in place by the early spring of 1985.

According to the report, Marshal Ogarkov, at a Soviet leadership meeting just prior to his elevation, presented a war plan involving a five-stage preemptive nuclear attack culminating in a Soviet occupation of all of Western Europe including Spain and the British Isles within one week of the opening moments of engagement. That plan was, according to the source, unanimously adopted by the Soviet command for immediate implementation, and Ogarkov was personally placed in the position of overseeing the implementation of the military component of that plan. Marshal Ogarkov's expanded responsibilities included, total control over all sea-based Soviet nuclear capabilities, including the Soviet massive submarine-launched ballistic missile (SLBM) capability.

The five stages of attack, according to the source, involve:

1) In the first 30 minutes of engagement, the Soviet Union launches a preemptive thermonuclear attack utilizing approximately 60% of its entire nuclear force from ICBM down to field artillery-fired nuclear shells.

2) The initial nuclear barrage is followed by a massive air strike utilizing primarily conventional arms aimed at taking out communications centers and command headquarters within the European theater.

3) A second nuclear barrage then follows utilizing approximately half of the remaining Soviet nuclear arsenal. Here the primary targets are the hardened military sites that were not successfully taken out by the initial attack.

4) A second massive air assault against European targets follows, eliminating any major points of resistance to the final phase of attack.

5) The final phase involves a full-scale invasion of all of Western Europe utilizing armed personnel carriers specially equipped to pass through areas already saturated with ABC (atomic-biological-chemical) barrage. This includes full occupation of the British isles and Spain.

Critical features of the assault-occupation that were reported to have been emphasized by the Ogarkov presentation were the elimination in the initial nuclear barrages of all of the major U.S. Atlantic Coast ports. Particularly cited were Boston, New York, Baltimore, Norfolk, and New Orleans. The elimination of these ports combined with the total occupation of continental Europe is intended to ensure that the United States has no capability to carry out a later mass-scale "Normandy" invasion of Europe. Ogarkov reportedly further emphasized that the assault against Western Europe would utilize neutron weapons primarily, in order to minimize destruction of industrial structures, urban structures, and infrastructure within the areas targeted for occupation.

This description of the Ogarkov plan bears out *EIR*'s reports about the upgrading of the Soviet command structure for all-out war, since our May 31, 1983 cover story by Lyndon LaRouche, "Moscow's Unveiled War Plan Against the United States," which identified the significance of a major article published by Ogarkov that month. Ogarkov's policies, respecting both the improvement of command and control

for war-fighting in the nuclear age and the tighter intersplicing of the entire Soviet economy with the defense sector, are Soviet national policy today.

War economy

According to the source, Marshal Ogarkov emphasized the urgent need to upgrade the civilian side of the Soviet economy and to place the entire economy on a total war footing. This is the demand already put forward by Ogarkov in his July 1981 article in the armed forces journal *Kommunist*, as *EIR* has reported, and the subsequent pamphlet, "Always Prepared to Defend the Fatherland."

Ogarkov's proposal to install military personnel in every critical civilian ministry and in every facility down to the production-plant level reportedly precipitated a heated debate in which the determination was made to accelerate the implementation of the "Andropov Plan" for the reorganization of the Warsaw Pact economies and to postpone the Communist Party plenary session until that task was well into implementation.

The source emphasized that the Andropov Plan, totally coherent with the corollary Ogarkov Doctrine, is thoroughly misunderstood among Western intelligence "specialists." The Andropov Plan proceeded from the expectation that, under even optimal conditions of a successful Soviet preemptive first strike, U.S. SLBM capabilities would likely succeed in knocking out first-echelon targets, including Moscow, Kiev, and other command centers. The Andropov Plan called for the integration of regional economies into the regional military command structures to ensure that even in the event of the temporary knocking out of the "head" of the Soviet command, the regional organizations could successfully prosecute the war plan.

The source underscored the dominant belief within the Soviet command that the "New Yalta" plan first presented publicly in the West in Yuri Andropov's spring 1983 *Der Spiegel* interview must be implemented by either diplomatic or military means. That plan called for the Soviet Union to establish unchallenged hegemony over the entire Eurasian land mass and Africa north of the Sahel. The United States would be conceded similar hegemony over the Western Hemisphere and Africa below the Sahel.

Dominant Soviet thinking, according to the high level Western intelligence source, is based on the belief that the U.S. military command is committed to a showdown with Moscow within the decade and that all U.S. policy is ultimately coming out of Pentagon circles holding a "Fortress America" outlook. Therefore, in the mind of the Soviet leadership, the fact that President Ronald Reagan and political figures like Lyndon H. LaRouche, Jr. reflect the first competent, sane strategic outlook among U.S. leadership in the postwar period, represents a far greater threat to Mother Russia than the past 25 years of MAD (Mutually Assured Destruction), under which Moscow surged to its current po-

sition of military superiority bordering on absolute war-winning capabilities.

The source strongly underscored the danger represented by the prevailing belief in Washington that Moscow poses no immediate threat to the Western alliance due to Soviet "internal problems" and U.S. technological superiority.

Moscow builds up its strategic forces

by Rachel Douglas

The westward-pointing strategic forces of the U.S.S.R., forces under Marshal Nikolai Ogarkov's command, are undergoing intensive, forced build-up. The recently upgraded command-and-control apparatus of the Western Combat Theater, facing Europe, is receiving deliveries of hardware by the hour—even as the Soviets prepare for the much-touted return to the arms negotiations table in January.

The build-up includes the stationing of more short-range nuclear-armed missiles of the SS-21, SS-22, and SS-23 classes, in Czechoslovakia and East Germany. In addition, there is a major qualitative and quantitative improvement under way, with the conversion of launch sites for the intermediate-range SS-20 missile into double-duty launchers that can handle also the new intercontinental ballistic missile (ICBM), the SS-25.

On Nov. 20, U.S. officials at NATO headquarters in Brussels said that the Soviets are "vigorously" building SS-20 bases and converting others of them "apparently for the deployment of ICBMs."

Two weeks later, these Soviet moves were spelled out in more detail by Pentagon sources. In the course of completing its planned SS-20 deployment in the Western U.S.S.R., they said, the Soviet Union would be installing the capability to launch 400-500 mobile SS-25 ICBMs. There are now 387 SS-20 launch sites completely built. Austrian military sources, citing Pentagon channels, estimate that 1985 will mark the completion of the SS-20 program, culminating in approximately 500 SS-20 launchers. It is now generally agreed, they stressed, that each of these launchers will have its firing missile and two or three missiles on hand for reloading. This means, in effect, the deployment of 1,500 SS-20 missiles (4,500 warheads in the three-warhead mode).

The Austrian sources seconded the story that the mobile SS-25 ICBM, produced at a high rate during 1984, could be launched from missile bases now under construction, which were assumed to have been for SS-20 rockets. They said 40-

50 SS-25s are already so housed.

As for the shorter-range missiles, the *Daily Telegraph* of London reported on Nov. 27, that the Soviets have redeployed approximately 50 SS-12 ("Scaleboard") missiles, with a 300-500 mile range, from the Soviet Union into East Germany and Czechoslovakia. Those countries already received SS-21, SS-22 and SS-23 missiles during 1984. From their territory, all parts of Western Europe are in range.

'Stop the SDI'

In November, Soviet Strategic Rocket Corps officers Colonel General Vishenkov and Colonel General Yashin made virtually unprecedented public boasts of the Soviet capability to wipe out U.S. strategic forces—a crucial component of the war-fighting plan referred to as the Ogarkov doctrine. Soviet land- and sea-based missiles, wrote Yashin, are "designed to deliver warheads containing powerful nuclear charges against our adversary's strategic military targets and to destroy them." These missiles would be capable "of covering vast distances, of successfully overcoming antimissile defense measures, and of delivering accurate and inescapable strikes against an aggressor, should he suddenly attempt to unleash a war against the Soviet Union . . . [emphasis added]."

Above all, the Soviet command does not want to see the United States put defenses into place against this threat of obliteration in a first strike—the defenses mandated by the Strategic Defense Initiative. Hence the SDI is the primary target of huge Soviet efforts of political sabotage. Moscow's public demeanor leaves no doubt that this, and nothing else, is its purpose in relaunching strategic-arms talks with the United States in January 1985.

On Nov. 25, shortly after the talks were set for Jan. 7, *Pravda* called the SDI the "main obstacle" to progress in arms control. The official Soviet paper declared: "Washington does not intend to give up its program . . . for the Pentagon sees in it a means of guaranteeing American invulnerability and at the same time, an instrument of pressure on the U.S.S.R. . . . Adherence to a 'Star Wars' program does not at all tie in with the desire to achieve success in talks with the U.S.S.R."

On Dec. 5, President Konstantin Chernenko said it personally, in a message to the International Physicians to Prevent Nuclear War. "Resolving the question of space weapons is now of primary importance," said Chernenko, "Militarization of outer space, if not securely blocked, would cancel everything that has so far been achieved in the field of arms limitation, spur the arms race in other areas and dramatically increase the danger of nuclear war. . . . The Soviet Union looks to the forthcoming Soviet-U.S. negotiations with a view to achieving mutually acceptable understandings on the entire set of questions related to nuclear and space weapons." He attacked those who, "chasing the specter of military superiority . . . are loading with weapons the land and the

oceans and are now planning to do the same thing in outer space." According to wire service accounts of Chernenko's message, he "gave priority to stopping the 'Star Wars' program" and called this the most important goal of the Soviet-American talks.

As Chernenko spoke, the foreign ministers and defense ministers of the Warsaw Pact caucused in separate meetings. Again, the top item on the agenda was stopping the SDI.

The defense ministers also approved the missile build-up in Eastern Europe. Indeed, Soviet spokesman Leonid Zamyatin gave away the sham of alleged Soviet softening on the point of intermediate-range missile deployments in Europe, over which arms talks stalled last year. The main problem with the upcoming talks, Zamyatin complained in the weekly *Literaturnaya Gazeta* on Nov. 28, is that the preconditions for them have not really been established, by means of the removal of American missiles from Europe. "The United States deploys one new missile per week in Western Europe," charged Zamyatin, "Negotiations under such conditions will do nothing but create an illusion of security. . . ."

At a Dec. 5 meeting of 90 different communist parties in Prague, Soviet official Boris Ponomaryov pledged more agitation by so-called peace forces against "war preparations of the U.S. imperialists." The goal will be removal of U.S. missiles, he said, but above all—to halt President Reagan's Strategic Defense Initiative: "The Soviet-U.S. talks have to be totally new talks aimed at banning militarization in outer space." This is a matter of *what faction* prevails in Washington, Ponomaryov admitted.

On Dec. 4, the Warsaw Pact foreign ministers ended their two days of deliberations in East Berlin with a communiqué strongly condemning the militarization of space.

The defense ministers, meeting in Budapest, followed suit the next day, with a call for stepping up military capabilities in the face of the SDI. In a closing speech, host minister L. Czinege of Hungary said: "Preparedness is especially important because aggressive NATO circles, above all those of the U.S., are committed to sharpening the international situation." Czinege attacked "Star Wars" as an attempt to "achieve military superiority."

Latest U.S. military estimates of Soviet defense programs, according to the *Sueddeutsche Zeitung*, warn that the Soviets themselves are in the midst of a crash program to develop space-based weapons for the sake of getting military superiority. According to this report: "The present conduct of the Soviet Union in disavowing the existence of any sort of military elements in its space program can only signify that the Soviet leadership is not only taking countermeasures against U.S. moves, but is actually striving for military superiority in space for offensive as well as defensive purposes." This evaluation from the Pentagon correctly holds that the Soviet Union is doing everything possible to be able to wage and win a global showdown or a nuclear war with the least possible physical risk to itself.

Prospects for Mideast peace depend on the outcome of Weinberger's visit

by Thierry Lalevée

The next four years of American foreign policy toward the Middle East will be defined in the immediate weeks before the Jan. 21 inauguration of the new Reagan administration. These are the stakes in the trip of Defense Secretary Caspar Weinberger to the Middle East, his second in less than two months, which began on Dec. 6 in Saudi Arabia. Since his last trip, there has been a flurry of regional diplomacy. At that time, he visited Tunisia, which plays an important role in the stability of the Maghreb and Mediterranean region, troubled by the antics of Muammar Qaddafi. Later he went to both Egypt and Jordan.

Weinberger's itinerary and agenda have not yet been publicly defined. However, there is little doubt as to the issues on the table. Indeed, much was set into motion by his last trip, which intersected the process of reconciliation between Jordan and Egypt. Responding to Egyptian President Mubarak's visit to Jordan at the beginning of October, Jordan's King Hussein came himself to Cairo on Dec. 1 to address the Egyptian parliament. Similarly, despite all odds, Palestine Liberation Organization Chairman Yasser Arafat succeeded in holding in Amman the last week of November one of the most important Palestinian National Councils yet, which expelled the radical factions associated with Syria. Also, the United States and Iraq re-established diplomatic relations on Nov. 26 after months of efforts, which may go a long way toward solving the five-year-old Gulf war.

It is no secret that most Arab moderate regimes had bet on the re-election of President Reagan in the expectation that he would make a new peace initiative. Moderate Arab countries such as Egypt, Jordan, and Saudi Arabia, as well as the PLO, began to gather, giving the United States a position of strength in the region it has not had for years, at least since the 1979 Iranian "revolution" of Khomeini. Cooperation between the United States and these countries in the fight against international terrorism has been notably upgraded, with the PLO reported to have played an essential role, with Iraq, in dismantling the al Jihad network in Rome. That such a new level of cooperation has not been easy is an understatement, but it also challenges the United States with the issue of what has to be America's policy toward Israel, and how to bridge the gap between the new Israeli government of Shimon Peres and the Arab states.

The State Department has made it clear that it doesn't want to consider a comprehensive peace settlement, but wants to stick to Kissinger's old game of step-by-step diplomacy. This was most bluntly put by Lawrence Eagleburger, the ex-undersecretary of state who is now president of Kissinger Associates. He told an Israeli audience on Nov. 28 that there could be "no comprehensive negotiations" as long as Israel's economic problems are not settled. The statement was in direct opposition to those in the United States and Israel who think that peace is ultimately the best recipe for solving such an economic crisis. Since Henry Kissinger advises Secretary George Shultz at least several times a week on foreign policy, Eagleburger's statement had a semi-official nature.

Then on Dec. 5, the State Department announced it was sending Undersecretary Richard Murphy to the region, ostensibly to work on the Lebanon-Israeli negotiations. However, as insiders revealed, Murphy's real mission is to keep a close watch on Weinberger's talks, and not from a friendly standpoint. The official reason given for Murphy's mission merely underlined the fundamental difference in approach. While Weinberger will be reviewing the broader regional issues, Murphy is working to make Syria, a country which has been an open U.S. enemy in the region, the key Arab negotiating partner of the United States—flouting longstanding U.S. allies Egypt and Jordan.

In recent weeks, the State Department began to even exceed diplomatic sabotage to reach the level of outright treason. This was the case on Dec. 4, when State announced flatly its rejection of the Jordan-Egyptian communiqué announced the day before, even before anyone in Washington had had the time to consider it. Within the framework of Egypt's commitment to Camp David, the communiqué called for a broader conference of all parties in the Middle East under the United Nations to impose a solution to the Palestinian problem, which they correctly contend is the root of all conflict in the region. For the United States to carry this out, it must dump Kissinger—Egyptian President Mubarak had asked just that in a letter to President Reagan earlier this year.

State's outright rejection played into the game, not only of the Soviet Union, but also of the Socialist International which, under the leadership of Willy Brandt, Olof Palme, Andreas Papandreu, and François Mitterrand, is wooing

Israelis and Arabs alike to dampen any new U.S. initiative. This became clear when Mitterrand, the man who ganged up with Papandreou and Qaddafi against Chad and many other African nations and who had a mere week earlier declared in Damascus that he exonerated Syria from involvement in international terrorism (see p. 45), announced on Dec. 6 that Paris would be ready to sell nuclear technology to Israel. It was a purely cynical and demagogical gesture aimed at driving a wedge between the Israelis and the United States in a delicate period.

Moscow-backed terror upsurge

The State Department's increasingly open factional war against Weinberger and the Arab moderates is even more criminal when one considers Moscow's present activities in the region. Moscow's most direct answer to Weinberger's moves has been an unprecedented wave of terrorism both against American targets and Jordanians, Palestinians, and Egyptians. On Dec. 4, a Jordanian diplomat was killed in Bucharest, Romania, a country which has been playing the role of Trojan horse for the KGB in the West for decades. Earlier, on Dec. 2, an attempt had been made against another Jordanian diplomat, this time in Athens, capital of a country whose prime minister, Papandreou, wants to transform Greece into a Soviet "popular democracy." Assassination attempts against Arafat have been countless in recent weeks and only the close cooperation of Jordan, Egypt, and Saudi Arabia has prevented them from succeeding. However, Egypt became the target of new Islamic fundamentalist riots, while it is reported that Iranian and Syrian terrorists cells have been activated in Saudi Arabia. The hijacking of a Kuwaiti airliner on Dec. 4 was a direct expression of the threat looming over Gulf countries.

As was revealed by President Mubarak and former Libyan Prime Minister Bakoush (see interview, page 34), what is at stake are potential assassinations of heads of states in operations jointly sponsored by the Soviet Union and those Western forces around Henry Kissinger and McGeorge Bundy who put Qaddafi into power in 1969. There is little doubt that Moscow will otherwise use its favorite weapon to sabotage any peace initiative it cannot control—a new Middle East war. There are more and more intelligence reports of a major Soviet military buildup in Syria, and intelligence analysts are predicting that such a buildup has the sole aim of paving the way for a new war between Israel and Syria, a war wanted by both the Syrian leaders and the Ariel Sharon faction inside Israel. This will be one of Weinberger's key topics of discussion with the Israelis, as the secretary is well aware that time is running out.

On his ability to defuse this crisis, despite the mischief of the State Department, will not merely depend peace in the Middle East over the next four years, but the issue of whether or not the Kissinger faction can be driven out of power in Washington.

Interview: Abdul Hamid Bakoush

'World must finally act against Qaddafi'

This telephone interview with Mr. Abdul Hamid Bakoush, former prime minister of Libya now living in Cairo, was conducted by Thierry Lalevée for EIR on Dec. 5.

EIR: Can you first tell us what has happened to you in recent weeks?

Bakoush: As a matter of fact, nothing happened to me, although something very dangerous could have happened. Thanks to the Egyptian security officials, the plot hatched by Qaddafi against me was foiled. I was informed at a very early stage that mercenaries were planning to kill me. Hence, guards were put around my house. I was then asked to play a certain role to make it appear as if these mercenaries had succeeded in killing me. Egyptian officials took photos of me to convince the plotters that I had been killed, and that succeeded. I was very happy about it because, first, there were no Libyans involved, which shows that no Libyan wants to work for Qaddafi anymore; second, Qaddafi himself was convinced of the success of the operation and confessed his role publicly in a radio broadcast.

My life is not very important, but this proved to the entire world that Qaddafi is nothing but an international terrorist who hires the mafia around the world to perpetrate crimes. Under his leadership, Libya has become an institutionalized form of crime, nothing else.

I would like to call on the Arab countries, on the countries of the Third world, on the countries of the civilized world to finally act against Qaddafi; not in a spirit of revenge because of the plot against me, but because of the many plots that Qaddafi is hatching against many heads of states, prime ministers, and leaders of countries. I want to call on the whole world to finally take a positive attitude toward actions against Qaddafi!

I believe that Europe and the United States have a special responsibility for Qaddafi's crimes. He is only able to hire the mafia because of his money which comes from the sale of his oil. Libyan oil should be boycotted. It represents only 3% of OPEC production. It would have no economic effect. Six months ago, the price of oil was \$32 dollars a barrel, now it is at \$26. A boycott of Libyan oil may bring the prices up to \$27 or \$28. But Qaddafi has no other resources; if he loses his money, he loses power. Libya under Qaddafi has lost its qualification as a state. It should be excluded from the United

Nations. Countries of the world should close their embassies in Tripoli. They should also close what Qaddafi calls his "popular bureaus," his "embassies," which are criminal centers.

EIR: Several weeks ago, you told the press that the reason Qaddafi wants to kill you is that you know how forces in the West put him in power. Can you elaborate?

Bakoush: Yes, certain forces, especially in the United States, helped him to power. I cannot mention certain names yet, but the President of the time was certainly responsible. They helped him psychologically and politically.

Even today, despite the official policy of President Reagan of boycotting Libyan oil, Libyan oil is actually being sold to the United States. It is being shipped to the Bahamas where Libyan oil is being mixed with another kind of crude then shipped and sold to the United States. They then say that because it has been mixed, it is not Libyan oil anymore.

EIR: Was not Henry Kissinger, then U.S. National security adviser, involved?

Bakoush: Yes, but I cannot tell details. Now, as at the time, some American policy makers are still supporting Qaddafi in open defiance of the policy of President Reagan. Look, newspapers throughout the world are full of denunciations of Qaddafi and his crimes, but his oil is still being sold.

EIR: When you speak about the United States and Qaddafi, don't you think you are referring at least to several factions?

Bakoush: Sure, there are several factions. President Reagan has a good policy, but his policies are not being implemented by his advisers around him.

EIR: You have talked about the Western support for Qaddafi. What about the Soviet Union and the East bloc countries?

Bakoush: Sure, the Eastern countries are working with him, but they have no respect for him. They know they cannot have confidence in him. They only respect him because he has oil which is sold to the West and he has money. If only the West were to boycott Libyan oil for six months, you would see the effects.

EIR: Don't you think that the fact that Qaddafi has been maintained in power since 1969 implies an agreement between the East and the West?

Bakoush: Absolutely. Within the West, within the United States and the administration in particular, there is a hidden wave, a hidden group, which works against governments, which controls everything outside of the established institutions and which works against democracy.

EIR: Are these factions the ones actually running the assassination lists recently revealed?

Bakoush: These are the people running international assas-

Qaddafi: 'We could kidnap Italians'

In an interview with the Rome daily *Il Messaggero* on Dec. 7, Libyan dictator Qaddafi answered a question on the payment of war reparations he has peremptorily demanded from Italy: "We should come to an understanding, otherwise . . . one day one Libya could react, demanding the intervention of the government of the Jamahiria [the "Libyan Socialist Arab Republic"], and demanding the confiscation of some Italian company, or, in extreme cases, could arrive to the point of kidnapping Italian citizens, and this would bring us to the brink of a senseless war." There are 15,000 Italians living in Libya.

Tensions have increased between Italy and Malta, which broke its defense treaty with Italy and signed a new one with Qaddafi and which is daily harassing the Italian troops still on the Mediterranean island. Among other recent provocations, a bomb exploded in the Italian embassy in Malta, and three more in the Vatican embassy, during the day when Italian Premier Bettino Craxi was meeting with Egyptian President Hosni Mubarak.

sinations. They are using assassinations, including the potential assassinations of heads of states, prime ministers, and others to help create an atmosphere of fear, while building up Qaddafi's image as if he were able to commit such assassinations, all by himself.

EIR: Why create such an atmosphere of fear?

Bakoush: Primarily it is for financial reasons, questions of profits. I call these circles the new intellectual Nazis!

EIR: Aren't these Nazis working with the Soviets?

Bakoush: Yes, they meet each other on certain issues around the world, to foster fear and to spread confusion for them to maintain their control. They want to divide the world between themselves, and I fear that they may be able to do it! The Nazis and the communists are the same, they are using fear and terrorism to try to control the populations.

EIR: How do you see the role of Egypt now?

Bakoush: Egypt is very committed to fighting against international terrorism and Qaddafi. They are ready to do everything provided that the West stand by. But the West is not standing by, it is helping Qaddafi, just like what happened in 1977 with Egyptian President Sadat [in the first Egypto-Libyan war.]

Ibero-American leaders ask Reagan to support Contadora peace initiative

by Valerie Rush

Three of the four Contadora Group heads of state joined efforts in early December to send a unified and resolute message to President Ronald Reagan to end the Kissingerite influence which has dominated U.S. foreign policy toward its southern neighbors through the present time.

Venezuelan President Lusinchi delivered the message personally during a White House meeting with Reagan Dec. 4, while Mexican and Colombian Presidents de la Madrid and Betancur issued a public appeal—as “messengers of peace”—to their U.S. colleague during talks the two Contadora founders held in Mexico City that same week. The Contadora Group, consisting of Panama, Mexico, Venezuela, and Colombia, was formed to propose a regionally-based solution to the conflict in Central America.

The message is perhaps best summed up in the words of Betancur, who said: “If the industrialized countries can be persuaded to give Central America a hand, the people of that region would achieve the development required to overcome the dilemma in which they presently find themselves. But this help should not be in the form of charity. We do not need paternalism.”

While demanding economic development as the only pathway to peace in Central America and stability throughout the hemisphere, the Ibero-American Presidents were also quick to warn of “incalculable risks” and “unforeseen consequences” should the Reagan administration opt for a “military solution” to the crisis in Central America.

Speaking before the Organization of American States (OAS) in Washington Dec. 5, Lusinchi urged a negotiated political solution before “the situation in that region becomes uncontrollable and produces violence of serious and incalculable implications.”

In their joint communiqué, Presidents Betancur and de la Madrid demanded “an end to all demonstrations of force, acts of destabilization, and everything that hampers peace in Central America.” Betancur elaborated on the root causes of instability in the region by warning that “the grave economic problems of the underdeveloped nations, deriving from their dependency and condition of potentially useful spectators in the East-West confrontation, face an even more terrible prospect: the loss of authority to freely decide their own destinies. The international entities tend to view them as third-class passengers on the train of history.”

On Nov. 28, President Betancur openly challenged the

Kissinger Commission’s recommendations for Central America during an address before the “International Symposium on Central America and Capitalization of the Central American Development Bank,” convened in the city of Cartagena, Colombia. Emphasizing his disagreement with the

“Mexican and Colombian Presidents de la Madrid and Betancur issued a public appeal, perhaps best summed up in the words of Betancur: ‘If the industrialized countries can be persuaded to give Central America a hand, the people of that region would achieve the development required to overcome the dilemma in which they presently find themselves. But this help should not be in the form of charity. We do not need paternalism.’”

Kissinger Commission proposal for the long-term “Hong Kong-ization” of the region as inappropriate to the “immediate intensive care needs of a critical patient,” Betancur added:

“To the degree in which the region can be supported, we shall contribute to world peace, keeping in mind of course that these countries have a history of their own and cannot be understood by analogy, as if they were mere experimental arenas like Vietnam or Angola. . . . Obviously, the military option cannot be viewed in terms of an economic cost-benefit analysis. We all know that this kind of solution would violate the principles of international and inter-American law.”

Kissinger Commissioner Robert Leiken of Georgetown University, and Kissinger intimate Harry Schlaudeman, special U.S. envoy to Central America, were both present at the

Cartagena summit and could not miss the message.

More important, however, is whether President Reagan received the message. While U.S. Defense Secretary Weinberger's recent statements warning against Vietnam-style adventurism in Central America provide a welcome opening for a new understanding between the United States and its natural—if frustrated—ally to the south, it remains to be seen whether similar enlightenment in handling the economic crisis wreaking havoc across the continent will shine forth from Washington.

Thus far, the same pro-IMF, free-market insanity continues to dominate U.S. economic policy toward Ibero-America, as exemplified by Secretary of State Shultz's Dec. 6 speech to the Caribbean Basin Conference in Miami. He called for a rejection of state ownership in Central America and the Caribbean and the adoption of drug-centered, "open market economies" like that of Singapore.

Deputy Secretary of State Kenneth Dam, speaking Dec. 6 before the Dallas Council on World Affairs, also demanded that Ibero-America impose IMF austerity "adjustments" and "open its markets" as the only way to avoid "internal violence and a return to military dictatorships. . . ."

In an unmistakable threat, Dam warned that Ibero-America's failure to follow IMF recommendations would open up "a whole range of alternatives . . . and not just Marxist-Leninist regimes. We have already seen in the Garcia Meza regime that ruled Bolivia from 1980 to 1981 a government dominated by narcotics traffickers. And beyond that, consider the dangerous chaos that could ensue if nihilistic radicals like Peru's Sendero Luminoso [Shining Path] guerrillas multiply their strength."

Outrageously, Dam held up the Dominican Republic as the model of a country which has demonstrated a laudable commitment to the IMF's program. He failed to mention that this "adherence" led to bloody riots against the Fund's brutal austerity dictates last April, leaving 51 people dead.

Clearly, a presidential purge of such Kissinger elements in the State Department is required to right both the strategic military and economic policy doctrines of the Reagan administration.

'The IMF, ally of subversion'

Ibero-America's Contadora leaders, as well as others, have been explicit on the kind of policy changes the Reagan administration must undertake if it is to recapture the confidence and friendship of Ibero-America generally.

Former Venezuelan President Herrera Campins used unusually strong language at a press conference given in Costa Rica Dec. 5 in which he accused the International Monetary Fund of being "the best ally of subversion in Latin America." He explained that the IMF is applying across-the-board austerity prescriptions without regard to the reality of the countries with which it deals. "As a result, the political stability of the Latin American nations is threatened. To this can be added the position taken by the United States that each coun-

try arrange its foreign-debt problem bilaterally, opposing any joint formulas. The U.S. knows that we are weak countries, but that collectively we are strong. It wants to take advantage of us."

In his address to the Organization of American States Dec. 5, Venezuelan President Luisini reiterated Campin's point, if a bit more diplomatically:

"We will meet our obligations, but always with a focus on Latin American solidarity. . . . We cannot enter into readjustment and austerity beyond what is prudent: We cannot endanger the harmony or equilibrium of our societies, imposing upon our people conditions of life incompatible with reasonable levels of well-being. To go further would be unlawful and would in effect be handing ourselves over to chance, to the dominion of the unpredictable, and yielding up our capability and obligation to manage the crisis prudently."

President Betancur, in a Bogotá address to visiting European Community President Gaston Thorn on Oct. 31, elaborated on his development recommendations for Central America:

"We must channel external resources [into the area] to reinforce plans for construction and rehabilitation of the physical and social infrastructure of these countries with hospitals, aqueducts, schools, roadways, sewer systems. . . . Such a program of rehabilitation and reconstruction for Central America is urgent in the short term. In this regard I disagreed with the [long-term] focus of Professor Kissinger during conversations we held a year ago in New York. . . ."

And in discussions with de la Madrid during his Mexico visit, Betancur warned:

"We don't believe that orthodox and technocratic formulas will resolve the problem, but on the contrary could aggravate it, endangering democratic institutions and promoting class war whose outcome would not be difficult to predict."

In those same talks, Mexico's President urged direct dialogue between debtor and creditor governments on resolving the debt crisis, and insisted that "servicing the debt should not exceed a reasonable percentage of export income. . . . The problem of the developing sector debt demands the commitment and active participation of the debtor and creditor governments, the multilateral financial institutions and of the international banking community."

In a press conference given Dec. 7 by Betancur on the final day of his Mexico visit, the Colombian head of state called for a U.S.-Latin American conference on the foreign debt crisis, to be held in the first quarter of 1985.

Should the Reagan administration agree to such a government-level dialogue—outside the framework of such enemy institutions as the International Monetary Fund—President Reagan will have taken a long-overdue step toward creating the "community of principle among sovereign republics" that John Quincy Adams and other of our distinguished forefathers dreamed of.

Soviet sub Palme tries to torpedo U.S. beam-weapon defense program

by Mark Burdman

The Soviet military daily *Red Star*, which chooses not a single word lightly under conditions of the U.S.S.R.'s global prewar mobilization, could only find words of effusive praise for Swedish Prime Minister Olof Palme in its Dec. 5 issue.

As if it was republishing accounts from the U.S.S.R.'s own foreign ministry special propaganda division, *Red Star* cited Palme's speech before the New York Foreign Policy Association two days earlier as the most convincing argumentation available that the U.S. Strategic Defense Initiative was the main threat to world peace.

There, Palme had stated: "It is not possible to seek security from nuclear destruction through even further development of military technology." Why not, one may ask?

The *Red Star* piece emerges from the same military apparatus that has spent considerable energies during the past year and a half deploying Soviet submarines illegally into Swedish territorial waters. In fact, the deployment of Palme to the United States was carried out with the same devotion and energy: Palme, himself, is a Soviet submarine, and it was the Soviets who most carefully guided his actions during his U.S. stay.

Prior to arriving in New York, Palme had been in Chicago, Illinois, nominally presiding over the Nov. 30-Dec. 2 meetings of the misnamed "Independent" Commission on Disarmament and Security Issues, a.k.a. Palme Commission.

In reality, the meeting was presided over by top-level Soviet case officers, U.S.A.-Canada Institute chief Georgii Arbatov and GRU military intelligence Gen. Mikhail Milstein. It was these men, on-site, who orchestrated and directed the three-day meetings and final resolutions, which notably featured an attack on the "dangerous escalation of the arms race" into outer space.

The meeting provided an ample supply of malleable and gullible Western appeasers all too ready to bow to Soviet imperial demands, including Egon Bahr of West Germany; Cyrus Vance and James Leonard (coordinator of the Aspen Institute East-West Project) of the United States; Pierre Trudeau of Canada; Joop den Uyl of the Netherlands; and others.

Since the Commission meetings were especially focused on stopping the U.S. beam-weapon program, there was also a squad of quack anti-SDI scientists in attendance, including the Brookings Institution's Barry Blechman and the Massachusetts Institute of Technology's George Rathjens and Jack Ruina.

Fresh from these meetings, the Soviet submarine surfaced and docked in New York during the evening of Dec. 2. His mission here, too, was to establish connections with the "crème de la crème" of the appeasement crowd which has been working so hard against the Strategic Defense Initiative.

The public highlight of the New York stopover was the Dec. 3 appearance at the Foreign Policy Association, which is a semi-private club for the "bluebloods" of the New York City area. Before 150 of such people, Palme repeatedly backed up the Soviet strategic evaluation, justifying the "tremendous distrust in the Kremlin over this [Reagan] administration" and pooh-poohing the Soviet strategic threat to Scandinavia.

Palme even warned about the dangers posed by *American* airspace incursions over Swedish territory!

On the Strategic Defense Initiative, as *Red Star* so happily reported, Palme was emphatic, asserting: "We can't achieve security by technology. This just increases the arms race. . . . The ABM treaty was by far the most constructive agreement of the Kissinger years."

The reference to Kissinger was hardly fortuitous. When this correspondent challenged Palme that he was willfully behaving like a Soviet submarine in his posture on the beam-weapon question, he raced to the microphone, a sardonic gleam in his eye, exclaiming, "Ladies and gentlemen, this is a familiar event. This is the LaRouche organization. They follow me and Henry Kissinger to every event. On this, Henry Kissinger and I have a common interest. When it comes to Lyndon LaRouche, Henry Kissinger and I are very close."

Obviously, Mr. Palme was trying to communicate something profound, since the question had never referred to Kissinger at all.

The mystery of this was cleared up the next morning, when Kissinger showed up at the 117 East 64th Street residence of Swedish special envoy Anders Ferm, where Palme was staying, to have breakfast with the Soviets' favorite Swede. Observers on that street report that a welcoming committee of supporters of LaRouche were on hand to appropriately greet Dr. Kissinger, who had affirmed in a recent interview with a Swedish weekly that he agrees "70% with Olof Palme" on many issues.

Evidently, when it comes to the question of torpedoing the U.S. development of beam-weapon strategic defense systems, the percentage goes up considerably.

Palme: 'alarming' arms race in space

The following are excerpts from a speech by Swedish Prime Minister Olof Palme before the Foreign Policy Association on Dec. 3, 1984 in New York.

We are now . . . faced with the threat of new technological developments in armaments. I refer to plans for new weapons systems such as anti-satellite weapons and nuclear missiles with greater precision, and even defense systems with anti-ballistic missiles. And perhaps most alarming is the prospect of an arms race in outer space.

Putting weapons into outer space would introduce many new and dangerous elements into the ongoing arms race. And the whole discussion about an effective defense against ballistic missiles raises several serious questions:

1) Is it really possible to have an impenetrable missile defense system? A system which will guarantee that not one single missile will get through? According to the expertise [sic], this is a very doubtful proposition.

2) Even if it would be deemed possible to construct a perfect defense against ballistic missiles—could not nuclear weapons be delivered in many other ways than by ballistic missiles? For example, by airplanes, by cruise missiles, etc.? And perhaps even more means of delivery may be developed in the years ahead?

3) How would a system of missile defense conform with important treaties already in effect: the Outer Space Treaty, the ABM Treaty, and the Limited Test Ban Treaty?

4) If one of the superpowers were to deploy an effective missile defense system, would this not be a strong incentive for the other superpower to follow suit, and to take what it deemed to be appropriate counteraction?

5) To try to build a strategic missile defense system would be an expensive experiment. The costs are presently estimated to exceed \$1,000 billion. Is there not a better use for these huge resources?

It may be that those who argue in favor of strategic missile defense honestly think that this is a way out of the dilemma of deterrence. It is becoming more and more obvious that people do not trust deterrence: this way of keeping the whole of humanity as a hostage. Deterrence is a fragile system of security. Its stability is constantly undermined in the never ending arms spiral. It is like an addiction to a drug—you need a larger and larger dose of it. And at the end of the road, nuclear deterrence holds out the prospect of the apocalyptic abyss.

To meet this skepticism, to reassure one's own people, a technological breakthrough which will give a fool-proof defense is brought forward as a real possibility. But the only real answer to the dilemma of deterrence is a strategy of common security, of security ensured in cooperation with other nations and not at their expense, of negotiated political solutions and not unilateral, technical approaches. . . .

I came here to New York straight from Chicago, where we have had a meeting with the Independent Commission on Disarmament and Security Issues. This is an independent group of senior political leaders . . . from East and West, as well as from North and South. We published our final report in 1982. . . . Our Commission has, in a modest way, provided a forum for continued contact and dialogue during years when such East-West dialogue has been scarce or even non-existent. . . . It is therefore natural that we have strongly welcomed the news that the United States and the Soviet Union will meet in Geneva in January to begin talks with the objective of reaching agreements on the whole range of questions concerning nuclear and outer space arms. And at our meeting in Chicago, we put forward eight recommendations as to what these talks should aim to achieve.

1) Improved East-West relations, including regular summit and high-level meetings on an annual basis, with arms issues as an essential part of the agenda.

2) Mutual pauses: an agreed and verifiable pause in the testing of new types of nuclear weapons and their delivery systems, and a similar pause in deployments of nuclear weapons systems.

3) Substantial reductions of nuclear weapons.

4) Strengthen the ABM Treaty, and prevent deployment of weapons in outer space.

5) A comprehensive nuclear-test ban.

6) Preserving the non-proliferation treaty.

7) A battlefield nuclear-weapon-free corridor in Europe.

8) Confidence-building measures. . . .

What may be somewhat special about these ideas is the fact that they are the result of an intense discussion at a meeting where both East and West was represented. Our session this weekend in Chicago was the first one held with participants from both sides after announcement of the Geneva talks.

There ought not be any overwhelming technical problems in agreeing on any of these points. The final question is therefore whether there is enough political will on both sides. . . . And I believe that we who represent the non-nuclear nations of the world will do everything we can to promote such a political process.

To conclude: It is not possible to seek security from nuclear destruction through even further development of military technology. The only way to reach security is through political means: a lessening of tensions, a reduction in suspicion and distrust, and agreements on arms control and disarmament.

Mitterrand joins Soviet offensive to destroy France and the Western alliance

by Jacques Cheminade

By shaking hands with Libyan assassin Muammar Qaddafi on the Greek island of Crete, French President François Mitterrand has made shamelessly public his pact with the devil. The meeting means much more than just an infamous *realpolitik* arrangement; it is the tip of the iceberg of an all-encompassing agreement between the President of France and the Soviet enemies of the French nation. To maintain his terminally diseased regime, François Mitterrand is now doing the same thing that Marshal Pétain did in the time of Vichy France, when Nazi-occupied France was governed by the puppet Vichy state: He is selling the nation-state upon which his regime stands.

The French population does not want France to become a satrapy, and reacts with rage and disgust to Mitterrand's destructive policies. French polls give Mitterrand the lowest rating ever—around 25%—for a French President. But the political parties opposed to Mitterrand are proving themselves totally unable to lead the ferment of the population toward an articulated, credible political alternative. Ex-President Valéry Giscard d'Estaing, ex-Premier Raymond Barre, and Paris Mayor Jacques Chirac, who heads the RPR ("Gaullist") party—the spineless trio of the official opposition—propose nothing but neo-liberal austerity and a more moderate pro-Soviet foreign policy.

Hence the crucial importance, as policy-making and decision-making institutions, of the French Schiller Institute and the Parti Ouvrier Européen, which are left as the only coherent counter-pole to Mitterrand's scorched-earth policies. These institutions, connected to the international operations of Lyndon and Helga LaRouche, are the only representatives of the spirit and drive embedded in the traditional French-American alliance, and they are joined every day by increasing segments of the population for political and economic guidance.

Mitterrand destroys on behalf of Moscow

The Mitterrand policies are particularly harmful in three major areas: Mediterranean flank, strategic-military posture, and economic de-industrialization.

Beyond its immoral wheeling and dealing with Qaddafi,

the French government is opening the southern flank of the Western Alliance to the Soviets.

The key is a network of treaties and arrangements made around the Mediterranean, which involve:

- France and Papandreou's Greece
- France, Greece, and the Italian government
- France, Libya, and Morocco
- France, Libya, and the Chad-Niger area
- France, Libya, and Malta
- France and Assad's Syria

Step by step, with France acting as a "cut-out" among this array of forces, an all-encompassing "soft" flank is thus opened for the Soviets in the southern sector of the Western Alliance, while the Soviet offensive continues on the northern flank, directly hitting Sweden, Norway, Denmark, and West Germany. The combination of the two operations—with Mitterrand playing now the role of a "southern" Olof Palme—is leading to an overall dissolution of the alliance. The round-up of recent trips by Mediterranean leaders is revealing:

- Mitterrand, Papandreou, and Qaddafi in Crete
- Papandreou and the Italian government and the Vatican in Rome
- Malta's Dom Mintoff and Qaddafi
- Dom Mintoff and the Soviet leadership in Moscow
- East Germany's Honecker and Mintoff in Malta
- Mitterrand and Syria's Assad in Damascus
- Morocco's King Hassan and Qaddafi, issuing a "national unity" declaration previously arranged by Mitterrand and his counselors.

If we add to this the situation in Spain—prevented by Mitterrand from joining the stabilizing European Common Market, and destabilized by the Moroccan-Libyan deal which threatens the Spanish cities of Ceuta and Melilla on the African coast, claimed by Hassan—we have a global destabilization orchestrated by Mitterrand to the full benefit of Moscow.

One need only add that France encourages and finances the radical tendencies of the Nicaraguan Sandinistas, threatening to provoke an American intervention in Central Amer-

ica leading to Kissinger's "decoupling" of Western Europe from the United States.

Militarily, the Mitterrand government is now fully committed to stop the crucial beam-weapons program of President Reagan. Prime Minister Laurent Fabius, in a speech given to the Europa-Archiv German Society for Foreign Policy, violently attacked the Strategic Defense Initiative and called for a "demilitarization of space." While he was in Washington, French Foreign Affairs Minister Claude Cheysson attacked the Reagan policy in equally harsh and bitter terms.

Economically, Mitterrand has fully endorsed the "post-industrial society" of the U.S. Eastern Establishment, and is destroying the creative powers of French labor in a drive unprecedented since Pétain's Vichy. The nationalization of various key French industrial firms has not been used to produce more, but to enforce austerity and de-industrialize. Mitterrand is shutting down the steel sector, the heavy equipment production, and the whole nuclear energy sector: Franatome, the key French nuclear industry, is bankrupt, while the French nuclear program has been cut to the level of one plant per year in 1985 and 1986.

The secret behind this policy is again the Soviet hand. Mitterrand is arranging with Qaddafi, the Syrians, the Iranians, and Armand Hammer—now again in Moscow—a deal to deliver Mideast and African oil to the Soviet war machine. And the destruction of French industry at the level it is reaching—together with the paralysis of France's own beam-weapons program—can only benefit Moscow.

Is Mitterrand a Soviet agent?

Therefore, a question comes forcefully to the mind: Is Mitterrand a Soviet agent? The answer should be the same as for the case of Henry Kissinger: Yes, François Mitterrand is acting as a Soviet agent of influence, but there is more to it.

The key to Mitterrand's current behavior is his historical connection with the Central European "black" oligarchy and the New-Yalta East Coast U.S. establishment. Mitterrand is now fully following the Kissinger and Vernon Walters game plan: preparing U.S.-European decoupling within the New Yalta deal, and favoring by all means the use of the upcoming Schultz-Gromyko discussions to sell out Reagan's Strategic Defense Initiative. As of now, Kissinger and his crony, State Department roving envoy Vernon Walters, meet Mitterrand and his closest collaborators on an almost weekly basis.

The anti-beam-weapons radicalization of the Mitterrand government corresponds exactly to the offensive launched by the assassins of John F. Kennedy—the McNamaras, McGeorge Bundys, George Kennans, and Henry Kissingers—against President Reagan's Strategic Defense Initiative.

Mitterrand is no longer an independent statesman—if he ever was. He is the servant of the "families" involved in the Swiss-promoted "synarchist" operations that launched the fascist movement back in the 1920s on an international scale,

families that have controlled Mitterrand's otherwise erratic right-left political life since at least the time of Vichy, when the young Mitterrand was decorated with Marshal Pétain's highest order, the "Francisque," in 1942, after the American landing in North Africa.

A recent revealing event signals where Mitterrand's loyalties lie—the baptism of his grandson. The baby was baptized in a copper cauldron following the ritual of the Gnostic families in Sion—the southern French city mentioned in the cult-promoting book *Holy Blood, Holy Grail* as the center of the Gnostic heresy (which says Christ did not die on the cross, but escaped with Mary Magdalene and founded a royal dynasty in southern France). Sion is an old stronghold of what was called Catharism in the Middle Ages, adopted by the Gnostic families and the Nazi-communist forces. The Nazis searched Sion many times before World War II for their "roots," while the "Cathar" revival in the France of the 1960s was massively promoted by a TV movie from Claude Santelli—a Communist Party member and one of Mitterrand's favorite TV film-makers.

A smell of Vichy

As the Mitterrand case evidences, what is at stake is the very existence of France as a nation-state, and the maintenance of the Western Alliance as an entity among sovereign republics. What Mitterrand is doing is rapidly destroying the nation-state—ironically, using the powers given to the French presidency by De Gaulle's Fifth Republic Constitution—on behalf of cultish family forces based on an obscene ideology of blood, soil, and race. This in turn delivers France as an easy prey to the Soviets. In a word, Mitterrand is doing to France on behalf of the Soviets what Pétain did on behalf of Hitler's Nazi Germany.

A rotten smell of Vichy indeed pervades the poor country.

The "opposition" parties, instead of fighting back effectively, contribute to the process of destruction. Both the RPR and the UDF main opposition forces have fully endorsed the most destructive forms of "neo-liberalism"—another road to de-industrialization. The favorite books in these circles could have been written by the Heritage Foundation or the friends of Milton Friedman. Among them, the most infamous are Guy Sormann's *The American Neo-Conservative Revolution* and *The Liberal Solution*, where he portrays Reagan as the best disciple of Milton Friedman. Sormann is otherwise a self-proclaimed friend and disciple of Bertrand de Jouvenel, a supporter of Jacques Doriot's PPF—a French Nazi-Communist party of the 1930s—and now an associate of the "Futuribles" a group of crazy utopians, and the Club of Rome.

Nobody in the French opposition has endorsed President Reagan's Strategic Defense Initiative, and all claim in public or private that "beam weapons weaken the defense of Europe because they sanctuarise the U.S., and would therefore leave Europe out of the area of U.S. strategic defense." Granted, some of the French opposition leaders are idiots, but a ma-

jority of them certainly knows of the statements of Reagan and Caspar Weinberger pledging to share beam-weapon technologies with America's allies and defend *all* the Western Alliance with them. Therefore, it is clear that the leaders of the French opposition are *lying*, on behalf of the same forces which are presently using Mitterrand as their errand boy.

This situation leaves the nation leaderless, and vulnerable to irrational forces. A crazy extreme-right-wing movement, Jean-Marie le Pen's National Front, polled 11% in the June European elections and tried to capitalize on the rage of the population by turning it against the foreigners and guestworkers, and toward even more radical neo-liberal free-enterprise schemes and a defense policy based exclusively on self-defense and nuclear shelters. Such paranoid ideology is contributing to breaking the nation apart, and pervades every sector of social life. In the meantime, the PCF—French Communist Party—uses the trade union it controls, the CGT, to push violent actions against austerity and unemployment, thus furthering the social and political chaos.

What is to be done

Under such circumstances, a new force has to emerge in France to save the nation—as has always occurred at the worst moments of French history. This time, ironically and once again, the force with the capacity to save France cannot be “inward-turned” or emerging from inside an already too rotten environment. It has to be an “outward turned” force, with an international outlook, organizing brigades of “patriots and world citizens.”

This is exactly what the Schiller Institute and the French Parti Ouvrier Européen have done, first with the Second Schiller Institute Conference in Wiesbaden, West Germany, attended by more than 100 French citizens, and more recently, with the Third Schiller Institute Conference in Crystal City, Virginia, Nov. 24 and 25, for which a brigade of 50 Frenchmen crossed the Atlantic.

The goal of the POE and the Schiller Institute in France is to rebuild the very basis of a nation-state, while ruthlessly attacking Mitterrand for what he is doing.

December 11 has been set as the Day of Resistance in France, to stop Mitterrand from selling the country to the Soviets, with the POE's target being to get out a half-million leaflets throughout France in one day. This shock-move is absolutely necessary to awaken positive resistance in the otherwise impotently enraged population.

The Schiller Institute has also decided to declare war on Guy Sormann and his neo-liberal ilk, and has slated a conference “In Defense of Jean-Baptiste Colbert—a Colbertiste Solution to the Present Economic Crisis” for Dec. 14-15 to lead France back into the republican mainstream. This conference is the unique opportunity to present the Declaration of the Inalienable Rights of Man, and to spell out the economic theory and active policies required to fulfill man's right to development.

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Rajiv Gandhi takes party command

The prime minister has cleaned 80 incumbents out of the Congress (I) slate due to their lack of service to constituents.

On Nov. 30 the preliminaries to the forthcoming Lok Sabha (lower house of the Indian parliament) elections in India were completed. The ruling Congress (I) and the opposition groups have nominated their candidates for the election to be held on Dec. 24, 27, and 28. The Congress (I) list of candidates, which retains most of the elected members, emphasizes the clean political record of the nominee as the criteria. This is exactly the image of the new Prime Minister Rajiv Gandhi that reassures the Indian population.

The 378-million-strong Indian electorate will elect 496 members of the 524-seat Lok Sabha. Elections will be held in Punjab and Assam later because of internal insecurity and turmoil in those states. Of the seats scheduled to be contested, the ruling Congress (I) presently holds 336. Congress (I), the only party with a nationwide base, is the only party fielding a candidate for each seat.

The general elections will be held under the shadow of the ongoing investigation of the brutal assassination of former Prime Minister Mrs. Indira Gandhi. The new Prime Minister, Rajiv Gandhi, who was elected by party officials to his present post within four hours of his mother's assassination on Oct. 31, will be seeking a fresh mandate from the electorate for a five-year term.

The first political challenge the premier faced was selecting the candidates. Unlike the United States, where primaries within each party de-

termine the candidates, in India the candidates are hand picked by the top party officials. State party officials prepare a list of candidates for each state constituency. This list is then scrutinized and finalized by the New Delhi-based Central Parliamentary Board of the party. During the week when the list is being finalized, all prospective candidates converge in New Delhi to exert their political clout as best they can to get the nod from the party leaders.

Since the party leadership imprimatur is direct, the list of candidates—those rejected as well as those included—provides the first hint of election strategy—how the new administration might function and where the power blocs, if any, will be.

The immediate result of the party slate is disgruntlement and possible rebellion. This year, it has become clear that the Congress (I) party bosses are not willing to tolerate any temper tantrums. Already a few of the former power brokers have been expelled and warnings have been sent to the rebels in Bihar, Uttar Pradesh, and Madhya Pradesh to curb their voices or face the consequences.

The 1980 elections in which Mrs. Gandhi made her triumphant return to power after 34 months, having been swept out of power in 1977 following her emergency rule, were a watershed for the Congress Party. In 1978, Mrs. Gandhi had dissolved the old Congress party and formed the Congress (I) with the majority of party members behind her. The 1980 victory gave the

Congress a new lease on life.

In those elections, a large number of new, young Congress members were given tickets to contest the Lok Sabha seats. Most of these fresh faces were members of the Youth Congress (I), then a dominant party force under the leadership of the late Sanjay Gandhi, younger son of Mrs. Gandhi. The death of Sanjay Gandhi in June 1980 threw some of these young politicians into a quandry. Some, afraid that Sanjay's death would leave them powerless and with no route to advance within the party, left the Congress (I) and began exploiting his name. Others quickly pledged their allegiance to the new party leadership.

In June 1981, Rajiv Gandhi won the parliamentary election from Amethi, a seat in Uttar Pradesh which was vacated by his younger brother's death, and the one he will be contesting in the coming election. It was a foregone conclusion then that he would play a dominant role in the party apparatus. In 1983, he became one of the four general secretaries of the all-India Congress Committee (I) and soon took over the Youth Congress (I) which had been Sanjay's political base.

In nominating the candidates for the Lok Sabha, Rajiv Gandhi has established the norm he demands others follow. Out of the 336 seats the party won in 1980, more than 80 incumbents have been dropped. This is a move to cleanse the party of those with poor records in serving their constituency. While the ax has come down in more or less all the states, the victims are uniformly those who won the last election coat-tailing Sanjay Gandhi and subsequently have done little or nothing in building the party in their respective constituencies. Some of those have also earned the distinction of being openly involved in corrupt activities.

The dread of San Stefano

Using the blueprint of the 1877 treaty, Russian designs on the Aegean involve creation of a Macedonian state.

What Russian imperialism is doing in the Balkans under the supervision of Ambassador Igor Andropov in Athens reminds one of the Russian hegemony temporarily established over the Aegean Sea coast of the Balkans during the short lived San Stefano Treaty of 1877. The current policy of the Russian government is: to reinforce Bulgaria's role as a powerful Russian military outpost; break up the Yugoslav federation; create a Bulgarian-controlled Macedonian state; dominate Greek domestic politics; and, through control of the Aegean, control the Mediterranean Sea.

Last week, Aeroflot, the Russian airline, established daily flights to the city of Thessalonica, the second largest Greek city and administrative capital of Northern Greece. Since no commercial or tourist reasons justify this Aeroflot service, it is expected that some unusually sized "diplomatic pouches" are about to show up in Northern Greece.

At the same time, the Russian foreign ministry requested permission to open a Consulate General in Thessalonica for the purpose of servicing "Soviet interests in the northern provinces of Greece." There are no Soviet nationals nor commercial activities in that part of the country. There is, however, a Russian-sponsored committee for the "liberation of Macedonia" based in Thessalonica, which advocates the formation of a "Macedonian state" composed of pieces of territory torn out of southern Yugoslavia, northern Greece and southwest Bul-

garia, under Bulgarian sponsorship.

The myth of a "Macedonian state" and "Macedonian nation" was concocted during the late 18th and 19th centuries by primarily Venetian intelligence networks in the region working on the problem of dismembering the Ottoman Empire. The present day formulation of the "Macedonian question" derives from the activities of Venetian Count Volpi di Misurata, the reputed inspirer and controller of Italo Bablo, Benito Mussolini, and Italian fascism in general. The only actual "Macedonia" which ever existed was a Greek-speaking state of the fourth century B.C. which was essentially dissolved with the death of its most famous king, Alexander the Great.

Today, Russian diplomacy has revived the myth of Volpi di Misurata. Igor Andropov is pressuring the Papandreou government to enter into a treaty agreement with the "Macedonian Federated Republic of Yugoslavia" for the commercial development of the Vardar River valley as a joint project. The feasibility study for the project has been supplied by some Russian-controlled agency at the United Nations and it proposes the creation of some 25 dams, numerous hydroelectric stations, navigable canals, etc. to be constructed between 1985 and 2005. Ultimately, the entire Vardar River project is to be linked by canal with the Danube River and become part of an ambitious *Russian project for a continuous waterway connecting the Danube with the Aegean.*

The vast political implications of

the project ought to be reviewed under separate cover. Relevant to their scope, however, is the fact that Igor Andropov and his KGB helpers in Athens are applying pressure on the Greek government to conduct negotiations on the project, not with the Yugoslav authorities in Belgrade, but rather with the authorities in Skopje of the "Macedonian Socialist Republic." Favoring the legitimization of the fantastic Macedonian claims is Papandreou's Deputy Foreign Minister Karolos Papoulias, whose brother is Greece's ambassador to Washington, and Papandreou's parliamentary allies, the Communist Party of Greece.

The latter is on record supporting the formation of a Macedonian state and, in its party program since the 1930s, has been a plank calling for the secession of large portions of northern Greece, including the city of Thessalonica, from the present Greek state. It is perhaps the only party anywhere in the world which is allowed to sit in the parliament of a country whose disintegration it advocates.

The claims for a "Macedonian state" are historically unfounded, especially so for the city of Thessalonica, a city founded by Alexander the Great (bearing his sister's name) whose population remained Greek-speaking continuously until the later phase of the Ottoman Empire, at which time it was composed of one-third Greek speakers, one-third Turkish speakers, and one-third Sephardic Jews. The 1922 population exchange between Greece and Turkey removed the Turkish-speaking component; the Nazi occupation of 1941-44 removed the Jewish component. The city's culture became the poorer for this, but never in its 2,300 history was it threatened by the cultural depravity that Igor Andropov now means to impose.

The Jimmy Carter of France

Mitterrand's appeasement policies are cutting adrift French allies in Africa, the Mideast, and the Pacific.

Jimmy Carter should be happy. His spirit lives on in the policies of French President François Mitterrand. Just as it was hard to understand the tortuous logic which led Carter in the brief and yet too long four years he was President to deliberately destabilize America's key allies in the Middle East, Asia, and Europe and demoralize America's military and intelligence services, it is equally perplexing to watch President Mitterrand rapidly undermine France's allies.

The amount of damage Mitterrand can do is limited by the fact that France is a middle-sized power. Yet the damage is already great, both to the long-term interests of France and to the unity of the Western world as a whole.

Major if not irreparable harm is occurring in the fight against international terrorism. A week or so after having met Libyan Colonel Qaddafi in Crete, thereby lending credibility and respectability to an international outlaw, President Mitterrand flew off to Damascus for a two-day state visit. Mitterrand got nothing out of the trip and was sharply criticized by the otherwise pro-government papers *Le Monde* and *Liberation*. But Assad gained a major concession from the French government: Mitterrand announced that to his knowledge Syria had never been involved in acts of terrorism against French interests.

French military sources point out that the declaration is as extraordinary as it is false: Not only has Syrian intelligence been directly involved in major terrorist attacks on French soil,

but also, it has been proven beyond a doubt that without Syrian backup the bombing of the French and American compounds in Beirut would have been impossible. To add to the outrage, the French ambassador to Beirut assassinated in 1982, Louis Delamare, was killed by a faction of Syrian intelligence. Hence, by whitewashing Syria, Mitterrand is insulting the French military, France's intelligence services, and those who died for the sake of Lebanon's liberty. One cannot but conclude that the French President, by legitimizing both Libya and Syria in this fashion, has made what he thinks is a deal with the main forces of international terrorism. Whether he sees this deal as an "armistice" or not is irrelevant. Like another armistice of not so long ago, it is a capitulation. It has led to a serious worsening of what were good Franco-American relations.

This policy shift, like Carter's in 1977, has worried the already shaky moderate allies of France and the West in Africa and other parts of the world. In Francophone Black Africa, Qaddafi is viewed as a major threat who is involved in financing efforts to overthrow the existing regimes. Some French observers have voiced the idea that, if the trend continues, France will lose all of its remaining influence in Africa.

Yet even more astonishing is the "benign neglect" policy of the French government toward threats to its own sovereignty, notably the immediate insurrectionary threat in the French Pacific territory of New Caledonia.

Led by a small terrorist ethnic organization called the FLNKS (Socialist National Liberation Front of the Kanaks), a minority of the population of New Caledonia is engaging in overt, armed rebellion. The rebellion followed elections in which 70% of the voters endorsed a party which stands explicitly for continued affiliation to France. The government, however, unhappy about the election results, has chosen to support the autonomists in spite of incalculable consequences.

The FLNKS is the Melanesian equivalent of the ethnic and tribal terrorist organizations backed by Survival International and the German-based Society for Endangered Peoples. As in the case of Shining Path in Peru, radical anthropologists are found behind the Kanak movement. The son of the head of the ethnology laboratory of the Musée de l'Homme in Paris is, according to well-informed sources, one of the leaders of the movement. The museum's head, Jean Guiart, is also known to have trained the head of the FLNKS provisional government.

Moreover, it is public knowledge that the FLNKS is being financed and trained by the Libyan government and, hence, by the secret services of the East Germany, the "Stasi." Hence, we find the French part of the Socialist International acting with the Libyan government to destabilize a territory affiliated to France. Also involved are the left-wing Australian security services and the Anglican Church, which openly called for independence two days ago, for its own particular reasons.

New Caledonia is a major French naval base. What happens in New Caledonia will be a test for all of France's strategic ocean positions—French Guyana, Guadeloupe, Martinique, and, of course, Corsica.

Fracturing inside the PAN

A new "authentic PAN" is circulating leaflets in various states of Mexico blasting the present leadership.

Ever since U.S. State Department relations with the National Action Party (PAN) came out in the open and the subsequent moves to strip its legal party status, the PAN has entered a phase of internal splits that could shed a good deal of light on the PAN's true fascist intentions.

Efraín González Morfín, the PAN's ex-president and 1970 presidential candidate, publicly attacked the PAN's present head Pablo Emilio Madero for his ties to U.S. Ambassador John Gavin. He charged that the leadership has deviated far from party's principles, and noted that he had never made alliances like those now being made to the U.S. ambassador.

The PAN has been hit by a series of ballot defeats which are making some of its leaders think about "deals" to keep the party in business. It lost all the recent mayoral elections in Mexico State.

In the southern state of Yucatán, the PAN only won a minor mayoralty. The Dec. 2 Coahuila elections were another washout: Major cities thought "safe" for the PAN, such as Monclova, were lost. Despite the scenario of violence which the radical Panistas tried to launch in the state by hiring thugs and even booing their national president Pablo Emilio Madero in the middle of the national convention when he called for not "having recourse to violence and defending the vote," the PAN got nothing. During the convention, the radical PAN members who booed Madero clapped loudly for José Conchello, whose Nazi sympathies are on record.

And then there was the substantial economic loss which various sources say hit the PAN in the multibillion dollar dope bust in the state of Chihuahua on Nov. 9.

In states like Nuevo León, Sinaloa, and Sonora, the PAN is not thinking about any "deals" but preparing for battle, since those northern border states are key to its antipatriotic policies.

On Nov. 24, the well-known tycoon Fernando Canales Clariond announced for the governorship of Nuevo León. Clariond is the "political" son of the strongman José Luís Coindreau, a leader in the 1975-76 Chipinque conspiracy in which businessmen from Nuevo León and other states plotted to overthrow then President Luís Echeverría. Coindreau is also a graduate of Georgetown University, where Henry Kissinger is kept; an ex-leader of the Chamber of Commerce of Monterrey; and ex-leader of the national big-business association, Coparmex.

It is no secret to anyone that Coindreau resigned his directorship at the Center of Social Studies of the Private Sector (CESSP), a branch of the Entrepreneurial Coordination Center, to dedicate himself full time to PAN militancy and backing the candidacy of Canales Clariond, leaving Andres Marcelo Sada in his post at the CESSP.

Coindreau and Marcelo Sada, together with Clouthier, the Goicocheas of Sinaloa, and the Vallinas of Chihuahua, were the creators of the subversive meetings of businessmen cynically named "Mexico in Liberty," that

rose up against the nationalization of the banks in 1982, mainly in the north.

An example of what Clariond's campaign will be was seen in the violent clash at his first campaign event on Nov. 26, where bludgeons, sticks, and stones flew between members of the PAN and the ruling PRI party, resulting in several wounded and a press scandal. These are the same forces that support Adalberto Rosas for governor in Sonora and the drug pusher Manuel Clouthier in Sinaloa, whose campaigns are threatening the same violent tactics.

But precisely in these states, a factional offshoot has sprung up called the Authentic National Action Party (PANA), which is said to be of the traditionalist wing. It first cropped up in Sonora, where it opposed the "violent tactics" of the PAN candidate Rosas, the fellow the *New York Times* backs against the candidate of the ruling PRI party.

A leaflet appeared in Monterrey protesting the nomination of Canales Clariond as the PAN gubernatorial candidate in the state of Nuevo León, because it would "be a disaster for National Action." It blasted the candidacy as a "base anti-democratic maneuver of the millionaires which have taken over the PAN bit by bit" and said that "these millionaires sent José Luís Coindreau to take over the state leadership of the PAN and nominate Canales Clariond as the candidate." The leaflet concludes: "With a perfumed millionaire as candidate, the people would repudiate it . . . think it over comrade, let's not carry National Action to disaster."

This leaflet seems to be seriously affecting certain interests, because it was immediately reproduced in the Jesuit "opposition" paper *El Porvenir* and the clearly pro-PAN paper, *El Norte*.

Industrial development plans in Peru

Peruvian industry leaders demonstrate that Peru is still a country with a future.

Peruvian industrialists have taken it upon themselves to step into an economic policy vacuum in their country, and not a moment too soon.

On November 21-24, the Institute of Peruvian Executives hosted "Cade 84," an annual forum of business and financial executives, at which Peru's entire panoply of presidential candidates presented their draft programs for the government, with all concluding that Peru could and should continue to adhere to the same International Monetary Fund (IMF) austerity conditionalities driving that country's economy through the floor.

On Dec. 3-6, the National Society of Industrialists (SNI) held their fifth annual congress entitled "Industrial Development 1985-1990," attended by some 200 prominent political leaders, trade unionists, government officials, diplomats, and businessmen of all trades. In what proved to be virtually a response to the Cade '84 presentations, former SNI president Ernesto Lanata Piaggio told the illustrious gathering that despite the fact that Peru was undergoing the worst crisis in its history, there still remained a basis for optimism and a way out from between the Scylla of the IMF and the Charibdis of rampant narco-terrorism.

The development program that Dr. Lanata presented was based on the econometric analysis conducted by *Executive Intelligence Review* together with the Institute for Economic and Social Studies of the SNI. The ambitious program he elaborated was made

up of five key points, with a central proposal for the priority modernization of Peru's agricultural sector and the creation of brand new transandean agro-industrial cities in the upper Huallaga province.

Dr. Lanata emphasized the construction of vast infrastructure projects as "development poles," among them the creation of giant electrical energy projects in the Amazon basin, the laying down of three or four great transandean highways to intersect an extended railroad network, and the building of four new coastal ports.

A third aspect of Lanata's programmatic recommendations was the creation of capital-goods industries and expansion of the automobile industry based on application of high technology in elaborating such minerals as copper and zinc.

Finally, he emphasized the urgency of creating new science and technology research institutions in the fields of agronomy, mining, bio-technology and medicine.

That which made the greatest impression on the audience was Lanata's projection of the devastating effect that the IMF's austerity policies will have on the Peruvian economy over the next five years if emergency measures aren't immediately adopted to reverse those policies. Lanata also stressed that the sorry state of the Peruvian economy today is primarily the result of Peru's abdication of its sovereign decision-making authority to multilateral financial institutions

"which only know how to impose recessive prescriptions."

Noting that hunger and malnutrition was starting to affect the middle classes, Lanata stated: "It is necessary for the country to be able to produce at least the minimal amounts of food required for its own subsistence. Otherwise we will be raising malnourished children with predictable repercussions on the future of our country's labor force."

Lanata noted that in the United States a mere 2% of the productively active population produced all the food required by the entire U.S. population. He commented, "The human resource, instead of being viewed as useless rubble, is a principal motor force of the economy." Lanata also emphasized that the most modern possible methods of production should be adopted, such as drip and dispersion irrigation of the countryside. "We must forget the methods of our ancestors. What we need is the intensive use of capital."

Lanata ended his presentation citing Pope Paul VI: "Development is the new name of peace."

Useful debate on how to finance such a program followed Lanata's presentation, which necessarily brought up the question of dealing with the unpayable foreign debt. Lanata urged that "all steps necessary be taken to strengthen our negotiating position outside the context of the political egos of each country."

One final question raised was how Lanata expected to implement such an ambitious program if he was not a candidate for the presidency. Lanata expressed his readiness to present his program to all the political parties and in all forums available to him. On Dec. 7, the leading daily *El Comercio* editorially endorsed Lanata's five-point program by name.

International Intelligence

The SDI and 'Atoms for Peace'

The West German daily, *Die Welt*, compared the American Strategic Defense Initiative (SDI) to President Eisenhower's Atoms for Peace Program in an editorial on Dec. 7 written by Washington, D.C., correspondent Thomas Kielinger, entitled: "Are weapons that destroy weapons themselves weapons?" The article is part of a series on beam weapons which the paper is running, in the spirit of the "grand international debate" called for by SDI coordinator Gen. James Abrahamson. The article reads in part:

"Are the beams directed against missiles 'weapons' in the usual sense? If the definition is that a weapon is what attacks people, then this definition no longer applies to these systems for space-based defense. These systems do not serve to increase offensive potentials, but rather are aimed at reducing them. They are not aimed at people, cities, or civilizations, but at weapons that can annihilate everything. They are aimed at a favorite premise: that balance can only be secured by means of a balance of nuclear terror. This balance has another name: 'Mutual Assured Destruction.' The English abbreviation, MAD, expresses what many people think of this condition of our security. It is crazy, 'mad.'"

Kielinger quoted from President Eisenhower's Atoms for Peace speech made to the United Nations on Dec. 8, 1953: "If I say that the means the U.S. has for retaliation are such that they can turn the entire territory of an aggressor into a desert—if I say that, it's true; but it does not reflect the real nature and hopes of the United States. . . . It is the concern of my country to leave this dark tunnel of terror and come into the light," and added: "There is a logical and a moral connection between Eisenhower's proclamation and the appeal of President Reagan [March 23, 1983] to the scientists of his country to work 'to remove the threat issuing from nuclear missiles'. . . ."

"All of this must be kept in mind if one wants to evaluate the 'Strategic Defense Initiative' that the Americans are now working

on. It is an attempt to defuse the nuclear offensive arsenals, not by threatening annihilation, but by defending against this destruction. . . ."

Soviets exploit Indian disaster

The Soviet Union has begun a massive press campaign to gain strategic advantage from the disaster in Bhopal, India. A leak of poisonous gas from a nearby Union Carbide chemical plant killed upwards of 2,000 people and critically injured thousands more.

The Soviet dailies *Pravda* and *Izvestia* blamed the "mass cyanide poisoning of the people of Bhopal" on the United States. *Izvestia* accused the United States of criminal negligence "in the pursuit of high profits." This line has been echoed in the Indian leftist press. One such newspaper, *The Patriot*, ran the headline: "Killer U.S. Corporation."

In West Germany, the Soviet-sponsored Green Party has demanded the closing of all such multinational corporations throughout the Third World. The environmentalists are demanding that all pesticide plants be closed down, hoping to use the disaster to escalate the drive that has banned DDT—causing millions of deaths.

The anti-U.S. pressure on the new Indian government of Rajiv Gandhi is extremely intense. When the chairman of Union Carbide, Warren Anderson, arrived in Bhopal to inspect the pesticide plant, he was placed under arrest! He was later released, but six Indian nationals who ran the plant remain under house arrest. The Indian government has also seized all plant files. In West Virginia, where Union Carbide also has a plant, lawyers are filing a class action suit against the corporation on behalf of relatives of Bhopal victims.

The Bhopal disaster begs a full investigation to determine if the leak was caused by sabotage. Less than a month ago, a similar industrial accident in Mexico caused the death of 500 people. The two mega-disasters, highly unusual, occurring so closely in time in important countries of the Third World, imply that the Nazi-communist ter-

rorist international which carried out the assassination of Mrs. Indira Gandhi a little over a month ago has added a new weapon to its arsenal for destabilization of governments.

Chinese drop Marx as well as Mao

China's Communist Party declared in the *People's Daily* on Dec. 7 that it would be "naive and stupid" to cling to Marxist principles while seeking to modernize China. "Marx died 100 years ago. His works were written more than 100 years ago. There have been tremendous changes since his ideas were formed," the editorial stated. "We cannot use Marxist and Leninist works to solve our present-day problems." If China does not depart from Marxist philosophy, "it will lose touch with reality and be left behind."

This repudiation of Marxism follows directives by Deng Tsiao-Peng for a massive purge of the 40-million-member Communist Party of China. All members must attempt to re-register in the party, at which point their past history and credentials for entry will be inspected. The objective is to force out all the Maoist leftists who ran the genocidal Cultural Revolution. Deng is also leading a massive purge of people who have been caught engaged in corrupt practices—otherwise known as "using the new economic reforms for their own personal gain." In short, the Deng leadership is waging war on the party and its bureaucracy.

The outcome remains to be seen. The army is known to be the recalcitrant center of Maoist resistance to the economic reforms and there has been no real infusion of growth in the economy.

TASS: U.S. troops to leave Europe

On Nov. 16, the Soviet news agency TASS alleged that U.S. forces in West Germany were rehearsing a transfer to Central America under crisis conditions—precisely the

trap the U.S.S.R. has been trying to get the U.S. to walk into. TASS reported a statement by the U.S. Embassy in Bonn, confirming that American forces in West Germany had been "placed on high alert." U.S. Army Headquarters in Stuttgart had earlier denied the story.

TASS commented, "This announcement has justified the fears of the country's democratic public that the U.S. might use West German-based airborne units for aggression against Nicaragua."

Germany's Wörner: 'SDI is irreversible'

West German Defense Minister Manfred Wörner intervened against anti-Strategic Defense Initiative factions in the West German Defense Ministry, according to the West German daily newspaper, *Die Welt*, to stress that the U.S. commitment to the SDI is *irreversible*. The briefing, presented to a recent special meeting of a cabinet-level policy committee, emphasized that "American research on the SDI is proceeding on the strength of the will of President Reagan, which can *no longer be influenced*, and thereby Europe is faced with a *fait accompli* to which it must orient."

Wörner has hitherto been highly skeptical of the SDI.

The briefing paper reportedly identifies "as fact" that "with the aid of the SDI, America will obtain an unprecedented technological lead in know-how, which promises to bring spin-offs far beyond the military area in all areas of civilian technological applications." If the Europeans, and particularly the Germans, do not connect up with this development, "the United States will win such a good starting position for competing on the world market that Europeans, particularly we Germans, face the threat of being wiped off that market."

As a second fact, the briefing paper says that "whatever happens at the end of the research-phase of the SDI project, experts in the government [in Bonn] are already certain that Europe has to begin to rethink how the task of securing the peace is going to be

shaped beyond the year 2000."

A special team in the Bonn Defense Ministry has been formed, under the chairmanship of State Secretary Lothar Ruehle, which maintains continuous contact with General Abrahamson's SDI office, and will also involve experts from German industry in "technological evaluations" of the American SDI program.

Hammer delivers Russia's demands

The KGB's favorite millionaire, Armand Hammer, emerged from a 95-minute meeting with Soviet leader Konstantin Chernenko in Moscow on Dec. 4 to announce that a summit between the Soviet President and President Reagan could be held soon—provided that the United States agrees to renounce the first use of nuclear weapons. Any such policy on the part of the United States would amount to a declaration that Europe, in the current strategic balance, is indefensible and will not be defended by the United States.

Hammer, whose career as a Soviet agent-of-influence dates back decades, said he asked Chernenko if he would be willing to meet with Reagan if an accord not to be the first to use nuclear weapons was signed and sent to Congress for ratification. "His answer was yes," Hammer reported. A Reagan-Chernenko summit could take place within six months of the Jan. 7-8 meeting between Secretary of State Shultz and Soviet Foreign Minister Andrei Gromyko, said Hammer.

Hammer also reported that Chernenko had told him, in a prepared statement, that while President Reagan had agreed to reopen talks with the Soviets, "only the future will show whether the United States, contrary to its previous actions, would take a realistic position which would make it possible for the negotiations to be successful."

Before he left for his trip to Moscow, Hammer had announced that he wants to return the United States to the era of détente—i.e., the era of Henry Kissinger's sellouts to the Soviet Union.

Briefly

● **A CONFERENCE** of the World Futures Studies Federation in San José, Costa Rica Dec. 9-14 includes as participants the terrorist-linked Italian "futurist" Roberto Vacca; Club of Rome leader Eleanora Masini; the German Green Party's Petra Kelly and Roland Vogt; Princeton's Richard Falk who helped install Khomeini in power; and Yugoslav "dissident" Mihailo Markovic.

● **THE CULT** Tradition, Family, and Property (TFP), linked to assassination attempts against the Pope, has implicitly threatened the life of Venezuelan President Jaime Lusinchi. The sect has placed ads in Brazilian and Colombian papers and in the *Miami Herald* saying that Lusinchi is acting "in the same way as his deceased and intimate friend, Salvador Allende." Lusinchi outlawed TFP activities in his country on Nov. 13.

● **DEATH THREATS** against Americans by the Colombian mafia in retribution for anti-drug efforts should be carried out, said the chief of Colombia's M-19 terrorists. Ivan Marina Ospina told a press conference in Mexico City Dec. 6: "Let these threats . . . be fulfilled throughout the world against the representatives of rapacious imperialism, which lives off the misery of exploited peoples. Drug trafficking has taken on special characteristics in my country, because many Colombians live from and are benefited by this activity, encouraged by the dollars of the U.S. imperialists."

● **RUSSIA** has issued a thinly veiled military threat to Pakistan. A Dec. 2 *Izvestia* article by Alexander Bovin cites domestic instabilities in Pakistan, calling these "the internal affair of the Pakistanis." But then he adds: "The relations of the Pakistani government to the Soviet Union, to her interests and concerns, and to her friends, are very much also our business." On Nov. 29, the military paper *Red Star* wrote that Pakistani officers are being told of the "inevitability of a war" with Afghanistan.

Counterattack launched against beam-defense foes

by Kathleen Klenetsky

President Ronald Reagan and key administration supporters of the new strategic doctrine first announced by Mr. Reagan on March 23, 1983, have sent out unmistakable signals that while "space weaponization" may be on the agenda at the Shultz-Gromyko talks in January, the United States has no intention of granting any concessions that could impede its progress.

The administration's counterattack on behalf of the program now named the "Strategic Defense Initiative" clashes sharply with what McGeorge Bundy has described as an "extraordinary offensive" by America's self-appointed policy elite to defraud the U.S. electorate of the defense program for which it gave the President his historic mandate on Nov. 6, and wrench him away from the SDI. In the U.S. Senate, majority leaders nominally from Reagan's own Republican party are now leading the effort to blackmail the President with the threat of a Wall Street-engineered financial collapse if he does not gouge the defense budget by tens of billions of dollars.

The Senate rebellion against the Commander-in-Chief is intended to accomplish what Henry A. Kissinger, also a nominal Republican, promised in November to do to the President's Strategic Defense Initiative—make sure it never gets anywhere because the budget for it will be "whittled down" to nothing.

No concessions on strategic defense

If the President's directives are not sabotaged by George Shultz and the nest of traitors at the State Department, the American delegation to the Geneva talks will inform their Soviet counterparts that the only negotiable aspect of the SDI is whether the Soviets will accept Reagan's offer to share U.S. strategic defense technology with them.

That was the negotiating position which Reagan reportedly dictated Dec. 5 to the group of administration officials

now engaged in preparations for the Shultz-Gromyko meet. An account in the Dec. 7 *New York Times*, based on leaks from unnamed White House officials, reports that Reagan has instructed the American negotiating team to inform the Soviets that he is strongly committed to the SDI, that he believes strategic defense holds out the best possibility of avoiding war, and that he wants to share with the Russians any new defensive technology the United States develops.

The same article laments that while the State Department wants to use the SDI as a bargaining chip—i.e., the United States will drop it if the Soviets agree to reduce their land-based offensive nuclear forces—the Defense Department, and, presumably, the President himself, want to go ahead with the beam-defense program no matter what agreements may be reached on offensive weapons.

Reagan is apparently taking precautions to ensure that Shultz doesn't simply ignore his directives once he is in Geneva. This week, the White House announced that the President has assigned representatives of the Defense Department, the Joint Chiefs of Staff, the CIA, and Arms Control and Disarmament Agency (ACDA) to accompany the Secretary of State to the Geneva talks. This will weigh the American delegation toward a no-concessions approach, since many of those involved, such as ACDA director Adelman and Assistant Secretary of Defense Richard Perle, oppose the State Department position.

In a related move, the President announced Dec. 5 that Paul Nitze has been appointed special adviser to Shultz for the Jan. 7-8 discussions, thus undercutting the mammoth lobbying campaign by Henry Kissinger and friends to get one of their own named as the administration's "arms-control czar." Although Nitze has kept his own counsel on the issue of strategic defense, he personally campaigned against the SALT II agreement on the grounds that it institutionalized American strategic inferiority.

Pro-SDI offensive

The administration's pro-SDI offensive is emphasizing Soviet advances in strategic defense. On Dec. 6, Vice-President George Bush delivered a major address to a symposium at the National Defense College, in which he advocated the SDI as a "positive adjunct" to arms negotiations with the Soviets, "compelled by logic and morality." Pointing to the Soviets' own advanced ABM program, the Vice-President asserted that "against the background of this vigorous Soviet effort . . . it is only prudent that we explore the possibilities of space efforts for active defense against nuclear weapons."

Bush's speech, which reiterated administration plans for full-blown development of a defense against nuclear annihilation, is being widely interpreted as evidence that the administration will not agree to Moscow's demand for a moratorium on anti-satellite testing, which various "back-channel" sources have described as the "absolute minimum" concession the Soviets want from the United States.

Bush's message was reinforced by a similar speech given the night before by ACDA head Kenneth Adelman, who told a meeting at the New York Academy of Sciences that all the talk emanating from the Soviets and other critics of the Reagan strategic-defense program about "preventing the militarization of space" is very misleading. "Space is *already* militarized" by the existence of ballistic missiles and command and communication satellites, he said, adding that "'militarization' should not be confused with hostility."

Adelman warned that accepting the Soviet line that the most urgent arms-control problem today is the militarization of space plays right into Moscow's gameplan. The Soviets "certainly want to inhibit our research efforts on strategic defenses, where we may develop a potential advantage as our programs go forward," Adelman said. "They have extensive defensive programs and research; they . . . may be moving toward a nationwide ABM capability, contrary to the ABM Treaty; and they are engaged in vigorous research on lasers and neutral particle beams for strategic defenses."

According to the Dec 6 West German daily *Süddeutsche Zeitung*, the U.S. Defense Department has released a study warning that the Soviets are in the midst of a crash space-military and space-based weapons program threatening to achieve military superiority. The study concludes that "the present conduct of the Soviet Union in disavowing the existence of any sort of military elements in its space program can only signify that the Soviet leadership is not only taking counter-measures against U.S. moves, but is actually striving for military superiority in space for offensive as well as defensive purposes."

Weinberger: 'Soviet hordes'

The administration is taking pains to win Western Europe over to the strategic defense program, with a campaign aimed at countering European fears about the implications of the SDI for NATO defense, fears which have been manipulated

and exploited by the KGB to whip up opposition to the program. Last month, *Die Welt* published a long interview with Caspar Weinberger in which the defense secretary explained how Germany and America's other European allies would benefit from "Star Wars."

Die Welt followed that up with another interview on the subject Dec. 1, this one with Gen. James Abrahamson, director of the SDI (see p. 58). He stressed that "national will" combined with "technological optimism" are the keys to achieving a workable SDI, and that the SDI in turn would reinvigorate the entire Western Alliance.

Like Adelman and Bush, Abrahamson also emphasized that the Soviets have been throwing every resource they can get into their own space defense program. "Just look at the Soviet research program that they've been running far longer than we have," he said. "They have been researching beams for a long time. . . . I have a Soviet article right here, written in 1982—very interesting. It describes the plan for the entire architecture that we are just now trying to draw up, and this was written long before the President's [March 23, 1983] speech."

Abrahamson then debunked the assertion that beam weapons would decouple the Western Alliance by providing security only for the United States and not for Western Europe. "The SDI program awakens new confidence that the U.S. will have additional options—to protect Europe, as well—and if there is a crisis, that the U.S. doesn't stand there in such a vulnerable position," he asserted, "We are saying good-bye to a conception [Mutually Assured Destruction, or MAD] that has been accepted for many, many years."

The key question, above all, he told the German paper, would be to "emphasize the national will to do it. . . . Technically, we can do anything, and in my opinion the West has always proved it, and there is one thing you should know: I am a technological optimist. So again, we can do it if only we want to do it, if we have the will to defend ourselves."

Abrahamson's warnings about Soviet ABM developments echoed on other fronts during the past days. Most surprising, and revealing, is the private report from a leading U.S. "peace movement" activist that a U.S. delegation of peaceniks visiting Moscow received a detailed, five-hour briefing from U.S. Ambassador Arthur Hartman, who normally swims in the circles around Henry A. Kissinger, on "the enormous extent of Soviet ABM development." It was an "extremely troublesome" briefing, said the peacenik. "I was shocked."

Abrahamson's superior, Weinberger, brought the same message to the early December meeting of NATO defense ministers in Brussels. The Pentagon chief, who launched a frontal assault against the State Department in a Nov. 27 speech laying out a war-winning military strategy for the United States, emerged at the conclusion of the two-day conference and announced to waiting reporters: "We in the United States could not live in a world that was overrun by

Soviet hordes.”

In response to a question about the administration's attitude toward moves on Capitol Hill to force a pullout of U.S. troops from Western Europe, Weinberger replied: "It is absolutely vital that NATO be strengthened because this strengthens the defense of the United States," and went on to say that the administration will fight tooth and nail against any future congressional efforts to "decouple" the Atlantic Alliance.

Weinberger coupled these statements with a briefing on the astounding rate of Soviet deployment and production of SS-20 intermediate-range missiles. He said that the U.S.S.R. has deployed 9 more SS-20 intermediate-range missiles capable of hitting targets in Western Europe, bringing the total of such missiles up to 387, each with three warheads. He added that many more SS-20 launchers and bases are under construction. "The rate of construction and the rate of activity have enormously increased," he warned.

Senate traitors

Though the administration has clearly broken out of its former "Let's downplay the SDI because it's too controversial" mode, that does not mean the battle has been won. If anything, the Kremlin and its oligarchical collaborators in the West can be expected to redouble their efforts against the beam-defense program.

One of their chief assets will be that bunch of spineless cowards known as the U.S. Congress. At the same time that the Supreme Soviet announced a 12% hike in Russian defense spending, their American counterparts were demanding massive reductions in U.S. military spending. Although the SDI hasn't publicly surfaced yet in the context of the fight over military spending levels for FY 1986, it is widely acknowledged that the beam-defense program is the number-one target of the budget cutters.

Ironically, the strongest pressure on Reagan to adopt a "Mondale" defense budget is coming from members of his own party. On Dec. 1, two key Senate Republican leaders—Robert Dole of Kansas and Robert Packwood of Oregon—went on national television to lay down the gauntlet to the President. Their message: Either Reagan agrees to gouge Pentagon spending in order to "balance the budget," or else his entire economic package for the coming year will be stopped dead in its tracks.

Interviewed on NBC-TV's "Meet the Press," Dole, the newly elected Senate Majority leader, declared: "If we're going to attack the budget deficit, we can't ignore defense." What's necessary, said Dole, is a "spending freeze that includes defense," even if this causes "heartburn in some areas, like the Defense Department." Asked for specific dollar figures, Dole replied that "\$30-40-50 billion" will have to be cut from the Pentagon budget over the next three years, "starting out with small reductions, and getting much bigger."

Similar sentiments were expressed by Packwood (R-

Oreg.), who is slated to replace Dole as chairman of the powerful finance committee. Appearing on ABC-TV's "David Brinkley Show, Packwood stated that "defense will have to be part of" an overall budget-cutting package, and that "\$8-15 billion" will have to be gouged from Pentagon budget program next year alone. Packwood said Reagan would have to agree to defense cuts, or else Congress would refuse to cooperate with him on anything.

Treasury Secretary Donald Regan, who has been working with Kissinger's clones in the White House Palace Guard against the Pentagon, sang the same treasonous tune in an interview on ABC-TV, stating that reductions in defense spending will have to be cut to "balance the budget." "I do feel the Defense Department has to be a part of this package," he added.

Conservative Sen. Barry Goldwater (R-Ariz.), the new chairman of the Senate Armed Services Committee, has also jumped aboard the budget-cutting bandwagon. Goldwater told the Dec. 6 *Washington Post* that he is advising the President to accept a freeze in defense spending—and an end to the MX missile. "You can't keep pumping out money you don't have," Goldwater said. "I don't think [Reagan] can win [the MX missile fight], so why get your ass knocked off." Although Goldwater protested that "I'm not one of these freeze-the-nuke nuts," he's ended up in the same corner with them, because he's ideologically enslaved to the "balanced budget" cult of the "free enterprisers."

So far, Reagan has refused to give in, announcing that he is suspending any decision on defense spending until Weinberger—now in the Middle East—returns to Washington. Weinberger, who bitterly opposes any reduction in the Pentagon budget, is fighting a long-distance guerrilla war against the "slash and burn" faction. Interviewed from Brussels on American television Dec. 5, Weinberger came out strongly against any military cuts, and predicted that Reagan will agree to an "adequate" Pentagon budget.

But Reagan could still find himself abandoning his own best instincts and allowing big cuts in defense. The President is prone to the same free-enterprise nonsense which caused Goldwater to line up with the nuclear freezeniks. With the economy now taking a nosedive, it doesn't take too much imagination to conjure up a scenario in which Reagan lets the military budget go under David Stockman's axe.

Whether that happens ultimately depends on the fate of the SDI. As former independent Democratic presidential candidate Lyndon H. LaRouche, Jr. stressed in a national election-eve TV broadcast, a crash beam-weapon program is not only militarily necessary, but is also the key to sparking an in-depth economic recovery. Reagan's success in actually bringing the SDI into being will depend on whether he mobilizes the entire economy around the most advanced technologies to accomplish it, as President Franklin Roosevelt did in his 1939-43 war mobilization to defeat the Nazis. That is what LaRouche has advised.

Demand the immediate dismissal of Secretary of State George Shultz

by Warren J. Hamerman, chairman, National Democratic Policy Committee

In the interests of defending U.S. national security, preventing injury to the general welfare of our allies, and implementing the publicly stated strategic policies of President Ronald Reagan and Secretary of Defense Caspar Weinberger, we hereby present a cause of action for the *immediate dismissal* of George Shultz as Secretary of State.

The true Bill of Particulars of the personal wrongdoings of George Shultz include overt misconduct, conspiracy, and negligence to:

1) *Sabotage the Strategic Defense Initiative (SDI) program* in close collusion with Henry A. Kissinger and Lord Peter Carrington to the ultimate benefit of the Soviet military command. On Oct. 18, 1984, Shultz told the Rand/UCLA Center for the Study of Soviet International Behavior: "We stand ready to join the Soviets in equal and verifiable arms-reduction agreements, and we are prepared to move rapidly to discuss both offensive and defensive systems, including those that operate in or through space." Shultz has consistently proposed that the new Mutually Assured Survival (MAS) of President Reagan's beam-defense program should merely be used as a "bargaining chip" in arms-control negotiations. Numerous State Department staff under the direction of Shultz have vigorously opposed in word and deed the Reagan administration's overthrow of the Mutual and Assured Destruction (MAD) strategic doctrine.

2) *Promote the Schachtian program of Henry A. Kissinger and the International Monetary Fund (IMF) to loot and destroy the economies of our Ibero-American allies.* At a recent speech before the Organization of American States (OAS) in Brasilia, Shultz shamelessly promoted the Kissinger idea that developing-sector nations should trade their debt for equity, that is, hand over their whole economies for pulverization. Close friends and associates of Shultz have personally profited financially through these activities via a corporate consulting firm named Kissinger Associates, Inc. The policies Shultz, Kissinger, and the IMF have pursued are in specific violation of the Monroe Doctrine in that they trample upon the sacred national sovereignty of various of our allies.

3) *Conspire for the unwholesome decoupling of the United States from Western Europe which would only serve the Soviet's plan to shatter the Western Alliance.* Through his repeated public embrace of Henry A. Kissinger, the veritable

symbol to the Soviets and Europeans of the faction of the Eastern Liberal Establishment typified by McGeorge Bundy that is committed to a New Yalta deal of giving ground to the Russians in Europe, Shultz has given U.S. institutional support to the "appeasement" faction in strategic policy. Working under Shultz's personal direction, U.S. Ambassador to NATO David Abshire, formerly the chairman of the Jesuit Center for Strategic and International Studies, has been threatening Europeans that in the second Reagan administration Shultz and the State Department will shift to policies along the lines of Sen. Sam Nunn's [D-Ga.] notorious decoupling proposals.



4) *Aid and abet the implementation of racist genocide programs against the peoples of the developing sector through the State Department's Agency for International Development (AID) and other departments.* Shultz has utilized the instrument of the State Department to implement a diplomatic policy of "food as a weapon" against the developing sector; this policy has helped to cause famine conditions in Africa and elsewhere. Shultz personally continued the State Department sponsorship of the infamous *Global 2000 Report's* Malthusian population-control programs adopted in the Carter administration. Furthermore, Shultz has personally lobbied and advocated that the United States should fully back

the IMF and give a carte blanche to even its most noxious programs around the world.

5) (a) *Spearhead the State Department's wrecking operation against the Contadora Group of Ibero-American nations* at precisely the moment that the Contadora Group in the fall of 1984 had succeeded in organizing the prospects for peace with Nicaragua in Central America;

(b) *Conspire with Lane Kirkland, Henry A. Kissinger and other members of the Kissinger Commission for Central America to implement destabilization programs under the code name "Project Democracy."*

6. *Foster the strategic withdrawal of the United States from Asia* through the active fanning of political destabilizations and tensions in the Philippines and Southeast Asia.

"Shultz has utilized the instrument of the State Department to implement a diplomatic policy of "food as a weapon" against the developing sector; this policy has helped to cause famine conditions in Africa and elsewhere. Shultz personally continued the State Department sponsorship of the infamous Global 2000 Report's Malthusian population-control programs adopted in the Carter administration."

Under Shultz, the State Department has overtly lent support to the radical opposition in the Philippines, thereby contributing to political chaos; if Shultz's policies prevail, the Philippines will fall to a Khomeini-like insurgency which will eject the United States from its most important naval bases in the Pacific. Under Shultz, the State Department actively promoted a military alliance with China at the expense of effectively withdrawing U.S. security guarantees for Southeast Asia as a whole.

7) *Give aid and comfort to international terrorists, overtly or through negligence.* As a result of non-security-conscious policies, U.S. embassies around the world have become easy targets. Specifically, officials under Shultz' direction had so failed in their responsibilities to protect the Beirut embassy in Lebanon that disaster ensued.

8) *Interfere with the President's ability to conduct foreign affairs.* When Egyptian President Hosni Mubarak visited Washington in the spring of 1984, he complained to President

Reagan that Shultz had intercepted messages from himself to the President, including an urgent appeal not to withdraw U.S. troops from Lebanon.

9. *Promote the career of a self-avowed Nazi sympathizer.* George Shultz facilitated the appointment as undersecretary of state for economic affairs of W. Allen Wallis, a founding member of the Mont Pelerin Society who presented a paper on Nordic racial characteristics to the notorious Nazi-promoting 1932 International Eugenics Conference sponsored by the Harriman family at New York's Museum of Natural History. This conference unanimously elected as the president of the International Federation of Eugenics Organization Adolf Hitler's associate Dr. Ernst Rudin, who later authored the Nazi law "For the Protection of German Blood and German Honor," which made it illegal for Germans to intermarry with Jews, and engineered the extermination of 400,000 mental patients. W. Allen Wallis is, in fact, something of a personal mentor to Shultz, preceding him as dean of the University of Chicago Business School.

10. *Conspire with suspect private agencies* such as Kissinger Associates, Inc., Georgetown's Center for Strategic and International Studies, and Lane Kirkland's AFL-CIO.

George Shultz' abuse of office at the State Department is consistent with his previous government mis-service. During the Nixon administration, Shultz served as both secretary of labor and director of the Office of Management and Budget. In August of 1981, Shultz, Paul Volcker, Kissinger, and others convinced President Nixon to "close the gold window," taking the dollar off of the stability of a gold reserve standard. In his 1977 book, *Economic Policy Behind the Headlines*, Shultz revealed that his overall policy orientation was the radical program of the Eastern Establishment to transform the West into a "post-industrial society." In a 1975 speech to the graduating class of New York University, Shultz championed the policy shift of the West away from the post-war industrial-output era to what he lauded as the entry into the new "Age of Ambiguity."

When Shultz served as secretary of labor, in collusion with Lane Kirkland, he worked to cut the national wage bill and impede investments in new technologies. In short, the actions of Shultz and his collaborators destroyed productivity and real output of the U.S. economy, thereby causing the out-of-control debt and budget-deficit situations.

In accordance with the Bill of Particulars enumerated above, the U.S. Constitution and the Declaration of the Inalienable Rights of Man oblige the President to effect the *immediate dismissal* of George Shultz as Secretary of State. Happily, the dismissal of Shultz can initiate a process to restore to the conduct of our foreign affairs fidelity to the sacred and honored principles of our Founding Fathers as embodied in the doctrines, policies, and conduct of Benjamin Franklin and John Quincy Adams. Once again, our nation may find its rightful place, beloved among the peoples of the world, as a beacon of hope and temple of liberty for all mankind.

Medical Nazis howl over artificial heart

by Kathleen Klenetsky

On Nov. 25, medical specialists at the Humana Heart Institute in Lexington, Kentucky performed an artificial-heart implant on William J. Schroeder, a 52-year-old father of six. Afflicted with multiple heart disease, Schroeder would have died in weeks without the implant performed by Dr. William C. DeVries.

The operation, the first of its kind since Dr. Barney Clark received an artificial heart two years ago, was a spectacular success. Schroeder has made what his doctors term an amazing recovery, holding out the hope that hundreds of thousands of others suffering from heart malfunctions which cannot be treated by more conventional methods will eventually be helped to live longer, healthier, and more productive lives.

Medical technology 'too costly'

Instead of being a cause for rejoicing, however, the very success of the Schroeder operation has precipitated howls of outrage from a well-organized and vocal faction which contends that the United States can not only not afford to develop new medical technologies, but that it should also take drastic steps to reduce the quality and quantity of medical care currently available.

The argument that "cost considerations" require reversing the steady advance of medical technology and denying medical treatment to certain categories of patients is the same that the Nazis used to justify the extermination of "useless eaters." The Nuremberg Tribunal condemned this policy as a crime against humanity. Yet, it is now advocated by leading politicians, "respectable" media outlets, and the medical profession itself.

One of the first to decry the Schroeder operation was Richard Lamm, the Governor of Colorado who created a national furor last March when he declared that "we've got a duty to die and get out of the way with all of our machines and artificial hearts." In a Nov. 27 interview with CBS-TV's Morning News, Lamm ranted that operations like the one which is now keeping Schroeder alive are a "Faustian bargain" that could "bankrupt the country."

"I think ultimately what these [medical research] people are doing is that once they start it, inevitably the technological genie gets out of the bottle and then the government has to come in" and pick up the tab, Lamm complained. "We really have to ask ourselves . . . how many of these can we afford. There were a million and a half heart attacks last year in America. Can we give every smoker two or three hearts, can

we give every alcoholic two or three livers? We've got to ask ourselves because I think we're going to bankrupt America if we don't."

The *New York Times* ran an editorial the same day charging that the Schroeder operation as well as the baboon-heart transplant performed on Baby Fae raised "questionable ethics" of prolonging human life.

The same tendentious "ethics" is now heard in the medical world. Dr. Harvey Fineberg, Dean of the Harvard School of Public Health, charged that the mechanical-heart program is a costly "distortion" of research priorities. "The artificial heart, even if it were to work, would be a very expensive way to save lives," said Fineberg.

Dr. Lewis Thomas, president emeritus of the Memorial Sloan-Kettering Cancer Center in New York, went even further, calling into question the very idea of artificial and transplanted organs. Such procedures, he contended, represent an "insupportably expensive, ethically puzzling, halfway technology." And Kenneth Vaux, professor of "ethics" at the University of Illinois, declared: "We are going to have to decide as a society what we want from our biomedical projects. . . . We are going to have to temper our ambitions and learn to accept the inevitability of disease, the inevitability of death itself."

The arguments are absurd. New technologies actually tend to cheapen the cost of medical care, a point dramatically underscored by, for example, the CAT scan. The same principle applies to the artificial heart. As mechanical-heart inventor Dr. Robert Jarvik stressed in a recent interview, the cost of future implants "should be markedly lower" once they've been perfected for wider application. The money spent so far on the artificial-heart program, he said, is "money spent on learning. And what we learn allows things to be done much better. I think it's an essential investment in the future." And Dr. Denton Cooley, the trailblazing heart surgeon from Texas, has emphasized that even if the artificial heart ultimately fails, "spin-offs from that type of research would be invaluable. There would be development of new valves and so forth."

The Euthanasia Lobby has responded to the latest artificial-heart success by driving for legislative limits on medical technology. "Medical researcher" Barton Bernstein proposed one method of doing this in the November issue of MIT's *Technology Review*. Congress should take a greater role in dictating what medical research programs get funds, wrote Bernstein, and should start making decisions about the "larger issue . . . whether the technology is appropriate now or even likely to be appropriate in the future. . . ." Even before Bernstein's proposal appeared, "right to die" advocate Rep. Henry Waxman (D-Calif.), chairman of a Congressional health subcommittee, introduced a bill in Congress to establish a National Council on Medical Technology Assessment, with the power to rule on the "appropriateness" of developing new medical technologies. The bill is expected to be reintroduced in the next Congress.

Defense Secretary Weinberger vows: We will have no more Vietnam wars!

"We in the United States could not live in a world that was overrun by Soviet hordes." So stated U.S. Defense Secretary Caspar Weinberger at a press conference Dec. 5 in Brussels, following the two-day NATO Defense Ministers' meeting there. "It is absolutely vital that NATO be strengthened because this strengthens the defense of the United States." The statement was made in response to a question about congressional pressure to reduce U.S. forces in Europe. Weinberger's opposition to such reductions was a slap at U.S. Ambassador to NATO David Abshire, a mentor to Democratic Georgia Sen. Sam Nunn, the author of legislation mandating such troops cuts.

Weinberger coupled these statements with a briefing on the rapid rate of Soviet production and deployment of SS-20 intermediate-range missiles. The U.S.S.R. has deployed nine more SS-20 intermediate-range missiles capable of hitting targets in Western Europe, bringing the total to 387, each with three warheads. He added that many more SS-20 launchers and bases are under construction. "The rate of construction and the rate of activity have enormously increased."

The government of Holland has made deployment of cruise missiles on Dutch soil contingent on evidence of increased SS-20 deployment. Dutch Defense Minister Job de Reuter said at the press conference: "The evidence of further deployments of SS-20s was bad news, a development causing real concern."

The following is from the speech delivered by Weinberger before the National Press Club on Wednesday, Nov. 28 in Washington, D.C., selections from which EIR ran last week.

The uses of military power

Alexander Hamilton, writing in the *Federalist Papers*, said that "It is impossible to foresee or define the extent and variety of national exigencies, or the correspondent extent and variety of the means which may be necessary to satisfy them." If it was true then, how much more true it is today, when we must remain ready to consider the means to meet such serious indirect challenges to the peace as proxy wars and individual terrorist action. . . .

The issue of which branch of government has authority to define that mandate and make decisions on using force is

now being strongly contended. Beginning in the 1970s, Congress demanded and assumed a far more active role in the making of foreign policy and in the decision-making process for the employment of military forces abroad than had been thought appropriate and practical before. As a result, the centrality of decision-making authority in the executive branch has been compromised by the legislative branch to an extent that actively interferes with that process. At the same time, there has not been a corresponding acceptance of responsibility by Congress for the outcome of decisions concerning the deployment of military forces. . . .

Yet the outcome of decisions on whether—and when—and to what degree—to use combat forces abroad has never been more important than it is today. While we do not seek to deter or to settle all the world's conflicts, we must recognize that, as a major power, our responsibilities and interests are now of such scope, that there are few troubled areas that we can afford to ignore. So we must be prepared to deal with a range of possibilities, a spectrum of crises, from local insurgency to global conflict. We prefer, of course, to limit any conflict in its early stages, to contain and control it—but to do that our military forces must be deployed in a timely manner, and be fully supported and prepared before they are engaged, because many of those difficult decisions must be made extremely quickly.

Some on the national scene think they can always avoid making tough decisions. Some reject entirely the question of whether any force can ever be used abroad. They want to avoid grappling with a complex issue, because, despite clever rhetoric, disguising their purpose, these people are in fact advocating a return to post World War I isolationism. While they may maintain in principle that military force has a role in foreign policy, they are never willing to name the circumstance or the place where it would apply.

On the other side, some theorists argue that military force can be brought to bear in any crisis. Some of these . . . are eager to advocate its use even in limited amounts because they believe that if there are American forces of any size present they will somehow solve the problem.

Neither of these two extremes offers us any lasting or satisfactory solutions. The first—undue reserve—would lead us ultimately to withdraw from international events that re-

quire free nations to defend their interests from the aggressive use of force. We would be abdicating our responsibilities as the leader of the Free World—responsibilities more or less thrust upon us in the aftermath of World War II—a war incidentally that isolationism did nothing to deter. These are responsibilities which we must fulfill unless we desire the Soviet Union to keep expanding its influence unchecked throughout the international system based on mutual interdependence among nations, and alliances between friends. Stark isolationism quickly would lead to a far more dangerous situation. . . . We would be without allies and faced by many hostile or indifferent nations. . . .

The second alternative—employing our forces almost indiscriminantly—and as a regular and customary part of our diplomatic efforts—would surely plunge us into the sort of domestic turmoil we experienced during the Vietnam war, without accomplishing the goal for which we committed our forces. Such policies might very well tear at the fabric of our society, endangering the single most critical element of a successful democracy: *a strong consensus of support and agreement for our basic purposes*. . . .

Our adversaries can also take advantage of our open society and our freedom of speech and opinion to use alarming rhetoric and disinformation to divide and disrupt our unity of purpose. While they would never dare to allow such freedoms to their own people, they are quick to exploit ours by conducting simultaneous military and propaganda campaigns to achieve their ends.

They realize that if they can divide our national will at home, it will not be necessary to defeat our forces abroad. So, by presenting issues in bellicose terms, they aim to intimidate Western leaders and citizens, encouraging us to adopt conciliatory positions to their advantage. Meanwhile they remain sheltered from the force of public opinion in their countries, because public opinion there is simply prohibited. . . .

Our freedom presents both a challenge and an opportunity. It is true that until democratic nations have the support of the people, they are inevitably at a disadvantage in conflict. But when they do have that support they cannot be defeated. For democracies have the power to send a compelling message to friend and foe alike by the vote of their citizens. And the American people have sent such a signal by reelecting a strong chief executive. They know that President Reagan is willing to accept the responsibility for his actions and is able to lead us through these complex times by insisting that we regain *both* our military and our economic strength. . . .

Recent history has proven that we cannot assume unilaterally the role of the world's defender. So, while we may and should offer substantial amounts of economic and military assistance to our allies in their time of need and help them maintain forces to deter attacks against them—usually we cannot substitute our troops or our will for theirs.

In those cases where our national interests require us to

commit combat forces, we must never let there be doubt of our resolution. When it is necessary for our troops to be committed to combat, we must commit them in sufficient numbers and we must support them as effectively and resolutely as our strength permits. When we commit our troops to combat, we must do so with the sole object of winning.

Once it is clear our troops are required, because our vital interests are at stake, then we must have the firm national resolve to commit every ounce of strength necessary to win the fight to achieve our objectives. In Grenada we did just that.

Just as clearly, there are other situations where United States combat forces should not be used. I believe the postwar period has taught us several lessons, and from them I have developed six major tests to be applied when we are weighing the use of U.S. combat forces abroad.

First, the United States should not commit forces to combat overseas unless the particular engagement or occasion is deemed vital to our national interest or that of our allies. That emphatically does not mean that we should *declare* beforehand as we did with Korea in 1950, that a particular area is outside our strategic perimeter.

Second, if we decide it is necessary to put combat troops into a given situation, we should do so wholeheartedly and with the clear intention of winning. If we are unwilling to commit the forces or resources necessary to achieve our objectives we should not commit them at all. Of course, if the particular situation requires only limited force to win our objectives, then we should not hesitate to commit forces sized accordingly. When Hitler broke treaties and remilitarized the Rhineland, small combat forces then could perhaps have prevented the holocaust of World War II.

Third, if we do decide to commit forces to combat overseas, we should have clearly defined political and military objectives. And we should know precisely how our forces can accomplish those clearly defined objectives. And we should send the forces needed to do just that.

As Clausewitz wrote, "No one starts a war—or rather, no one in his senses ought to do so—without first being clear in his mind what he intends to achieve by that war, and how he intends to conduct it." War may be different today than in Clausewitz's time, but the need for well defined objectives and a consistent strategy is still essential. . . .

Fourth, the relationship between our objectives and the forces we have committed—their size, composition, and disposition—must be continually reassessed and adjusted if necessary. Conditions and objectives invariably change during the course of a conflict. When they do change, then so must our combat requirements. We must continuously keep as a beacon light before us the basic questions: "Is this conflict in our national interest?" "Does our national interest require us to fight, to use force of arms?" If the answers are "Yes," then we *must* win. If the answers are "No," then we should not be in combat.

Why NATO needs

As part of a five-part series in favor of the Strategic Defense Initiative, the West German daily Die Welt published a full-page interview with SDI Director Lt. Gen. James Abrahamson on Dec. 1. Below are excerpts from the interview, translated from the German:

Abrahamson: . . . The overriding goal is not simply to create new weapons, but to reduce those that exist and create a more secure world. . . . The fact that the Soviets are so interested in what we are doing is a good omen.

Die Welt: So you think that it is this new American space program that has brought the Soviets back to the negotiating table? A kind of enticement to negotiate?

Abrahamson: I am not an expert in Soviet motives . . . who is? But it must have helped, because this topic is now on the agenda in Geneva.

Die Welt: How can you claim your program is allowed by the ABM treaty?

Abrahamson: Research is permitted. Just look at the Soviet research program that they've been running far longer than we have. Most people overlook this. In addition, the Soviets have the only working [ABM] system in the world. That means, they have considerable experience with it, and have worked with it in their offensive and defensive planning. Beyond this existing system, they have also been researching beam for a long time, as I said. I have a Soviet article right here, written in 1982—very interesting. It describes the plan for the entire architecture that we are just now trying to draw up, and this was written long before the President's [March 23, 1983] speech.

Die Welt: Isn't the conclusion then that both sides, the Russians and the Americans, will quickly go ahead to the development and test phase, and then get together and say: We have to renegotiate the ABM treaty, the progress of technology has made it obsolete?

Abrahamson: No, not necessarily. But your question contains an interesting premise: that the two sides, A and B, will be successful in their research. Secondly, that they will get together and agree that defensive systems are an important contribution to security and to deterrence. That is part of

Fifth, before the U.S. commits combat forces abroad, there must be some reasonable assurance we will have the support of the American people and their elected representatives in Congress. We cannot fight a battle with the Congress at home while asking our troops to win a war overseas or, as in the case in Vietnam, in effect asking our troops not to win but just to be there. . . .

We must also be farsighted enough to sense when immediate and strong reactions to apparently small events can prevent lion-like responses that may be required later. We must never forget those isolationists in Europe who shrugged that, "Danzig is not worth a war," and "Why should we fight to keep the Rhineland demilitarized?"

Finally, the commitment of U.S. forces to combat should be a last resort.

These tests I have just mentioned have been phrased negatively for a purpose—they are intended to sound a note of caution. When we ask our military forces to risk their very lives in such situations, a note of caution is not only prudent, it is morally required.

In many situations we may apply these tests and conclude that a combatant role is not appropriate. Yet no one should interpret what I am saying here today as an abdication of America's responsibilities—either to its own citizens or to its allies.

Nor should these remarks be misread as a signal that this country or this administration is unwilling to commit forces to combat overseas.

While these tests are drawn from lessons we have learned from the past, they also can—and should—be applied to the future. The President will not allow our military forces to creep—or be drawn gradually—into a combat role in Central America or any other place in the world. And indeed our policy is designed to prevent the need for direct American involvement. This means we will need sustained congressional support to back and give confidence to our friends in the region.

I believe the tests I have enunciated here today can, if applied carefully, avoid the danger of this gradualist incremental approach, which almost always means the use of insufficient force.

We will then be poised to begin the last decade of this century amid a peace tempered by realism, secured by firmness and strength. And it will be a peace that will enable all of us—ourselves at home, and our friends abroad—to achieve a quality of life both spiritually and materially, far higher than man has even dared to dream.

We must be prepared at any moment to meet threats ranging in intensity from isolated terrorist acts to guerrilla action to a full-scale military confrontation. We find ourselves then face to face with a modern paradox, the most likely challenge to the peace—the gray area conflicts—are precisely the most difficult challenges to which a democracy must respond.

beam defense

what we are saying all the time. It's the key. . . .

Die Welt: Won't this immense effort—the Strategic Defense Initiative—be nullified by the classical law that every defense can be negated by breakthroughs in offensive weapons?

Abrahamson: I don't know of any law of physical nature of this sort.

Die Welt: Fine, even if it isn't a law of nature . . . at least an empirical fact.

Abrahamson: Oh, really? An empirical fact? What are you talking about? You know, I am not even sure that I know precisely what a defensive and an offensive weapon is. Number one. I admit, of course, that in the nuclear age, which is now over 30 years old, we always assumed that this new weapon, the nuclear missile, represented something like an ultimate weapon, against which defense was impossible. The Russians never shared this Western conception; otherwise, they certainly would never have spent billions of dollars, or rubles, on defensive systems and further research on them. They obviously assume that this contributes to their security.

What you were saying, the idea that every defensive is nullified at the next level by the offensive, is the same thing I hear all the time by our critics among scientists, especially the "Union of Concerned Scientists," among others, and there comes a lot of scientific jargon that I just have to reject. I would go even further and say it's pure nonsense. . . .

. . . I always emphasize the national will to do it. That even has priority over the technological possibilities. Technically, we can do anything, and in my opinion the West has always proved it, and there is one thing you should know: I am a technological optimist. So, again, we can do it if we only want to do it, if we have the will to defend ourselves. But, if we only go part of the way, and then stop, say at 40, 50 or 60%, then the other side just has to conclude, "Okay, we'll just build another three missiles with a certain number of warheads, and we'll get through the shield on the other side. But that is just what we do not want to have the heads of planning on the other side thinking. What we want them to see is the thrust forward, pushing forward to growing international. . . ."

Die Welt: Pushing ahead to 100% protection?

Abrahamson: A precise percentage is not the point. I am telling you that it is far more important that the other side draws the right conclusions from what we are doing, and responds in a corresponding fashion. What should this response be? First, that the continued construction of offensive weapons does not solve any problems, so that disarmament is the only answer. Second: Money, put money and more money into strategic defense. That is what the Russians are already doing, and on a considerable scale, too. That presents them with the same problem we have: the means available. Every ruble spent on the defense, every mind that works on this technology, can not be deployed for developing a new missile that can kill us. Get this into your head: We are not working on a new threat. That is the core point. Not a new threat, but defense against an existing threat.

Die Welt: But what if your allies in Europe don't feel protected by this defensive shield? What if they become distrustful and say: Here are the U.S. and the U.S.S.R. beginning to make their national territories immune, and we Europeans stay behind, unprotected?

Abrahamson: First, I would like to hope that the Europeans do not draw the conclusion that this is driving us apart. The reality is quite the contrary. The SDI program awakens new confidence that the U.S. will have additional options—also to protect Europe, and if there is a crisis, that the U.S. doesn't stand there in such a vulnerable position. That can only be a good thing. And the technology we are working on can also be used in Europe. An SS-20, for example, has similar characteristics to an ICBM when it is launched.

Die Welt: What about lower flying projectiles, like cruise missiles?

Abrahamson: We have a number of studies going on. To solve all of the problems all at once, that I can't do. What I am doing is looking at the problem that causes the biggest instability, the biggest danger, land-based ICBMs. Why did we give up trying to build a defense against bombers years ago? Because of ICBMs. As to the question of what the spin-off of our research is for Europe—someday I hope to go after weapons like the cruise missiles or the tactical nuclear SS-20 missile. There the problem is no more difficult than for ICBMs, as I already said. As for the SS-23 or SS-21, there it's more complicated.

Die Welt: Couldn't one use an ATBM (anti-tactical ballistic missile) against these types of weapons, something like a modified version of the Patriot?

Abrahamson: Conceivably. In the tactical area, there are no treaty limitations, and that's why the experts in the ATBM question are taking a look at whether or not our research will soon allow them to develop better defenses against the attacker.

Die Welt: Can Europe itself work directly on the SDI?

Abrahamson: That is already happening.

Die Welt: One hears from laboratories in California that all this talk about European participation in the SDI project is just an empty political gesture, because American science— to put it crudely—already has everything in the bag.

Abrahamson: I wish that were true. Here you have to have the right perspective. Sure, if you take our “homing overlay” experiment. . . .

Die Welt: You mean the test in June, when an ICBM was hit in the mid-flight phase by another missile?

Abrahamson: Precisely. The June experiment. In this test we demonstrated the feasibility of a certain technology. Now, were someone to say it would be in our interest to go ahead— fine, this development could begin. By the way, this technology could well be used for tactical defense [terminal defense] in Europe. It would be quite useful in the framework of the military situation in Europe. And yet, there are a lot of us who are not satisfied with this technology, so we are doing more research.

Die Welt: You surely know another of the objections to the SDI program: that successful defense by the superpowers will just make Europe ripe for a conventional war. What do you say to that?

Abrahamson: Oh, wow! What nonsense! Really, it is high time that a large-scale international debate is started on the whole defensive concept, so that people finally understand that we are saying good-bye to a conception that has been accepted for many, many years.

Die Welt: The concept of Mutually Assured Destruction?

Abrahamson: Yes. And people should think about that, really deeply—about all of the implications. But this shouldn't happen in the same way that one of our congressmen once characterized modern methods of governing: “Government with a T-Shirt.” He meant the inclination to reduce a complicated subject into a brief, emotionally loaded, simple phrase. It doesn't work that way. That doesn't do anyone any good. But, since you raised the question: Here in Washington, we have played through a whole series of war-scenarios for Europe, under the rubric of “What happens in Europe with, or without SDI?” The results were amazing, and quite diverse. Everything starts with the question: What happens if the Soviets initiate hostilities? They will only do that if their chain of thought is carried by a certain confidence, for example, like this: “With the limited action I have initiated here, I also have the option of following up with a massive conventional attack. If that causes problems, I can still go to the extent of warning the Americans that they had better stay out of it, because I could begin to destroy U.S. cities.”

Soviet planners have to pose themselves the question,

when everything starts to rip: “Do we have absolute certainty that we can destroy, and win?” With our defensive research, which puts the last level of escalation into danger, Soviet certainty of victory is more and more reduced. They can no longer be sure that they can keep the escalation in grip.

Die Welt: Fine, but the Soviets could have defensive technology on their side, too, and what. . . .

Abrahamson: All the more reason for us not to tag along behind them.

Die Welt: Yes, but what happens to the NATO doctrine of first-use of nuclear weapons? This would then be cut out. And that would make conventional war possible, because both sides would know that the other side can defend against their nuclear weapons.

Abrahamson: Wait a minute. Who can dictate the conditions of war in such a situation? You claim that the fate of Europe would completely depend on the question of whether 14 men in the Kremlin destroy cities in Western Europe, or not. That formulation is too emotional, and too reductionist.

You have to investigate the entire complex of escalation-dominance, which is not clear-cut even in the SDI case. There is the real answer to your question. There is no simple sequential analysis for the European theater with the availability of defensive systems. People are always making wrong extrapolations.

That is why I want to tell you a great German joke at the end, one I really love. This joke has to do with the kind of conclusions we just talked about. There is the German Academy of Sciences, a meeting with all of the connected organizations of Europe in the German Academy.

They met in Munich, a long time ago, because they wanted to talk about how they might be able to reach the North Pole. They all agreed: Logistics, that is the problem. So, they created a committee for logistics. The committee meets, with really famous people in it, and makes a decision: We have to solve the question. But just doing all the studies takes months.

But, lo and behold, the very next day they call a plenary session and announce: “We have the answer!” “Oh, God! How can that be!?” came a chorus in reply. “So fast?” “Quite simple, really,” said the Committee. “We don't need any logistics.” “No logistics? Honored colleague, what do you mean by that?!” And then came the firm and clear answer:

“Quite simple. After we had left the conference room yesterday, we began the discussion. We turned the corner into the next beer hall, and had a long and lively debate. Our hotel was to the north, so we left this beer hall, and walked another city block to the North. There there was another bar, where we continued the debate. Then, further to the North . . . the next city block . . . and another beer hall. Everything became quite clear to us. You just have to watch out for the beer halls all the way North, because there is a beer hall on every corner going North.”

Kissinger Watch by M.T. Upharsin



Guess who didn't come to dinner?

It was all set: Milan, 11:30 p.m., Friday, Dec. 7, dinner with Mario Schimberni, bigshot of the state-owned Montedison petrochemical company, in the company of some of Italian high society's elites. According to Milanesi insiders, Sr. Schimberni's private plane had been reserved for the occasion, to fly the special guest into Milan Airport for the grand occasion.

But Dr. Henry A. Kissinger never showed up. On Friday afternoon, Eastern Standard Time, Kissinger Associates' Washington, D.C. office received a phone call from Paris. KissAss's Suzanne McFarlane took the call—she heard the voice of Dr. Kissinger himself, informing her of the bad news: The Milan trip had been cancelled. "It was the weather, the fog," Dr. Kissinger said. He had to spend the night in Paris.

Sages who know the intricacies of European politics, especially the weird

ways things unfold in Italy, suspect something else may have been involved in the last-minute cancellation. Some of these suspicions we may discuss; others are of a nature too delicate for publication at this time.

Milan, geographically, is not far from the world's great capitals of intrigue and skullduggery, of insurance companies and cults—Venice and Trieste. It is reported that in the inner sanctums of these historical centers, raging factional battles are taking shape over the fundamental issues of grand strategy—how to orient to the imperial (Venetian-modelled) ambitions of Mother Russia, how to ride the tempestuous financial storms, and more.

In such fights, typically, there is no limit to the "tricks" one group of august influentials might play on another.

On that night of Dec. 7, Henry Kissinger was due to attend the Grand Opening of the La Scala opera house, in the company of Sr. Schimberni, as well as Kissinger Associates director and Venetian plaything Mario d'Urso, and a host of Italian dignitaries. Italian President Sandro Pertini, Prime Minister Bettino Craxi, and others were in attendance for the gala occasion, the season's opening, the opera *Carmen*.

Also in attendance was quite a different gaggle, but one that shares a common Venetian mother: the Lotta Continua radical-terrorist group. There they were, tossing eggs, coins, and other objects at the incoming luminaries.

Several of those entering the premises of La Scala were pelted.

Could that have been a planned welcoming committee for Dr. Kissinger?

No hypothesis may at this point be excluded.

There may be individuals in high

places in numbers of Western capitals not terribly happy about Dr. Kissinger's attempts to reap financial gain over a deal to hand Europe over to the Soviet Union. The days preceding his projected Milan visit were filled with efforts along these lines.

On Dec. 1, Dr. Kissinger was in Berlin, to attend a conference at the Aspen Institute (which Berliners are fond of labelling the "Has-Been Institute") on European security and technology. Aspen is one of the sponsoring institutions for the New Yalta deal. To add insult to injury, Henry used the occasion of his Berlin stay to establish contact with leading members of the pro-Soviet wing of the Socialist International.

This treachery continued in the United States, with a Dec. 4 early-morning breakfast meeting between Dr. Kissinger and Swedish Prime Minister Olof Palme at the 117 East 64th Street residence of Swedish United Nations envoy Anders Ferm. Within approximately 24 hours after meeting Palme, Dr. Kissinger had flown to Sweden, in the company of fellow appeaser Gen. Brent Scowcroft, a Kissinger Associates director. Their stopover in Sweden centered on corporate board meetings with at least two corporations, ASEA and Volvo.

The latter, located in Gothenburg, is headed by Pehr Gyllenhammer, a KissAss director who is also founder of a concern called "Euroventures," which involves large contracts dependent on a Europe increasingly independent from the United States, as per Kissinger's infamous *Time* magazine piece of March 5 advocating this policy.

On the morning of Dec. 7, Dr. Kissinger completed his private discussions with Gyllenhammer, and then hopped on a plane bound for Milan, until. . . .

National News

Charge N.J. bank chief tied to Dope, Inc.

Campaign supporters of former presidential candidate Lyndon LaRouche are blanketing New Jersey with a flyer on some of the charges that will be used by LaRouche campaign lawyers in a court battle against the First Fidelity Bank of New Jersey. The case involves the bank stealing \$200,000 from two LaRouche campaign accounts. Robert R. Ferguson, president of First Fidelity Bank of New Jersey, has been ordered to appear for deposition by LaRouche lawyers Dec. 12.

The bank is still holding \$170,000 of Independent Democrats for LaRouche funds, arguing that they are security against credit card "chargebacks." The bank, however, has admitted that there was no pattern of high chargebacks on the IDL credit card account. They "debited" the account because they were called by the FBI.

The bank had been unsuccessful in its attempt to prohibit the distribution of the leaflet by obtaining a temporary restraining order. A judge decided that to prevent its distribution—under the title, "Is New Jersey First National State Bank president linked to Dope, Inc.?"—would be to interfere with First Amendment rights.

"Who is Robert R. Ferguson, Jr.," the leaflet begins. "Probably the most important thing about him is that he has been a political front man for the casino gambling interests in New Jersey for years. Given that these interests, in particular Resorts International, are centers of dope-money laundering, what does that make Robert Ferguson?"

"Ferguson got in on the ground floor as a member of Gov. Brendan Byrne's committee to open up New Jersey for casino gambling. When some legislators proposed higher taxes for the casinos, Ferguson campaigned heavily to prevent this assault on the casinos."

The leaflet explains that Resorts International was first funded "with millions transferred from the Geneva-based Banque de Crédit Internationale—one of the biggest

dope-money laundering operations in the world—and the Investors Overseas Services of swindler Bernie Cornfield."

Will Mondale-Ferraro crimes be washed away?

Both Walter Mondale and his mob-tainted vice-presidential candidate, Geraldine Ferraro, were found in violation of law, in separate government-agency findings the first week in December. Whether any governmental agency will exercise its responsibility to call them to account remains to be seen.

The Federal Election Commission's handling of the Mondale campaign charges is clearly a whitewash. The FEC ruled against Mondale for accepting \$350,000 in illegal campaign contributions, having "found reason to believe" the Mondale campaign broke the law. However, the commission fined Mondale all of \$18,500. This is in marked contrast to the \$15,000 penalty it imposed on Citizens for LaRouche in 1980 for alleged infractions involving only \$10-15,000. Furthermore, by a 4-2 vote, the FEC agreed to take no further action against the Mondale campaign or the delegate committees, despite the fact that there is ample evidence indicating that criminal violations of campaign financing statutes were involved.

FEC Commissioner Frank Reiche, who dissented from the decision, charged that the commission should have imposed a much stiffer fine and called the decision "without precedent."

The evidence amassed by the House Ethics Committee in the Ferraro case may yet fuel probes by the Justice Department or—less likely—the FEC, even though the House committee decision represents only a "technical reprimand" of Ferraro. The bipartisan House Committee on Standards of Official Conduct concluded Dec. 2, by an 8-2 vote, that the three-term congresswoman had violated the Ethics in Government Act at least 10 times through improper filings on financial disclosure forms.

Last summer, Rep. George Hansen (R-

Ida.) was sentenced to a prison term for doing essentially the same thing.

According to Washington attorney John Banzhaf, who months ago petitioned the Justice Department and the FEC to scrutinize Ferraro's tangled finances, the Ethics Committee vote represents "an open invitation" to the FEC and Justice Department to pursue inquiries into Ferraro. The Justice Department confirmed Dec. 3 that it has the Ferraro matter "under review."

AIDS cases in U.S. up 73%

As of Nov. 26, 1984 a total of 6,993 cases of AIDS have been reported in the United States and 3,342 of these individuals have died. This represents a 48% fatality rate and the number of reported cases has risen 74% over the number reported in the same period last year. The fatality rate is higher among affected children, and is 73% among victims diagnosed before January.

Four states—New York, New Jersey, California, and Florida—account for 75% of the reported cases. The disease has remained primarily confined to four major risk groups and the proportion of adult patients outside these groups has remained stable. The risk groups continue to be male homosexuals, intravenous drug users, Haitian immigrants, and hemophiliacs. "Although the number of AIDS cases being reported continues to increase in all patient groups, the rate of increase among Haitian AIDS patients is significantly less than among the remaining groups," according to the Center for Disease Control (CDC) in Atlanta.

Discovery of viruses known as HTLV-3 and LAV, which are believed to cause AIDS, was announced by U.S. and French scientists in April. This has led to a blood test which detects exposure to the virus. Initial results of studies of exposure are "very disturbing," according to Dr. Harold Jaffe of the CDC. Exposure to the virus is quite high among certain groups and may approach 30-50 times the number of presently reported cases. Between 5 and 20% of these persons

will develop the disease over the next five years.

D.C. Baptists ministers hear Schiller spokesman

Dr. Cleveland Sparrow addressed a meeting of the Washington, D.C. Baptist ministers' conference Dec. 3 on the deficiency of "relief efforts" in dealing with the Africa crisis. Sparrow is a founding member of the Schiller Institute, and a Baptist minister who has been battling "Global 2000" genocide policies in the nation's capital.

Sparrow reported on some of the conclusions reached on the Africa question at the Schiller Institute's Third International Conference, convened near Washington Nov. 24-25. He polemicized against the commonplace notion of "relief" efforts for the continent: "If you give these agencies money for food aid, it might be like giving a drunk a dollar. . . . We have to change the policies which have prevented high-technology development of the continent."

At the end of Sparrow's presentation, he was given a "vote of appreciation" by the ministers' body.

LaRouche candidates win 80 Washington precincts

Candidates backed by the National Democratic Policy Committee won 80 precinct committee positions in the state of Washington in this year's general election, it was announced Dec. 3; 78 were Democrats, 2 Republicans. The NDPC had fielded 140 candidates for the posts in the Nov. 4 election.

On Dec. 8, county Democratic Party reorganization meetings will be held for King County (Seattle) and Pierce County (Tacoma), which will elect county party officials, state central committee members, and legislative district officials. In King County, LaRouche Democrats will field a slate of six

candidates, and plan to introduce resolutions backing a crash program for beam weapons and putting into effect economic policies corresponding to the "inalienable rights of man."

Three years ago, when the NDPC succeeded in introducing a resolution against the usurious interest-rate policies of Fed Chairman Paul Volcker, the state party leadership, led by Karen Marchiaro, passed a new rule requiring that at least 25 precinct committeemen sign any proposed resolution. "We will obviously have no problem with these kind of formalities at this point," said Mark Calney, head of the state NDPC.

Cure for 'bubble boys,' says Texas doctor

According to Dr. William T. Shearer of the Texas Children's Hospital, the recovery of a child from a once-incurable immune-deficiency disease is credited to techniques learned in treating the disorder that killed "David," Houston's famed "bubble boy," last February. Dr. Shearer made the claim in *American Medical News*.

He cited 18-month-old T. J. Davis of Caldwell, Idaho, as the first "graduate" of the David Center, named for the 12-year-old who suffered from the same severe combined immune deficiency, who died while T. J. was at the Houston hospital. Now, T. J. is living at home with his parents, Shearer said. T. J. received, and his body apparently has accepted, the marrow from his father, Terrance J. Davis, Sr.

David, never publicly identified beyond his first name, spent all but the last few weeks of his life in a sterile bubble to protect him from exposure to germs his body could not counter. He contracted an infection during a bone marrow implant and died Feb. 22.

The advances that saved T. J. and hold out hope for many other children were based on the knowledge Houston doctors gained in 12 years of treating David, Shearer said.

The "pull the plug" crowd headed by Colorado Gov. Richard Lamm has not commented on Shearer's report.

Briefly

● **HENRY KISSINGER**, in one of the stranger episodes in a city famous for its strange episodes, was given the "Man of the Year Award" by the New York City Police Department's Honor Legion Dec. 2 at a special reception.

● **DR. ROBERT COOPER**, director of the Defense Advanced Research Projects Agency, has admitted on the record that the Soviets lead the United States in most areas of advanced beam defense technology, including x-ray lasers and the optics required for boost-phase defense. Cooper told senators at closed-door Armed Services Committee hearings on Soviet ABM programs Dec. 5 that the Soviets have deployed interceptor defenses and ABM radars in a "conventional" breakout of the ABM Treaty.

● **ROBERT JASTROW**, founder of the Goddard Institute for Space Studies and a renowned astrophysicist, issued a withering attack on American scientific networks opposed to the Strategic Defense Initiative, charging that their opposition to the beam-weapons program is based on ideology, not reason. "As with the rest of us," he charged, "in matters on which they have strong feelings, their rational judgments can be clouded by their ideological preconceptions."

● **FBI DIRECTOR** William Webster got workers at abortion and "family planning" clinics around the country mad when he said 20 incidents of bombing and arson recorded against such facilities did not fit the bureau's definition of terrorism. *EIR*, while not wishing to interfere in the fight between the FBI and Planned Parenthood, proposes that federal funding be cut off to both.

Radio Moscow 'imitates' NBC-TV

In its campaign to destroy the forces associated with American statesman Lyndon H. LaRouche, Jr., Radio Moscow has now targeted the offices of *EIR*'s correspondents in India, the New Solidarity International Press Service (NSIPS). The move coincides with recent efforts by the National Broadcasting Company to destroy the influence of LaRouche, the founder of *Executive Intelligence Review* and a contributing editor, to the point of using legal and financial warfare to strip LaRouche's security. The coincidence is not by chance, we think.

On its afternoon broadcast Dec. 4, Radio Moscow declared that the offices of the NSIPS bureau in New Delhi, India, had been shut down by the Indian government and its two correspondents expelled. The broadcast claimed, "The agency was founded by the CIA and trained to infiltrate agents into the Indian mass media."

None of the facts "reported" by Radio Moscow is true. The Indian government, according to relevant officials in the Home Ministry and the External Affairs Ministry, has taken no measures to close down the NSIPS bureau and/or expel NSIPS correspondents, and no such action is under consideration. The first time the Indian government had heard of such "measures" was when NSIPS correspondent Susan Maitra brought the Radio Moscow report to their attention.

NSIPS was not founded nor does it exist as an agency of the CIA. It is an independent international news service with correspondents on four continents which contribute to *Executive Intelligence Review*.

Nevertheless, on Dec. 5, Radio Moscow repeated the same story of misinformation, adding in this broadcast new falsehoods to the effect that NSIPS is working to foment separatist tendencies in India.

Most important is that the Radio Moscow broadcast was beamed into Western Europe in all the European-language broadcasts. It has nothing to do with India.

It has everything to do with the fact that the entire command structure of the Russian Empire between Dec.

4 and Dec. 6 held great meetings of its top military, diplomatic, and propaganda chiefs in Budapest, East Berlin, and Prague to announce to the world that the Soviets have mobilized all their assets worldwide for the achievement of one single objective: to stop what they publicly called "Reagan's Star Wars." And the Soviets know that to achieve that, they must squelch the "LaRouche factor."

The lying Radio Moscow broadcast went out on Dec. 4 as part of Moscow's campaign to destroy LaRouche as the precondition to shutting down the Strategic Defense Initiative of President Ronald Reagan, which commits the United States to developing beam-weapon defense systems. Mr. LaRouche is the foremost American proponent of such defense systems and the doctrine of Mutually Assured Survival, and also the foremost opponent of Moscow agent-of-influence Henry A. Kissinger who has declared his intention that the beam-weapon program "will be whittled away." On Dec. 5, Soviet President Konstantin Chernenko stated that a halt to the U.S. beam weapon program is "of primary importance."

The Radio Moscow broadcast is a crude threat to NSIPS in India and coheres with a pattern of attempts in the United States to shut down political operations associated with Lyndon LaRouche. This includes illegal financial warfare with the aim of stripping the security of Mr. LaRouche being carried out by Chemical Bank and the Fidelity Bank of New Jersey under the direction of the FBI.

The National Broadcasting Corporation coordinates anti-SDI propaganda with Moscow through the Menninger Media-Exchange. NBC has also broadcast lies about Mr. LaRouche and is now attempting to collect on an unconstitutional \$3 million judgment against Mr. LaRouche.

Radio Moscow, like NBC, does not choose its targets lightly. When it tells a lie like this one, it should be taken seriously—as the threat it is.

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