

# EXECUTIVE INTELLIGENCE REVIEW

November 21-27, 1978

How U.S. traitors gave  
Israel the H-bomb

## Britain's bank war

*Dirty money, dope, and terror versus the U.S.*



Bank Leumi



Barclays



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# EXECUTIVE INTELLIGENCE REVIEW

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## Britain's Bank War

You've heard about the sudden influx of British and other foreign banks into the U.S., and the scandal-tinged probes in the major U.S. banks' currency operations from your newspaper. In our ECONOMICS feature this week you'll find out what's behind the headlines — one of the dirtiest operations ever conducted against this nation

by an enemy power. Our story leads from the corporate boardrooms of the City of London, to the machinations of the U.S. "Watergate" apparatus, to the illegal drug markets and the nests of terrorist environmentalists along the U.S. East Coast.

Included: a revealing interview with the John Dean of the current "bankgate," David Edwards; a profile of Israeli banking that ties it to Britain's secret intelligence operations in general and organized crime in particular; and the shocking "Philadelphia Story" of British-linked banking's intimate relations with drug-running and terrorism there.

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On our cover: the gist of the network that ranges from the British monarchy to the terrorists of MOVE, the dope trade, and the environmentalists. For a more extensive schema, see our coverage inside.

## IN THIS ISSUE

### **Israeli H-Bomb aimed at EMS**

With the Jan. 1 deadline for the activation of the European Monetary System but six weeks away, the City of London has activated its "ultimate threat": an Israeli nuclear strike to destroy Persian Gulf oil supplies. Our INTERNATIONAL report bares the spy scandal of the century: how the Israelis stole U.S. *hydrogen bomb* secrets. Britain declares the EMS a "casus belli," and her agents are attempting to set the United States on a collision course with the Soviet Union. The result: to head off war, America's European allies threaten to break up NATO. page 19

### **Will Ted Kennedy yet become President?**

The results of the Nov. 7 elections are fueling the British war drive, and have made a Ted Kennedy drive for the White House — until recently considered an absurdity in the post-Chappaquiddick era — a very real option. Backed up by analyses of the results in selected key states, political analyst Dr. Stephen Pepper explains in our U.S. REPORT what happened, and what must be done to pull together a counterpole to the Fabians for 1980, and prevent the returns from being used as a mandate for a depression this winter. page 52

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**Capriccio Siciliano**

This week's issue concludes our exclusive translation in COUNTERINTELLIGENCE of the explosive "Capriccio Siciliano," four-part article from the Soviet magazine *Ogonyok* which bares details of the Peking-Mafia connection to the Kennedy assassination. Our first three installments of this remarkable piece of Soviet journalism have already produced a major stir in official Washington and elsewhere — which has already led the *New York Times* to nervously attempt to dismiss the *Ogonyok* series in a lead editorial this week. In the final installment, author Julian Semyonov ties together the final threads linking Peking, Maoist terrorists in both Italy and West Germany, elements of the CIA, the international Mafia, and powerful financial interests behind them, to the assassinations of both John and Robert Kennedy. **page 35**

**Pope John Paul II  
an "Augustinian"**

In an exclusive interview in our EUROPE section, a close friend of Pope John Paul II, Dr Brasca, describes the new Pope as a "humanist and an Augustinian" who will follow closely in the direction laid out by Pope Paul VI. Among the topics he discusses in this candid and important interview: the Pope's likely approach to foreign policy and "Ostpolitik," the Church and human rights, the development of ecumenicism, and the possibility of Communist participation in European governments. **page 29**

# EXECUTIVE INTELLIGENCE REVIEW

## ... GIVES YOU

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

## ... COVERED WHAT WAS

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

## ... REPORTED HOW

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

## EXECUTIVE INTELLIGENCE REVIEW

October 17-23, 1978



## ... DOCUMENTED

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

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# Mexico becomes the new oil giant

*A tremendous opportunity for America, if...*

Jorge Diaz Serrano, head of Mexico's national oil company (Pemex), stunned last week's meeting of the American Petroleum Institute's conference in Chicago with the news that Mexico has uncovered a giant new reservoir that might contain as much as 100 billion barrels of oil and 40 trillion cubic feet of natural gas.

The oilmen's response was not unwarranted. Since the new find is not included in Mexico's current reserve figures, which already place its proven reserves at 20 billion barrels and potential reserves at 200 billion, Mexico's overall reserves could reach 300 billion barrels! Saudi Arabia, to date the world's oil giant, lists proven reserves of 150 billion barrels.

As significant as the size of the new deposit — which Diaz Serrano described as "one of the bigger hydrocarbon accumulations in the Western Hemisphere" — is its location. The field, called "Chicontepec," is in the legendary "Golden Lane" which stretches 100 miles south from the Gulf of Mexico port of Tampico. The new deposits are in an area which was thought to have been exhausted.

## What will it mean for the U.S.?

As the U.S. and British press were quick to recognize, the new oil finds will turn Mexico into "the next oil power." But despite the unusually large amount of publicity, few sources in the U.S.

discussed what it will mean to have a "Saudi Arabia" south of the border. In fact, it was Mexican officials who drew out the full

implications of their country's emergence as an oil power for relations with the U.S. in language any astute American businessmen could not fail to understand.

Speaking at an important conference on petrochemicals in the state of Yucatan one day prior to his speech at the API convention, Diaz Serrano declared that the Chicontepec field "represents a magnificent opportunity for definitely industrializing our country." At the same event Industries Minister Jose Andres de Oteyza announced government incentives to domestic and foreign businessmen who want to invest in the promising petrochemical industry. Two days later, Finance Minister David Ibarra announced the establishment of a special \$200 million fund to begin implementation of the government's program for production of capital goods. And in the process of working out special legislation to provide the guidelines for the development of nuclear energy, a group of Mexican Congressmen has called for a long-term program which would start immediately with the construction of eleven nuclear plants.

In short, Mexico is moving ahead with its industrialization program at breakneck speed. As its leaders have said in the past, the revenues from oil exports will be used to import the advanced technology and manufactured goods required to expedite this process.

It's no coincidence that Mexico chose to announce the new oil discoveries one day prior to Diaz Serrano's speech at the Chicago

API Convention. Given that the U.S. is Mexico's largest and traditional trading partner, Mexico would very much like to see the establishment of a mutually beneficial trade and development relationship. Last week it was announced that President Carter will visit Mexico in February of next year, giving the U.S. another opportunity to reciprocate these Mexican offers, which in the past have been sabotaged by Energy Secretary James Schlesinger and National Security advisor Zbigniew Brzezinski.

But Mexico is making no secret of the fact that if the U.S. does not respond positively to its offers, Mexico will take its business elsewhere. This was stated starkly by the head of Mexico's Central Bank Romero Kolbeck at a press conference on Nov. 14, in which he reviewed the effect of current U.S. economic policies on Mexico. Romero warned that the current anti-inflation measures adopted in this country, in particular the sharp rise in interest rates, as well as the collapse of the dollar, could lead to a dangerous situation of economic depression and "distortions in international trade currents." Mexico is taking measures to defend its own economy in light of the trend in the U.S., he said, by turning to "the new international capital markets which are emerging in West Germany, Japan and Switzerland." Observers in Mexico interpreted this as a clear reference to the European Monetary Fund.

# Behind the campaign against nuclear fusion

When the editors of the *Executive Intelligence Review* received reports last week that Mr. Alfred P. Slaner, former chief executive for the Kayser-Roth Corporation, plans to finance the publication of a new magazine on the scientific prospects for the development of thermonuclear fusion power, we immediately investigated. Unfortunately we must report that Mr. Slaner and his associates in the venture have no intention of joining the ranks of such notable publications on atomic power as the Fusion Energy Foundation's popular *Fusion* magazine. Their front money will instead be used to print an antinuclear slander sheet, which we project will be dominated by the line that humanity can be saved from the destruction-and-pollution potential of fission power only through the development of solar, biomass, and other "soft" energy technologies, and the clean form of nuclear power — fusion.

## A Kahn job

This bogus fusion-versus-fission formulation is now being peddled internationally by the upstate New York Hudson Institute, and Hudson's notorious doomsday strategist Herman Kahn. Over recent weeks the porcine Kahn has devoted himself overtime to foisting this disinformation line on the developing nations in particular. The Third World, however, answered Kahn's suicide energy policy proposals on Nov. 2 in the United Nations, voting in a tight bloc with the Arabs, the Soviet sector, and protechnology Western European nations to pass resolutions increasing technical assis-

tance for nuclear power development to the developing sector and increasing the developing sector's representation in the International Atomic Energy Agency (see our ENERGY Section).

The nasty nuclear operation, however, does not end with Kahn-style proposals.

A closer look at Slaner and his

former employers at Kayser-Roth has uncovered a network around these individuals that can best be described as an Israeli intelligence spy nest in the U.S. This Mossad network involves scientific espionage, assassinations, and dirty money operations, as well as black propaganda against nuclear energy. For the full story on how Slaner and a group of his cohorts in the so-called Nuclear Club of the New York Stock Exchange have functioned as Mossad's atom spy network in operations up to and including the transfer of hydrogen bomb capability to Israel, see our INTERNATIONAL section. ■

# Terror against NSIPS shows impact of drug exposé

At 9 p.m. local time on Nov. 11 a squad of hooded terrorists, armed with lead pipes and tear-gas grenades, stormed the Paris bureau of New Solidarity International Press Service at 19 rue Nollet. The squad broke into the office, throwing one tear gas grenade and injuring a plainclothes police officer stationed there in response to threats received earlier. Outside the NSIPS office, 20 to 40 similarly armed and hooded thugs attempted to cordon off access to the block at the main intersection.

This attack, merely the first in a series that have unfolded over the past week, dramatizes the forces that have been put into play internationally to stop the damaging exposures by this news service, the U.S. Labor Party, and others internationally, of the control exerted by the British monarchy's Zionist and other networks over international narcotics trafficking,

illegal financial operations, and terrorism. These exposures, which have circulated widely behind the scenes in European governments and other high-level circles, are threatening the vital lifelines of those British networks. The Labor Party's just-released exposé of how this same web handed U.S. H-bomb technology over to Israel, reported in this issue's INTERNATIONAL section, is upping the ante even more. Police investigators in Paris, where the only direct physical attacks have taken place so far, confirm the existence of plans by the so-called Zionist lobby to escalate such attacks internationally as a result.

What was going on in the offices of NSIPS's Paris bureau when the attack occurred was a meeting called to announce the upcoming publication in the United States of the book *Dope, Inc., The World's Biggest Business*, a preview of which has been published in this



review (see *Executive Intelligence Review*, Oct. 31-Nov. 6, Vol. V, No. 42).

Every present lead on the attack, according to French police, points to Israeli-intelligence controlled groups, specifically the BETAR, the equivalent of the paramilitary Jewish Defense League in the U.S. The context for the attacks had been set up the week before by the Nov. 1 publication in *L'Express* magazine (owned by the British financier Jimmy Goldsmith) of a vicious interview with Darquier de Pellepoix, formerly Commissar for Jewish Affairs (responsible for deportations) in the Vichy government, and now a senile cripple in exile in Madrid. The publication of the raving Nazi interview set the stage for what was intended to be billed as a revival of "Zionist"- "anti-Semitic" confrontations in France.

On Nov. 13, at the daily press briefing held by an aide to the Mayor of Paris, Jacques Chirac, a leader of the Gaullist party, reporters were briefed on the attack and the results of the preliminary investigations, which are still continuing. Despite numerous reports sent from the briefing into the major press agencies, the story has been blacked out, specifically by Agence France Presse.

Three days later, NSIPS's Paris bureau received a telephone bomb threat, in which the caller stated: "We are the Zionists you have been attacking. In 35 minutes a bomb is going to go off, it is filled with TNT." Police investigators summoned to the office found no device.

### Threats in Italy

Simultaneously in Italy, the press networks that had been identified in the widely circulated European Labor Party dossier on the assassination of Italian leader Aldo Moro as merely branches of the British intelligence's psychological

warfare bureau have also begun to react. The first signals came with the publication Nov. 15 and 16 of attacks on the European Labor Party in *La Repubblica*, a newspaper controlled by Count Carocciolo, an in-law of the Agnelli family, who represents the "left-wing" environmentalist side of Italy's nobility and who was identified as a central figure in the Labor Party's Moro dossier.

The *Repubblica* articles try to discredit the Labor Party exposé by simultaneously reporting on the "rumors of conspiracy" involving the House of Windsor (the British

Crown), the British Secret Service, the Knights of Malta, and others, while claiming that the European Labor Party is in an "anti-communist" alliance with Italian Industry Minister Donat-Cattin, in hopes of isolating the Labor Party from potential collaborators among the Italian Communists, to whom Donat-Cattin is *persona non grata*. That the situation could move beyond the level of slander is indicated by a series of murders and shootings that have taken place in the vicinity of the party's Milan office. ■

## The Shah pulls the plug on the BBC

The newly appointed military government in Iran is presently jamming the British Broadcasting Corporation's Persian language programs beamed into Iran. According to the Nov. 16 *Washington Post*, the Iranian government has charged the BBC with transmitting reports deliberately slanted to provoke further anti-government unrest.

The *Post* reports that Tehran has cautioned the BBC that continued provocative reporting could force Iran to impose an economic boycott against British businesses operating in Iran. The *Post* adds that not only Iran but other governments have been concerned about some of the BBC's distorted news coverage. The crackdown on the British propaganda outlet may portend that the Shah's government is contemplating nationalization of British Petroleum and Royal Dutch Shell, the City of London's on-the-scene power centers in destabilizing Iran's modernization program (See *EIR's* Nov. 14-20 issue).

The Tehran government has also threatened to expel BBC

correspondents in Iran for submitting reportage with a definable anti-Shah tone. Since the imposition of the military government earlier this month, foreign correspondents have been warned to comply with the rules of press censorship. Following his appointment, Prime Minister Azhari said that the press was in part responsible for fueling discontent.

Just prior to the appointment of Iran's new military government a UPI correspondent was expelled to London, after he had filed a report that Shah Riza Pahlevi had been assassinated. Shortly thereafter a former official of Iran's official Information Agency was exiled to London on grounds of circulating false information.

Over the past 18 months the Iranian Foreign Ministry has issued several sanctions against both the BBC and even British Foreign Secretary David Owen for publicly expressing anti-Shah sentiments. Iran's Information Minister Tehrani accused the BBC of inciting the oilworkers strike which cost Iran \$750 million. ■

# Britain's bank war

*Will dirty money, dope and terror  
keep America in line?*

What do foreign-currency-heist specialist David Edwards, jailed Israeli financier Tibor Rosenbaum, and the staid Barclays Bank have in common with Weathermen terrorists, the Pennsylvania market in illegal drugs, and diamond smuggling in Hong Kong?

The answer is, plenty. All are demonstrably integral parts of a worldwide surrogate-warfare apparatus which the British monarchy and associated financial powers are now using against the United States.

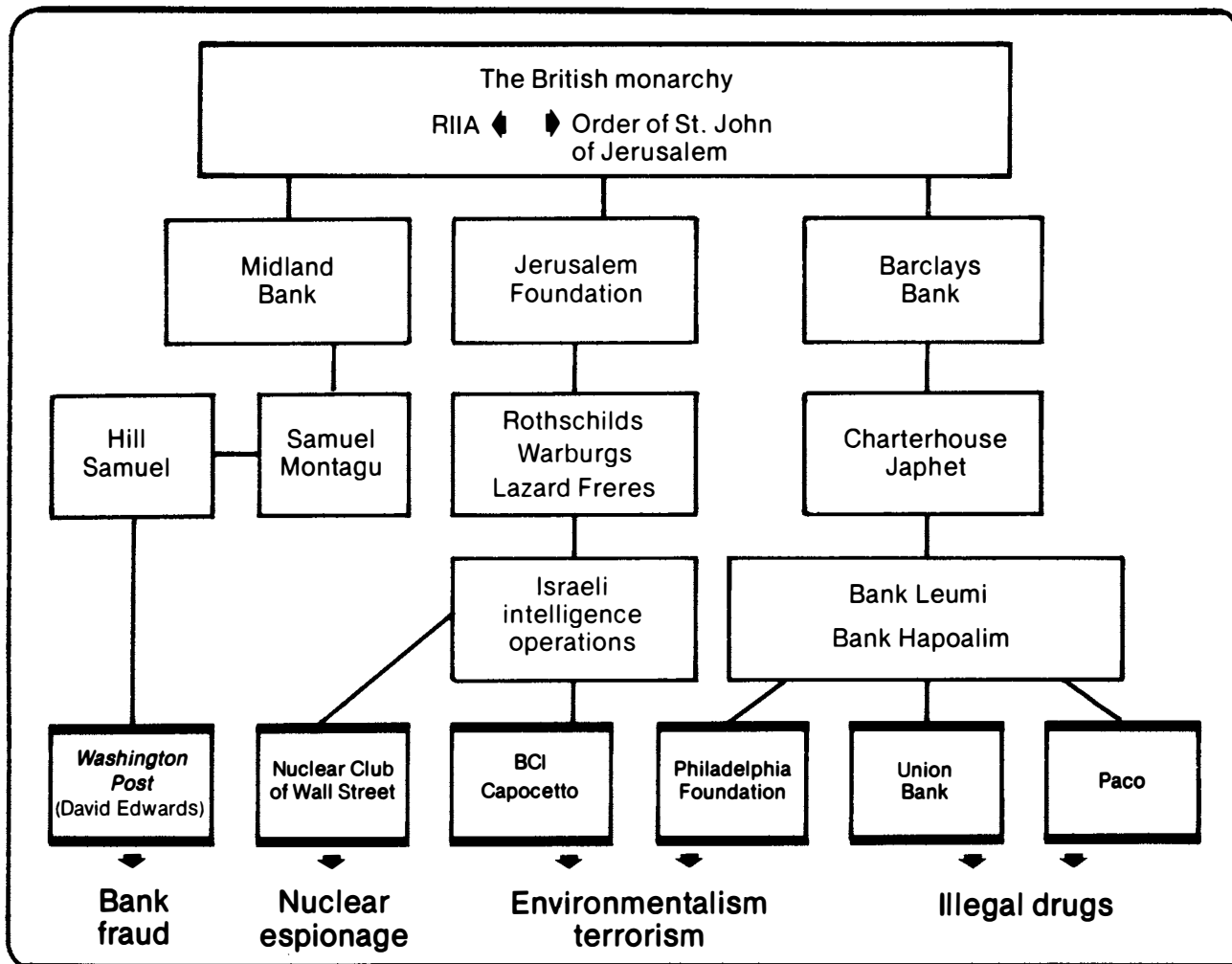
At the wheel is the crown's top policy-making body, the Royal Institute for International Affairs (RIIA) and the secret society with which it shares perhaps 50 percent of its membership, the Order of St. John of Jerusalem, whose Grand Prior is Queen Elizabeth herself. Ranged below this command center are City of London and allied banking institutions and financial family dynasties, including many nominally American bankers and banking families whose loyalties in fact lie with Britain. In particular, the famous Jewish bank empires of the City of London, the

original implementors of British foreign policy's Zionism, provide the most direct linkups to a wide range of Israeli intelligence dirty operations capabilities and drugrunning. In fact, a late-breaking story in our accompanying INTERNATIONAL report reveals that these same networks have succeeded in betraying U.S. atomic secrets to Israel, giving that war-hungry nation the H-bomb!

## **The red-coats are coming**

Even the popular media are now reporting that a number of British and Canadian banks are moving in on the U.S. The bank "invasion" is in itself, however, merely a blind behind which a battle to the death is being waged.

At stake is which policies will take control over world financial flows — the growth- and development-based policies represented by the new European Monetary System, or the no-growth



austerity and dirty money on which London and its allies have staked their future. With continental Europe moving further out of London's grip every day, the United States is Britain's last hope — and a stranglehold is being tightened on the U.S. to force it back from collaboration with the EMS forces.

For if the U.S. were to decisively shift its economic and political strength to the EMS side of the fight, it would not be long before the hundreds of billions a year in drug and related illicit money flows would be mopped up in a few well-coordinated international police actions. The EMS would relegate the London-dominated International Monetary Fund to the scrapheap, its "surveillance" over international finance affairs and its murderous austerity policies only a memory. London would be through as an international financial power. This is what the gamut of the crown's capabilities is being mobilized to stop.

The following shows how this "bank war" is being waged far beyond the boardrooms and investment

houses — and in the process explains a number of events that have been puzzling other economic analysts, law enforcement investigators, and political observers.

First, we have the story — much of it in the principals' own words — of how a series of contrived scandals modeled on Watergate is pressuring the largest U.S. commercial banks to surrender to the Bank of England and the IMF.

Then, how the same networks of British and associated Israeli banking are using their kingpin role in international drug-dealing against the U.S., by examining the relationship between those banks' entry into the U.S. market in Pennsylvania and the illegal amphetamines racket in the same area.

Last, the kind of terrorist capability these same forces deploy is uncovered by a second look at the Philadelphia case, where the same bank networks and drug companies are handing operating cash over to declared terrorists.

# The dirty politics of 'bankergate'

Remember the original Watergate? The sudden "conscience-stricken" revelations by insiders, the exposé articles in the *Washington Post*, the pyramiding of official investigations? Precisely the same scenario is enjoying a rerun, and under the same direction, but this time the target is not the American presidency, but the U.S. banking system.

A former Citibank specialist in "offshore" currency manipulation, one David Edwards, is taking Citibank to court on charges of illegal activities. His case, with a hefty boost from the *Washington Post*, is acting as a spur for a broad attack on all the major New York commercial banks, engendering no less than three federal and four congressional probes into the country's seven largest banks.

"Bankergate" went into high gear Nov. 1 when the *Washington Post* printed a sensational front-page article by Edwards's Washington duenna, Larry Kramer, announcing a broad Justice Department-Securities Exchange Commission investigation into all seven banks' foreign currency activities.

In interviews last week both Kramer and Edwards agreed that the ultimate aim of the scandal is to fulfill

the plan, laid out by the Governor of the Bank of England this summer, to impose full International Monetary Fund surveillance over U.S. banks in particular and international finance in general. "We hope for some kind of IMF ruling on this entire Euromarket question," Kramer commented. "We're just sorry we couldn't break the story in time for the September IMF annual meeting."

The original London plan surfaced when Sir Gordon Richardson, the Bank of England Governor, and U.S. Federal Reserve Chairman G. William Miller made identical speeches at the beginning of June, complaining about (in Miller's words) "the unsettling effects of the excess liquidity in the international monetary system" caused by the presence of the \$600 billion Eurodollar market. Their solution was circulated more privately, in a not-for-publication Bank of England memo which urged the imposition of reserve requirements on the Eurodollar market, a scaling down of the market itself, and mandatory surveillance of all Eurodollar loans by the London-dominated IMF. (The intensive excerpts of the secret memo were published in the *Executive Intelligence*

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## Edwards: 'Somebody has to clean out the U.S. banks'

*This interview with former Citibank Assistant Vice-President David Edwards was made available to this news service by British financial sources.*

**Edwards:** For the past four years or more I have been appalled at what the total lack of regulation has meant to the ability of the banks to carry on extensive illegal activities on the offshore markets, and now I simply believe that somebody has to clean out the banks.

**Q:** *I gather you hope your case will be used as a spur to Congress to resurrect the proposals of Proxmire and Reuss for reserve*

*requirements and other controls on the Eurodollar markets. Of course this would curtail British banking's banking competitors' international activities.*

**A:** Exactly. Chairman Proxmire asked me just that: "How can your case be used to help pass legislation forcing reserve requirements on the Eurodollar markets?" And Reuss said something similar.

Even better was Representative (Joseph) Minish (D-N.J.), the head of the House Banking Committee Oversight Subcommittee, who is against the banks because he's the former head of New Jersey COPE (the AFL-CIO's Committee on Political Education — ed.) and of the Essex County AFL-CIO. And John Conyers, Chairman of the House Judiciary Crime subcommittee, told me: "You're out there all alone against the long arms of the banks, out in the cold, but we're gonna bring you in, boy."

He's really out to get the banks.

**Q:** *Who introduced you around Washington?*

**A:** Oh, Larry Kramer and the *Washington Post* staff told everyone all about me, and I've been getting invitations right and left since.

**'I set it up myself'**

**Q:** *How do you know that Citibank hasn't cleaned up its act already?*

**A:** Look, I set up the whole Nassau offshore Caribbean operation; I took over the Nassau desk in 1972 and set up the whole thing, under the auspices of ....., the ..... (a top official whose name is being withheld by this news service — ed.) of Citibank UK. Then he began misusing it. He even had the nerve, when word of my complaints began to get around, to call New York and tell senior management that under UK banking law, they, not he, were responsible ....

*Review's June issue.)*

In practice, this would jerk up the cost of Eurodollar business to U.S. banks by over 3 percent to pay for reserves, and would at the very least force a major retrenchment of their foreign operations, say banking industry sources. At worst, it could mean what one European press source called "a crash of intolerable consequences," a crash that would collapse the core of U.S. banking.

A second, not insignificant aspect is the attempt to halt exposure of British banking's role in the international narcotics trade, and particularly to squelch a suit now pending at the Washington Federal Reserve brought by the U.S. Labor Party exposing the RIIA-controlled Bank of Hong Kong and Shanghai's financing of illegal drug-running into the U.S. The heads of major American banks, such as Citibank's Walter Wriston and Chase Manhattan's David Rockefeller, are being blackmailed by British collaborators inside their own banks to side with Britain against the USLP probe. If they do not, word will go out in Washington that, as Kramer put it, "it is the U.S. banks, not the much smaller British, who run the drug trade."

But the prospects for banks that knuckle under are not bright. Take the case of Bankers Trust. The nation's seventh largest bank announced Nov. 9 that it is selling off 89 New York City branches — its entire retail business — to the Bank of Montreal, run by

Canada's leading RIIA representatives, the Bronfman family. (For details of the Canadian side of the bank takeover, see below.)

### How to run a Watergate

Britain's "bankergate" began last spring when David Edwards was booted out of his position at Citibank's Paris office and filed a \$14 million suit against the U.S.'s No. 2 bank. Edwards charged that his dismissal resulted from his valiant efforts to expose Citibank's illegal foreign currency transactions.

Edwards was trained at the London School of Economics, and passed on to Citibank in 1972 by the London merchant bank Samuel Montagu and Co. During 1972-74 he worked under the direction of a top official of Citibank London to set up Citibank's entire Nassau-Caribbean offshore operations. Edwards personally designed those operations to be used for tax evasion, foreign currency speculation, and all manner of dirty-money laundering.

The top London officials then arranged to dump Edwards, who conveniently began complaining to the management in New York about the dirty Nassau operation. Convenient, because the London official promptly pointed out to Citibank Chairman Walter Wriston that under British bank law, Wriston was responsible for the entire mess — by then billions of dollars' worth. Today, the official is senior vice-

*Q: You mean Walter Wriston?*

*A: Yes. But now ..... is the (top officer) of Citibank world headquarters in New York, and I'm out in the cold.*

## 'Nothing to do with profitability'

*From an interview with a prominent New York commercial banker:*

*Q: What are you doing about the Edwards charges?*

*A: We're going to have to open up; we plan to let him inside the bank, tour him around, and try to trip him up — prove that there's nothing to what he is saying. . . .*

*Q: You think that will stop the Justice Department and SEC probe?*

*A: No, but what choice do we have? We're taking the position that his charges are ridiculous because he's crying foul at everyday banking practices.*

*Q: But the point is that he's got a full Justice Department and congressional investigation of those everyday practices in order to shove reserve requirements through on the Euromarkets.*

*A: But the big U.S. banks would never allow it. . . .*

*Q: What they allow is not at issue.*

*A: But they can't do that to Walt Wriston; that would collapse the entire credit of the U.S. banking community. My god, I can't believe they have anything on Wriston. He's the pillar of the community.*

*Q: The British would rather not use their information — they want him to play ball. What do you think*

*got the Bank of Montreal into Bankers Trust?*

*A: You may be right. We don't see room for more than three retail banking businesses in New York City five years out — Citibank, Chase, and maybe Manny Hanny (Manufacturers Hanover).*

*Q: But why does Montreal want to move into a dying industry — to lose money?*

*A: It has nothing to do with profitability of retail banking; it's political. You're right about the British and Canadians wanting a slice of the U.S. market, no matter what the cost. The question is, will the Federal Reserve allow it? We're watching the HongShang takeover of Marine Midland, hoping they'll stop it.*

president in Citibank's New York headquarters, courtesy of this blackmail.

By Feb. 9, 1978, Edwards had been fired for his exposé campaign; on July 24 he filed suit. By August 1, the Justice Department and the SEC had launched offshore practice probes of unnamed "New York foreign exchange brokers," according to the *Wall Street Journal*. The entire episode followed close on the heels of U.S. President Carter's acceptance of the Schmidt-Giscard European Monetary System package at the late July Bonn economic summit of heads of state.

Edwards has revealed (in the accompanying interview) that it was in fact *Washington Post* cub reporter Larry Kramer, under direct orders from *Post* publisher Katherine Graham, daughter of Lazard Freres's founder Eugene Meyer, who brought underdog Edwards to Washington and toured him around the Justice Department, the SEC, and Congress.

As Edwards also says, Senator William Proxmire, chairman of the Senate Banking Committee, specifically asked Edwards if his case couldn't be used to help legislation forcing reserve requirements on the Eurodollar market — the Bank of England program — along with a number of other legislators.

Soon the story of the big bank investigation was making headlines not only in the *Washington Post*, but the European financial press. The French financial daily *Les Echos* publicized the story in a prominent column titled "Crash," accusing the American "top Fortune classification banks . . . these 'four sisters' " — Bank America, Citibank, Chase, and Manufacturers Hanover — of making "most of their profits from the constant movement of capital they manage." The article continues, "The volume of (their) volatile dollars is out of control . . . The entire world is at the mercy of a crash of incalculable consequences that would make Black Friday 1929 look like a mishap."

Miller associate John Heimann, U.S. Controller of the Currency, announced the same day the formation of a special department of "multinational banking surveillance" to widen the Edwards-instigated probes.

### Will Wriston clean house?

The real dirty laundry of these banks is that most of Edwards's accusations are in fact true — as far as they go. U.S. banks, together with British banks, are engaging in all manner of illegalities. As Undersecretary of the Treasury Bette Anderson accurately stated in an August speech, New York branches of many banks such as Chemical Bank have laundered millions of dollars in small change for the illegal narcotics trade.

The people running these dirty operations from inside the American banks — like the top Citibank official blackmailing Walter Wriston — are the same

individuals, according to information in the hands of the U.S. Labor Party who have committed grand larceny to the tune of over \$1 million syphoned out of the bank accounts of several organizations associated with Lyndon LaRouche, in cooperation with the Canadian Bank of Nova Scotia and the Canadian Imperial Bank.

It is clear that Wriston and Rockefeller must clean up their banks, but how, and at what cost? Attempts to cover up past sins will be met with further scandal; but a clean sweep of the blackmailers and British agents would end up in the asset column of the banks' books.

—Kathy Burdman

## What's behind the Canada-U.S. bank deal

"It has nothing to do with the profitability of retail banking," a New York commercial banker told *Executive Intelligence Review* this week in reference to the Bank of Montreal's recently announced move to snap up 90 percent of the retail operations of the nation's eighth largest bank. "It's political," he stated flatly.

Indeed, the decision of Canada's third largest bank to take on Bankers Trust's 89 branch banks, long since unanimously judged a pack of financial albatrosses, appears to be the latest episode in what has shaped up over the months as a politically motivated, high-powered, high-profile British banking invasion.

### Hardly economical

There is little question that the deal represents any kind of dollars-and-cents economic gain for the Bank of Montreal. The Bankers Trust retail operations, with a billion dollars in assets, barely holds a sliver of the New York retail market otherwise overwhelmingly dominated by Citibank, Chase Manhattan, Chemical Bank, and Manufacturers Hanover, each with far more than 200 branches, many of which are automated and offer 24-hour service. It is not exactly the type of operation that would look attractive to a \$30 billion Canadian bank reputed to be painstakingly working its own business out of the doldrums.

But if the economics of the deal don't add up, the politics do. As the Canadian press has noted, the Bank of Montreal-Bankers Trust deal is running interference for final passage of the new Canadian Banking Act, which would formally open Canada for U.S. branch banking in exchange for deposit-taking operations in the U.S. — a carte blanche for wholesale merger of Canadian and American banking systems. What Bank of Montreal risks in dollars and cents, it secures in establishing a political-financial beachhead *inside* the American banking system.

## The chain of command

It is most useful to take a close look at the actors in this otherwise improbable deal. It is not insignificant that William Mulholland, president since 1974 of Charles Bronfman's Bank of Montreal and the inspiration for the "dynamic move", in the words of the *New York Times*, earlier distinguished himself as a partner in the same Morgan Stanley and Company which "pinned down" Bank of Montreal's interest and "advised" Bankers Trust on the sale.

It is even more interesting that Mulholland distinguished himself at Morgan Stanley by sole handling of the \$500 million financing for Brinco's Churchill Falls Hydroelectric project, since Brinco is one of the more prominent links in the British-Canadian RIIA political intelligence and drug running chain.

Set up by Lord Beaverbrook and Winston Churchill,

Brinco, like the Rothschild's Rio Tinto Zinc (RTZ) and the infamous Hong Kong-based Jardine Matheson, is directed by one Sir Mark Turner, former head of Britain's Ministry of Economic Warfare and a kingpin in the United Kingdom's dope and terror war.

Significantly, New York State Superintendent of Banks Muriel Siebert reports that her office has yet to be supplied with any details or terms for the proposed sale or merger, which has been in the works since at least July. It is likely that Mulholland and Bronfman are watching the Federal Reserve's handling of U.S. Labor Party testimony against the Hong Kong-Shanghai Marine Midland takeover rather closely — there are indications that the Bank of Montreal may call the Bankers Trust operation a "merger" instead of a "sale," thereby preempting a Fed role in the subversive transaction.

# The real Philadelphia mainline

It is not every day that the local Pennsylvania press treats its readers to lengthy polemics on the alleged merits of the "invasion of foreign banks" into the area. But then it is not every day that Philadelphia and Pittsburgh are the twin targets of an aggressive, tightly coordinated British-Israeli banking deployment like the one that's occurred over recent months.

Since June, the Bank Leumi and the Bank Haopolim, two bright stars in the British Barclays-Charterhouse Japhet network that are otherwise two of the big three Israeli banks, moved to open branches in Philadelphia. And Barclays Bank itself, together with Lloyds Bank of London and the Dutch Allgemene Nederland Bank, moved to set up shop in Pittsburgh.

Why the rush to get in under the wire of the International Bank Act pushed through the Congress by Illinois's Senator Stevenson this summer?

"Some worry," noted the *Philadelphia Bulletin* of November 8, but not Frederick J. Heldring, president of the Philadelphia National Bank. Declaring "little opposition" on the part of Pennsylvania bankers, Heldring asserted his enthusiasm for the invasion. These foreign banks will stimulate Pennsylvania exports, Heldring told the *Bulletin*.

The *Bulletin* feature was not simply the humble personal opinion of Mr. Heldring, who is also chairman of the so-called "International City Project," and a member of the Dutch banking family that has for generations managed the Rothschild outpost in Holland, the exclusive Pierson, Heldring and Pierson. In fact, reliable observers believe that Mr. Heldring was hurriedly trotted out to try to head off potentially explosive charges that the foreign banking influx is a

political-economic warfare operation against America.

## The "Pennsylvania connection"

Even a summary review of the most essential facts in the Leumi-Haopolim-Barclays affair shows it to be the crux of a very black operation indeed, what might be called the "Pennsylvania connection."

Take the case of the Pennwalt Corporation. A large pharmaceutical firm, Pennwalt is considered by some a monument in Philadelphia. Located at 16th and Parkway, the Pennwalt Building squats on grounds owned by the Philadelphia Yearly Meeting of the Religious Society of Friends, and also houses, in addition to the Canadian Consulate, the law offices of Montgomery, McCracken, Walker and Rhodes — the top Quaker law firm in Philadelphia, which represents the Philadelphia Foundation. The Pennwalt Board sports such well-connected directors as Dr. Jean Crockett, chairman of the Finances Department of the Wharton School of Economics and a director of the Federal Reserve Bank of Philadelphia, and Mr. James Bodine, former president of First Pennsylvania Bank and currently its "advisor on foundation affairs" who works closely with the Philadelphia Foundation.

This same Pennwalt Corporation, according to Drug Enforcement Agency officials, together with the Smith Klein pharmaceuticals company, produces two-thirds of the amphetamines produced in the United States.

• In 1972 the DEA accused Pennwalt of "making an end run" around U.S. legal authorities by shipping

amphetamines to Mexico, where Pennwalt also has plants, from its Rochester, New York plant, for reshipping into the United States. DEA cited numerous accounting discrepancies of Pennwalt as evidence. (It is most interesting in this connection to note that the "advisory group" for the Monterrey Group of Mexican reactionaries — the notorious "hooded ones" who act as the Mexican connection for the international drug economy — operates out of Philadelphia's Wharton School.)

• In November 1976 Mike Wallace featured Pennwalt on CBS's "60 Minutes" show. Wallace cited a 1970 corporate internal memo regarding marketing of amphetamine diet pills to show that Pennwalt was deliberately cultivating an addict market.

• In October 1977 Pennwalt was fined \$200,000 by the Drug Enforcement Agency for conviction of 17 counts of "questionable practices" in the production of drugs containing cocaine.

• Pennwalt was reportedly ordered recently to close one of its commercial raw opium warehouses (opium warehoused for the legal hospital-medical market) on the grounds that it was engaged in "leaking" opium illegally onto the streets.

### Connections to the top

At this point, things become interesting. It seems that Pennwalt, together with Smith, Kline, and French, and Rohm and Haas, the major Pennsylvania drug companies, contract all their packaging to the little-known Paco Pharmaceutical Services, Inc., in Pennsauken New Jersey. And Paco, according to horrified Drug Enforcement Agency officials, is the source not only of many of Pennwalts unfortunate "leaks" from the legal to the illegal drug market, but of untold undetected leaks for the other drug majors as well.

It seems Paco takes bulk drugs from the manufacturers and does the job of packing them into retail market packaging — a perfect leaking point in the industry, and a perfect way for the legitimate drug companies to keep themselves from more direct involvement in the illegal market.

But this same Paco is itself 49.9 percent owned by none other than Charterhouse Japhet, which has offices right in Philadelphia, as well as throughout the Far East, where the merchant bank is active in the Hong Kong heroin trade. Charterhouse Japhet, meanwhile, is not only wholly run by the elite Barclays Bank Ltd. — but, in turn, runs none other than the Bank Leumi, through Leumi's Chairman Ernest I. Japhet!

## Israeli banking — British Intelligence operation

The Israeli banking system has been a strategic British intelligence net from the beginning of the century, running from the Mediterranean to Hong Kong and, since the 1960s, to New York City. Its function has been and is to conduit funds, some illegally laundered, some bilked from the unsuspecting world Jewish community, into diamond- and drug-smuggling, terrorism, and political assassination operations worldwide.

### The genealogy

The control of Israeli banking by the forces of the British crown predates British colonization of Palestine itself. The Barclay family were generations-old Quaker members of the Order of St. John when they founded Barclays Bank in 1836. Moving overseas in 1910, they absorbed both the Union Bank and the Discount Bank, both of which operated in the Levant and Palestine.

Meanwhile, Sir Moses Montefiore, Lord Nathaniel Rothschild, and the Samuel banking family were cooperating closely with the Crown's empire-building objectives in the Middle East. Among other things, they put up the capital for Zionist Theodore Herzl to found the central bank of the British colony in Palestine, the Anglo-Palestine Bank — today, Bank Leumi, run by its underwriters, M. Samuel and Co., and S. Japhet and Co., the London merchant banks.

Barclays took direct control over the Japhet family during the 1930s and 40s. Today, through the property company Slough Estates Ltd., on whose board Barclays' ex-chairman Sir Robert Barclay sits, Barclays controls the Charterhouse Group of companies, whose top officers are the same as those of Slough. Charterhouse in turn absorbed S. Japhet and Co. during the late 1960s, which became the Charterhouse Japhet merchant bank. The sole surviving heir to the Japhet fortune, Ernest I. Japhet, is today the chairman of Bank Leumi and of all its international subsidiaries, including Bank Leumi Trust Co. of New York.

Following the creation of the state of Israel, Barclays spun off the Union Bank, which, through its connections to the old National Bank of South Africa and De Beers, had become the chief financial institution to the Israel diamond trade, to Bank Leumi. Through Bank Leumi, by way of Union Bank, its wholly owned subsidiary — and now Israel's number four bank — some 30 percent of the world's diamond cutting is now financed.

Israel's third largest, Bank Hapoalim, the bank of the Israeli-Histadrut (trade-union bloc), was created



by the Jewish Agency, which from 1917 to 1948 under British High Commissioner for Palestine Viscount Edwin Herbert Samuel, a scion of the Samuel family, was the government of Palestine.

### Narcotics and terrorism

Bank Leumi's connections to the world diamond and gold markets have already plunged it deeply into the illegal narcotics trade. As is documented in an upcoming book by a team of investigators from the U.S. Labor Party, *Dope, Inc.*, some 40 percent of the world's gold and roughly 30 percent of the world's diamond consumption annually go to peasants and smugglers in Maoist China, the Southeast Asian "Golden Triangle," and the Indian subcontinent, as hard-commodity payment for illegal narcotics at the producer and primary-distributor level.

Bank Leumi, through Union Bank, exerts effective total control over the flow of uncut diamonds from De Beers in London to India and on into the Hong Kong diamond market because it finances the entire retailing operation, including Bank Union Bank of Hong Kong, the biggest diamond financing bank in the Far East, and Bank Leumi New York, which runs the diamond center in midtown Manhattan. Through its historical connections to South Africa and the Oppenheimer family, Leumi also finances large parts of the gold trade in these areas of the world.

Both Leumi and Hapoalim boast a long record of funding terrorism and political assassinations. Leumi Chairman Japhet and Hapoalim director Zvi Recheter both sat on the board of the infamous Banque de le Credit International (BCI), founded in 1959 by and run by Tibor Rosenbaum as the central bank of the Mossad, the foreign arm of Israel's Shin Beth state intelligence service. Rosenbaum, who together with other members of the Sonnenborn Institute founded the Mossad in 1947 at a New York City training center for the Haganah, the Israeli army, was the Mossad's financial specialist. His BCI was set up in Geneva to fund illegal arms purchases, theft of nuclear secrets and other Israeli intelligence projects.

The BCI also helped set up the Red Brigades terrorists in Italy that murdered former Italian Premier Aldo Moro. The BCI was a major shareholder in the Basel holding company Capocetto, which is the main financial vehicle of its general manager George Montenello, also known as George Mandel. According to a source in a European military intelligence agency, Montenello-Mandel owns the Rome villa in which Moro was held during his kidnapping. According to the same source, both the Histadrut directly and Bank Hapoalim and Bank Leumi, through the BCI, for years conduited funds to Capocetto, and thus to the Red Brigades, well before the Moro kidnapping.

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## Organized crime: Israel's biggest profit-maker

*In a recent discussion of the international drug traffic, one of the leading experts on Israel in the U.S., a man with strong ties to Israeli and European Zionist circles, had the following comments to make:*

*Q: What about organized crime in Israel?*

*A: My most insistent question is to what extent the Israeli government is itself aware of how extensive organized crime is in Israel.*

Of course the country is incredibly corrupt, but something more is happening. Everyone knows, after all, that in Israel there's an ever-growing framework of organized crime. The

police make the most ridiculous coverups, they say things that are outright lies and absurdities. They say, "Such levels of crime could only exist if there was access to the highest officials, but since there isn't such access, there can't be such crime." This is absurd!

There's no doubt in my mind that the people involved in financing the Labour Party first, and at the time the smaller-size Herut, were involved in large-scale operations of organized crime; hundreds of millions of pounds involved. The most intelligent man in the Mapai, Ofer, committed suicide when somebody got on the trail of all this. And the man who was president of Bank Leumi, Asher Yadlin, is in prison.

Israeli Foreign Minister Moshe Dayan himself, who keeps aloof from people usually, is *very close* to one "Mensch," a nickname for the head of organized crime in Israel. Mensch, and others of his

ilk, use all sorts of covers, arms contracts, construction, and so on, as covers for crime. The whole elite of the Labour Party is undoubtedly tied up in all this.

*Q: Does this tie into terrorism operations, given the drug angle?*

*A: The Israelis are involved in drugs, prostitution, and all accompanying crimes, as you suggest. Parts of the networks I am mentioning go everywhere, into France and South America. To this very day, the situation exists like this. Years ago, in Eastern Europe, the Jews were given certain allotted jobs. Now, in Germany, prostitution and drugs are the domain of Israeli expatriates, some of them quite prominent people attached to old "freedom-fighter" networks. If you would check, I'm sure you would find Dayan's son involved in one of these drug scandals.*

# Also on the Philly mainline: terrorism

"We affirm that the resources of the globe are finite, not infinite . . . that no one nation can any longer effectively maintain its processes of production and monetary systems without recognizing the necessity for collaborative regulation by international authorities."

This is from the "Declaration of Independence" of the World Affairs Council, Philadelphia's local equivalent of the elite New York Council on Foreign Relations. Its chairman, William Boudine, is the brother of a director of Pennwalt Corp. who is also a trustee of the Philadelphia Foundation. The Philadelphia Foundation pays for the activities of the World Affairs Council.

"A . . . condition for achieving a new society is the de-development of the now overdeveloped countries: the U.S. and other industrialized societies must reduce their inordinate consumption of limited resources . . . the most important (approach) is a drastic reduction in the

Gross National Product . . . the U.S. should reduce its consumption of resources by 80 to 90 percent."

This is from "Moving Toward a New Society," a publication of the Movement for a New Society. The Movement oversees all environmentalist, terrorist, and related "radical" activity in Philadelphia. The Philadelphia Foundation pays for the activities of the Movement for a New Society.

## Drugs and the terror command

The hard evidence of illegal drug trafficking by Philadelphia's old-line drug firms in amphetamines, and strong suspicion of similar trafficking in cocaine and opium, is the starting point for a chain of control that ends with the retail drug trade, terrorism, and crime in the streets of Philadelphia, leading through individuals in high positions in the city's top banks and "charitable" foundations.

One James Boudine, a director of Pennwalt Pharmaceuticals, is the leading connection between the wholesale and street-level sides of Philadelphia's

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## The Philadelphia Story starts to break

*On Nov. 13 the Philadelphia Daily News published a story reporting that the Philadelphia Foundation is funding as many as 300 "public action" groups in Philadelphia, ranging from the Prisoners Rights Council to the Boy Scouts. The article did not mention the Movement for a New Society or MOVE, however. Here are excerpts:*

The Philadelphia Foundation, with \$32 million in cash assets, is one of the largest community foundations in the country. Each year it gives more than \$1 million to 300 organizations, churches and colleges.

Yet few Philadelphians have ever heard of it.

The foundation — the only one of its kind in Philadelphia and one of 250 nationwide — supports a wide range of local cultural, educa-

tional, and social programs. Its history of service to established community groups goes back 60 years.

But in the past 10 years a relatively new segment of the organized community has plugged into this funding source — the activist groups.

These groups — mostly liberal in philosophy — are vigorously dedicated to restructuring society through lawsuits, legislative lobbying, political action and demonstrations.

All these activities are legal. And all cost money.

According to its public reports, the Philadelphia Foundation has given money to groups such as the Welfare Rights Organization, the Prisoners Rights Council and the Black United Liberation Front.

"All of these groups we feel are worthy," said Sidney N. Repplier, foundation director. "What they do is part of their act. We feel they conform to (foundation) guidelines."

Ironically, foundation money is going to the activist groups even though most of the foundation's assets come from old-line, establishment families and are now administered by local bankers.

In some cases, recipients of foundation money have even been pitted against the bankers.

For instance, the Citizens Committee on Public Education in Philadelphia, which has received \$115,340 over the past decade, filed suit last year to block a \$50-million loan from a bank consortium to the School District. All eight of the foundation's trust banks were consortium members.

In another case, Community Legal Services (CLS) joined with the Consumer Education and Protective Association to fight what CEPA Executive Director Max Weiner called "sheriff sales rings" that involved Philadelphia banks. Both CLS and CEPA have gotten money from the foundation. . . .

Repplier and (assistant founda-

narcotics traffic. Until 1977 he was president of the First Pennsylvania Bank, in charge, among other things, of its support of the Philadelphia Foundation. Despite his departure from the president's suite, he remains on the board of directors and continues to direct the bank's "charitable" activities.

What First Pennsylvania and other Philadelphia banks' funds went for became clear this past summer, when a member of a local bestial cult, known as "MOVE," killed a Philadelphia policeman with an automatic rifle. Heavily oriented towards drugs and terrorism, MOVE is part of a family of similar groups that functions under the umbrella of the drug-oriented Movement for a New Society, one of the ugliest concoctions ever to appear on the streets of the United States.

The Movement for a New Society and its more explicitly violence-prone outlets, such as MOVE, receive most of their funding from the Philadelphia Foundation and two associated funding conduits for the Quaker pharmaceuticals firms and the related Philadelphia banks. The other conduits are the William Penn Foundation, controlled by the five members of the Haas pharmaceuticals family who sit on the foundation's board, and by the Philadelphia Yearly Meeting of the Religious Society of Friends (Quakers).

The Yearly Meeting is no more a religious Quaker institution than Seagram Liquors or Emprise are religious Jewish institutions, but serves as a front for leading British-allied banking and chemical companies of Quaker origin. The funds of the Yearly Meeting are controlled by Robert Boudine — of the same Boudine family — in two secret accounts held at James Boudine's First Pennsylvania Bank, and shunted to undisclosed activities. Among known contributions are a \$2,000 donation to the MOVE group, before the murder of the Philadelphia policeman attracted public attention. That contribution was discovered only after Philadelphia police moved in to clean out MOVE's headquarters, and discovered a receipt for \$2,000 from the Yearly Meeting of the Friends in MOVE's quarters.

Not only has the Movement for a New Society produced killers like those of MOVE, but its ideology of drugs, homosexuality, pederasty, and environmentalism provides an environment that breeds terrorists. According to its own publications, the Movement for a New Society provided the cadre who led the "Clamshell Alliance" demonstration at New Hampshire's Seabrook nuclear reactor site in 1977. New Hampshire police conducted mass arrests of the demonstrators after receiving information that the demonstrators planned terrorist action.

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tion director) Ruthrauff said donations to activists did not violate this foundation rule because the Internal Revenue Service certified these groups as tax-exempt. In effect, the IRS judged that these groups were not engaged in substantial political or propaganda activity. . . .

## What they're paying for: brainwashing

*From the Movement for a New Society's manual, "Gay Oppression and Liberation":*

"Learn eroticism from children; notice how babies experience their sensuality from head to foot. That potentiality is still there for adults too. When cuddling children, include their genitals lest they get the idea that a part of their body is unclean or somehow distasteful. Let them experience your adult

body as well, through taking turns giving each other whole-body massages."

*The same manual also includes the following advice on achieving homosexuality, even contrary to inclination:*

"Here are some ways in which people have successfully gone about removing the blocks to gay loving . . . fantasize making love with a friend of the same sex. Sleep through a night with someone of the same sex and give each other whole-body massages . . . . Consider setting a goal of making love with a member of the same sex within a certain period of time."

*From the Movement's "Liberating Sexuality":*

"\*masturbate in front of a mirror

"\*masturbate with a friend or lover present. Watch them masturbate and have them watch you. Share information about different ways to masturbate . . .

"\*acquire an analysis of this society, its problems and how it functions . . . build your own vision of what a good society would be like . . ."

*More on the "good society" from the Movement's "Moving Toward a New Society":*

"(The de-development of the United States) will require a wide variety of approaches, including simpler technology, recycling, greatly reduced waste, etc.; the most important is a drastic reduction in the Gross National Product . . . Hardesty, Clement, and Jencks believe that the United States should reduce its GNP by 60 to 70 percent. To be reasonably just and ecologically safe, however, the U.S. should reduce its consumption of resources by 80 to 90 percent. Ivan Illich . . . argues . . . that the level of per capita energy consumption be above that of the poor nations, but extremely below the present consumption in the United States."

This antisocial organization receives its funds from the pharmaceutical firms and their bankers, through the Philadelphia Foundation, the William Penn Foundation, and the Yearly Meeting's \$25 million secret slush fund. The latter comes through the Philadelphia National Bank, whose president, Frederick Heldring, is now so warmly welcoming British and Israeli banks into Pennsylvania.

The William Penn Foundation funds the Movement to the tune of \$40,000 a year. The foundation was established by the Rohm and Haas pharmaceutical company. The Philadelphia Foundation provided the Movement's funding conduit, Neighborhood Resources West, with \$6,472 in recorded funds in 1977. That foundation was founded under the auspices of officials of the Fidelity Bank of Philadelphia Banking Corporation. On the Fidelity Bank's board is John C. Haas of Rohm and Haas; its chairman is Howard C. Petersen, who also sits on the board of Rohm and Haas.

### Such good Friends?

How little the operations of the Philadelphia Society of Friends resemble the religious principles of Quakerism is evident from one fact: their Philadelphia offices house the headquarters of

(1) the Venceremos Brigade, the mother organization for the terrorist Weathermen;

(2) the Susan Saxe Defense Committee, which conducted legal efforts on behalf of Weatherwoman bank robber Susan Saxe;

(3) the Puerto Rican Socialist Party, which officially supports the terror-bombings of the so-called FALN.

The "Religious Society of Friends" designation is a misnomer. The Philadelphia Quakers operate through the American Friends Service Committee, an organization that religious Quakers have despised since its founding.

The American Friends Service Committee's spawn in the Movement for a New Society, funded through Quaker accounts, is explicitly proviolence. Its 1976 pamphlet "Moving Towards a New Society" says:

"There are a number, perhaps a growing number, of completely sincere humanist revolutionaries who believe that violence is necessary, although regrettable, and that only through armed struggle can the powerful American Empire be toppled . . . it is important that we express solidarity with all who share our goals," for instance, Susan Saxe and the Venceremos Brigade.

The Quaker-funded Movement for a New Society also published a series of frankly pornographic manuals for their "revolutionaries," including titles such as "Gay Oppression and Liberation," "Liberating Sexuality," and "Take Heart — All Those in the Struggle." These publications advocate pederasty, "multiple sexual relationships," and public masturbation. "Gay Oppression and Liberation" reports that "nongays in the Movement for a New Society have made great strides recently in reducing their complicity with heterosexism." This is not only a breeding ground for the dope traffic and terrorism, but an expression of the cult existence prescribed by the original masters of the narcotics traffic. And it is the bottom line for the William Penn and Philadelphia Foundations.

Charterhouse Japhet's presence in the middle of this Mid-Atlantic zoo is the link back to the British monarchy and its court finances. The leading Quaker banking families in Philadelphia allied themselves to the Baring bank and the dope traffic in the first years of the American Republic. The top British banks include old Quaker families, who have been represented in the United States for two centuries. Britain's largest bank, Barclays, has been in Quaker hands for 200 years.

The appearance of "Quaker" and "Jewish" financiers at the center of the Philadelphia drug-and-terror nexus is therefore no accident. Neither has any more to do with those two religions than does the Movement for a New Society's perverted gabble. Under the control of the British oligarchy, they are the instruments of a subversion plan that, in the words of one of the Movement for a New Society's badly printed tracts, wants to "topple the American Empire."

# Israeli H-bomb aimed at the EMS

*London counters new monetary system with promises of war*

With the Jan. 1 deadline for the activation of the European Monetary System but six weeks away, the City of London has activated its last reserve options for an eleventh hour sabotage of the EMS.

In order to engender a new Cuban missile crisis-style thermonuclear showdown between the United States and the Soviet Union in the coming weeks, Great Britain has activated the ultimate threat — an Israeli nuclear strike destroying Persian Gulf oil supplies.

This nuclear strike threat is the unspoken but specific content behind the flood of well-publicized statements issued by official and unofficial representatives of the Royal Institute of International Affairs in the last week that the EMS is a “war issue.”

Israel's nuclear capability and intent are neither fiction nor bluff. Yet Israel's possession of atomic weapons, while true, is in itself only a cover story. What we begin to expose in the following report, and will show in greater detail in our next issue, is the body of evidence proving two interrelated and crucial facts.

First, Israel's actual nuclear strike capability is an *H-bomb* capability. Second, Israel got the H-bomb through a high-level British-Israeli intelligence spy ring that was and is still functioning in the United States.

In good late 1940s prose; “Israel stole the secrets of the Bomb from us.”

The key to Britain's plan to employ the “Israeli card” is the current well-advanced process in the Carter Administration, through which the U.S. is being propelled, through the efforts of British agents of influence who control the National Security Council, into a face-down against the Soviet Union. The latest White House-Administration policy decisions, and press signals now reaching avalanche proportions, provide more than ample documentation that the U.S. ship of state is being steered by Brzezinski, Kissinger, and Schlesinger perilously close to a thermonuclear waterfall. A series of White House decisions which in sum mean that a crisis-threatening rearmament drive is already underway, and sudden press warnings of a new Cuban missile crisis, form an unmistakable pattern.

Several high-level British-Zionist spokesmen have privately remarked of late that “we are prepared to

risk World War III” to sabotage the EMS. It is clear from recent events that they are deadly serious.

The following report bares the H-bomb scandal, then looks behind it: at Carter's war-austerity budget, the EMS's latest affront to London, Europe's reply to U.S. confrontationism, and the war drive in the Mideast.

## 1. How U.S. traitors gave Israel the H-bomb

Like most major intelligence discoveries, this story began with what seemed to be the tail of a mouse, and ended up hauling in an elephant. A team of U.S. Labor Party investigators, tracking a group of sleazy individuals who used their credentials in the Zionist lobby to set up a phony front organization to promote fusion energy, have uncovered the spy scandal of the century.

What we are previewing here is the astonishing dossier of the nest of traitors who stole America's most fundamental atomic secrets, and gave Israel the capability to manufacture hydrogen bombs. The spy nest centers around the “Nuclear Club of Wall Street,” a “covert” organization by description of its own members. Operating under the cover of partnerships in Wall Street brokerage firms, executive positions in industrial companies, and hole-in-the-wall “scientific” firms scattered through the New York Metropolitan area, members of the Nuclear Club of Wall Street are the core of the atom spy network of Israel's foreign secret intelligence, the Mossad.

These men are the most dangerous traitors in circulation now in the United States. Through their efforts, Israel has the means to provoke a third World War and destroy the United States.

To squelch any frenzied action by the Israelis, namely starting a nuclear war, the U.S. Labor Party executive has issued a call for minimum measures for world security: that the Soviet government insist that a nonnegotiable feature of the current round of Strategic Arms Limitation Talks be the immediate

nuclear disarmament of Israel; and that both super-powers declare that if Israel explodes a nuclear weapon of any sort in the Mideast or anywhere else, it will immediately be annihilated by nuclear counter-attack.

The following report summarizes the evidence.

### The membership roster

The membership of the Nuclear Club of Wall Street reads like a Who's Who in Israeli intelligence, with a special focus on scientific, uranium-mining and associated capabilities. Its operating chief is Marvin Rose of Allied Chemical, the firm created by Bernard Baruch and Lazard Freres founder Eugene Meyer after World War I. Company founder Baruch was the American instrument for a British scheme to limit peaceful development of nuclear energy in the United States, dubbed here "The Baruch Plan." Still a major stockholder and a director is Eugene Meyer's daughter, Katherine Meyer Graham, publisher of the *Washington Post*, and within the press, the leading supporter of the American Zionist lobby.

President of the Nuclear Club of Wall Street is Jeffrey Friedman, partner of the Dreyfus Corporation — one of the most important, and best-identified, American financial conduits for the Mossad. It was the Dreyfus Corporation that, through the late 1960s, created and employed Investors Overseas Services, the creature of Dreyfus employee Bernie Cornfeld, as an "offshore" financial link to Mossad's Director of Logistics, Geneva banker Tibor Rosenbaum.

Irving Harold Sherman, another director of the Nuclear Club, is a past vice-chairman of Becker Securities, owned by the top Jewish banking family Warburg's London branch. Sherman is also close to a top New York Zionist lobby figure who served as past British intelligence station chief in New York City.

In the midst of this well-placed group of individuals appeared, in the middle of last summer, one Dr. Heinrich Hora, a German-born Jew of uncertain reputation. Hora had a background that included dismissals from laser-fusion research organizations in both Italy and the United States, in part motivated by security problems, including overeager attempts to elicit sensitive information from his Soviet counterparts in laser fusion research. For the layman's purposes, the field may be understood as the same thing as hydrogen bomb research.

Hora is the Nuclear Club's most visible connection to the Israeli bomb program at the Soreq Nuclear Research Institute in Israel, widely known to be the production center of Israel's atomic weapons. Hora's twin on the Israeli side of the equation is Dr. Aaron D. Krumbein of the Soreq Institute, Israel's chief nuclear bomb specialist.

In this investigation, Hora and Krumbein first showed up as a team during a 1976 attempt to dismantle the *International Journal of Fusion Energy*, a scholarly publication sponsored by the Fusion

Energy Foundation. The same little cabal got together over the summer — at what Nuclear Club Chairman Myron Wein described as a "supersecret" meeting — in the boardroom of the Dreyfus Corporation at 600 Madison Avenue, on July 31. One facet of their agenda was a scheme, to be funded by former Kayser-Roth Corporation chief executive Alfred P. Slaner, for a new publication to undermine the FEF's popular *Fusion* magazine. That led the investigative team right to the center of the Mossad spy-nest.

The path of the Nuclear Club's bagman Alfred Slater criss-crossed that of the identified top leadership of Israel's Mossad in a dozen different ways — before Slaner and Mossad spy Dr. Hora showed up in the Dreyfus Corporation's midtown boardroom. Fellow board member of Kayser-Roth Disque D. Deane, limited partner of Lazard Freres, was an identified ringleader of a July attempt to murder U.S. Labor Party Chairman Lyndon H. LaRouche, Jr. A professional Mossad hitman, who served five years in a Spanish jail before he was freed in an apparent spy exchange, was brought in for part of the job: Zwi Aldoubi. The operation was coordinated through old Mossad (and earlier Haganah) professional hitman Nahum Bernstein, who now operates under cover of the Mossad-controlled "Jerusalem Foundation." Bernstein goes back 30 years, to the old Haganah support operation, the so-called "Sonnenborn Institute," with yet another Kayser-Roth partner: Abe Feinberg. Feinberg, in turn, ran a barely disguised Mossad financial front in New York City, the American Bank and Trust, before it went bankrupt in 1976. Former Sonnenborn Institute chief Feinberg became chairman of the American Bank and Trust after it was bought by yet another Mossad financier, David Gravier. Gravier had brought the failing, corrupted institution from the present head of the World Jewish Congress, Philip Klutznick, who operated the American Bank and Trust's Israeli-government-owned parent company in Switzerland.

The litany goes on — and will shortly appear with full documentation — but the point is that the Nuclear Club's links to Israel — Krumbein, Bernstein, Feinberg, Klutznick, and others — are part of the core of the Mossad leadership going back to the 1940s. Most significantly, the Nuclear Club's little circuit nestles in to the central Israeli intelligence technology-theft operation: Saul Eisenberg's United Development Ltd. A shelf of spy novels could be written about any of these gentlemen. Virtually the whole group got together to bribe half the Argentine government in 1975 to buy Canadian instead of American nuclear reactors; Gravier and Feinberg passed the money for Saul Eisenberg, identified as a top Mossad operative in the Sept. 11, 1978 *Washington Post*.

### Israel and the H-Bomb

The press has pumped out gallons of nonsense about Israel's atomic capability, including black-

propaganda disinformation about ships full of enriched uranium disappearing in the Mediterranean Sea and ending up in the port of Haifa. The straight facts of the matter are that (1) Israel has not only an atomic weapon capability, but a hydrogen bomb capability; and (2) the above-named individuals, most of them traitors to their native or adopted United States, got it for Israel.

Israel's capability must be evaluated first from the standpoint that the Israeli public threat to employ nuclear weapons against Arab oil fields is deadly serious. Not a single military expert in the world doubts this. Every military planning staff in the industrial sector is familiar with scenarios for Israeli destruction of the Persian Gulf, on which the survival of the West depends. These scenarios, however, pose special problems.

What Israel is threatening to do if provoked — and military experts believe she will do — is not possible with one or two small fission warheads. Knocking out the flow of oil would require massed nuclear weapons in the order of one of the acknowledged minor nuclear powers. But Israel does not have the industrial resources to produce the large volume of enriched uranium to produce sufficient fission bombs to create this widely evaluated capability.

*Israel has the technology and scientific manpower to produce fusion bombs, however, employing the scarce fissionable material to trigger a much larger amount of explosion — the hydrogen bomb.* Provided that Israel's Soreq Institute could obtain detailed plans from the United States, producing hydrogen-bomb weapons would not present major technical problems: it is the only possible course of action within the parameters of current Israeli military policy. Indeed, such devices can be tested through explosions of up to five kilotons of TNT equivalent and escape seismic detection. An explosion of that size would be sufficient to test the fission device used to ignite the larger fusion reaction, and the first explosive wave of fusion material. From the standpoint of American security and elementary intelligence judgment, it may be taken for proven that Israel has thermonuclear weapons.

In the boardroom of the Dreyfus Corporation, the Nuclear Club ring could not avert a smug laugh when the Federal Bureau of Investigation warns that Soviet spies are loose in the United States stealing nuclear secrets — all of which, of course, the Soviets have long had. One of their number, Haganah hitman Maj. Louis Bloomfield, Abe Feinberg's old comrade-in-arms from the 1940s, set up the FBI's "Division Five," or counterespionage group, under British Intelligence direction during World War II. Not only did Bloomfield, creator of Mossad's "Permindex" assassination bureau, create Division Five under a British deal with J. Edgar Hoover; he cleared all new personnel as late as the 1960s!

The real atom spies, operating under business

cover, move about in perfect freedom. Their political allies at the center of the American intelligence establishment — such as Zionist lobby agents Joseph Churba of Air Force Intelligence, Churba's former chief Maj.-Gen. George Keegan, and "Pentagon consultant" Edward Luttwak, among others — have full access to America's thermonuclear secrets. Their contacts, of the type of Aaron Krumbein and Saul Eisenberg, are Mossad's top specialists in scientific espionage. And their crony Bloomfield set up the FBI's counterespionage!

—David Goldman

## 2. Carter's budget prepares U.S. for war

The United States is now on the path chosen more than 40 years ago by Adolf Hitler's Third Reich: financing short-term war preparations by cannibalizing the real economy, reducing overall industrial productivity, and gutting living standards.

This is the meaning of Jimmy Carter's announcement at a presidential press conference last week that his Administration's fiscal year 1980 budget would include a 3 percent increase in the military appropriation, on top of its built-in inflation escalator — in round figures, a \$12-15 billion total arms boost.

Meanwhile, Carter indicated nondefense expenditures would be slashed. Some \$15-20 billion below current services levels will be necessary to finance the military buildup, said Charles Schultze, chairman of Carter's Council of Economic Advisors.

Schultze emphasized that merely holding down domestic spending will not be enough. Congress will be asked to pass laws curtailing and eliminating some existing federal programs — education, pensions, jobs, and so on — so that more can be spent on weapons.

The very conscious decision to foster war production at the expense of actual economic development and social well-being was made explicit by President Carter's closest advisor, Special Assistant Hamilton Jordan, at a breakfast meeting with reporters Nov. 14. "It's a changed picture since 1976," declared Jordan, "defense has a higher priority. Because of the high rate of inflation a lot of things are going to have to take a back seat until we get a more stable economy." Making explicit that this means a drastic change in living for the U.S. population, Jordan added, "The effect of budget tightening has not been felt yet. You'll hear the screaming pretty soon, I expect. There'll be a lot of well-organized and well-intentioned groups that we're going to have to say 'no' to."

Jordan's pronouncements were echoed by the President's chief domestic advisor Stu Eizenstat, to the National Press Club that same day. "The President means business and is willing to run the political and other risks that are associated with the effort to fight inflation," he said. Asked about Carter's change in priorities, Eizenstat declared, "What it recognizes is that every President when he comes into office has certain goals and no President can blindly follow them."

The origin of this austerity-confrontation policy was admitted by Barry Bosworth, head of the Council on Wage and Price Stability, before the Detroit Economic Club Nov. 13. After declaring that there may indeed be a recession in "the government and private sectors," Bosworth stated, "Great Britain is the only country that can be used as a model. Great Britain has been very successful in cutting inflation; we've modeled our program on this policy."

### No solution to inflation

This austerity plan will actually increase inflation. Military spending does not increase the real productive power of the U.S. population one iota — it is pure waste, and thus (except for the *potential* usefulness of certain aspects of military research and development for realization in the civilian industrial economy) purely inflationary.

For those deluded conservatives and military men who believe the Carter "guns not butter" budget is necessary to meet their assumed Soviet threat, one might also point out that this approach loses wars. Short-term production-in-width strategies geared to wonder-weapons, blitzkrieg wars, and the projection of James Schlesinger's beloved aura of power, may guarantee a U.S. confrontation with the USSR. It is equally certain that shortly thereafter the Red Army will occupy what remains of the United States.

It is the total *in-depth* military-industrial capability of an entire population, its ability to strike harder than the enemy at each successive phase of war fighting which wins wars, as the United States and the Soviet Union jointly proved in defeating Nazi Germany. If U.S. military planners have forgotten this lesson, the Kremlin has not.

Nevertheless the Carter Administration is still occupying itself with dangerous fantasies about fighting a successful limited nuclear war against the USSR. It was announced yesterday that the Pentagon has ordered a new study on how to fight such a war in Europe; Defense Secretary Harold Brown has endorsed the concept as an option though he is skeptical that a nuclear conflict can be contained. The Soviet leadership, of course, is massively on record that any use of nuclear weapons means full-scale thermonuclear holocaust.

The "guns, not butter" budget is only one of a number of signals that the Carter Administration is on a suicidal confrontationist course. A secret White House document, government officials revealed this week, calls for a massive gear-up of the U.S. civil defense program to protect 140 million Americans in a nuclear war. The program will more than double over the next five years and expend \$2 billion to make nuclear war "thinkable." Coupled with this, the Defense Department has drafted a final version of its supplemental budget, which includes funding for the full-scale development of the MX land-based missile and the Trident 2. The MX missile, which would be virtually impossible to detect if it is made mobile as proposed, would completely destabilize SALT negotiations and as such has been considered a particularly provocative weapon.

Coinciding with these announcements, the Pentagon's research director held a press conference to warn the Soviet Union that U.S. production of cruise missiles, which are set to be deployed in 1982, would make the Soviet's \$100 billion air defense network "totally useless." "I would be very nervous about cruise missiles if I were a Soviet defense planner," he declared.

Adding to the confrontation climate, columnists Evans and Novak, who traditionally promote British policy for the U.S., agitated Nov. 15 for a Cuban missile crisis replay. The columnists demanded that Carter follow Kennedy's example in staging a showdown with Moscow over the presence of MIG 23 planes on Cuban soil. Simultaneously, the wire services tried to sensationalize a Nov. 14 State Department response to a question on this issue, by running stories labeled "urgent" revealing the State Department's "close study" of the "treaty violation" represented by the MIG 23s.

And, although Carter himself still speaks of steering a SALT II arms-control treaty with the Soviets through the Senate next year, the negotiations themselves have been on hold for nearly a month.

Last week came the announcement that the U.S. would make no objections to any Western European nation selling defensive weapons to the Peoples Republic of China, and would allow the Western nations' COCOM group, which must approve potential military-related sales to Communist countries, to be bypassed. Great Britain is already planning to sell Harrier "jump-jet" aircraft to Peking, and rumors of other major weapons deals with China are filling the news media.

Yet Soviet leaders, including President Brezhnev, have warned that SALT and detente are finished if the West starts arming China against their country; only last week Georgii Arbatov, head of the Kremlin's USA-Canada Institute, repeated this warning.



### 3. EMS pries London's grip from Third World

In a bold confirmation of the European Monetary System's *political* aims, a widening group of developing and advanced-sector nations appears to be joining forces to crack open London's 200-year-old stranglehold over international commodities trade.

Just as European Central Bankers made it public Nov. 14 that all the outstanding technical problems connected with implementation of the EMS on Jan. 1, 1979 had been resolved, European leaders behind the creation of the EMS revealed moves underway on three continents to bring developing nations rapidly into the EMS and its development bank, the European Monetary Fund.

Already Zambia and Malaysia, both former British colonies, have revealed plans to use the EMS to finance exports to Europe of copper and rubber. Spokesmen from both nations stated their determination to bypass London's gambling casino-styled commodities exchange, and attract capital investment from France and West Germany.

The full range of trade and cooperation deals under discussion between the EMS founders and Asian nations will be revealed towards the end of this week, at the conclusion of talks in Bonn between foreign ministers from the ASEAN organization and West German Chancellor Schmidt.

Results of parallel significance are expected from the tour of Latin America by Spain's King Juan Carlos, beginning Nov. 17. Just last week Spain officially confirmed that, along with Greece and Ireland, it will be joining the EMS on Jan. 1.

French wire services reported Nov. 15 that the overriding desire of Spain's leadership is to now use Juan Carlos's meetings in Mexico, Peru, and Argentina to launch an Ibero-American Community of Nations led by Spain and modeled on Europe's EEC. Spain, which will soon also be a full member of the EEC, would then serve as the bridge for financing high-technology European exports to Latin America.

#### Stable trade and development loans

Clearly Chancellor Schmidt and French President Giscard, the central figures behind the EMS, are determined that a visible consensus will have been created by Jan. 1 throughout the Third World favoring the EMS over the International Monetary Fund and World Bank. The latter British-run enforcers of genocidal austerity use the argument that nations must be denied resources for development until they have proven their creditworthiness by balancing their budgets and reducing inflation.

The EMS will immediately begin to overshadow the

IMF-World Bank by introducing fixed exchange rates — government established rates for trading currencies backed by centrally held gold reserves — within the European Community. European leaders are also taking every avenue to marginally strengthen and stabilize the U.S. dollar, pending a decision by U.S. leaders to join the EMS.

In a speech before the Foreign Press Association Nov. 13, Schmidt stated that only one year ago, he too thought that it would be impossible for Europe to link its currencies unless "divergent" inflation rates and budget deficits were first brought under control (per the commands of the IMF). Today, however, he is certain that "a return to fixed exchange rates is indispensable to prevent a disintegration" of the Community.

Schmidt also praised the recently concluded \$30 billion swap agreement between West Germany, Japan, and the U.S., to provide the U.S. Federal Reserve and Treasury foreign currency to support the chief victim of the British game of floating exchange rates, the floundering U.S. dollar. "Were (the swap measures — ed.) taken immediately after the economic summit in July," the occasion on which Schmidt announced the founding of the EMS to President Carter, "the dollar would have been spared much of its troubles," he explained.

The commitment by EMS-allied forces to stabilize the dollar from abroad was underscored by Japan this week. Japan, which has contributed more than any other nation to bringing the Third World and EMS member nations into alliance, announced that as part of its "swap" agreement to lend the U.S. several billions of dollars worth of yen, Japan is prepared to share "50-50" any foreign exchange losses which the U.S. Treasury is forced to assume, in case the dollar falls.

By assuming this responsibility, Japan is asserting its own, and West Germany's, right to increasingly orchestrate U.S. policy from the outside, to counter the powerful British influence inside Washington.

Within Europe, the hegemony of the EMS is irrevocably certified. On Nov. 13, the Nordic Council, a Parliamentary group from Denmark, Norway, Sweden, and Finland, officially endorsed the new system and assigned those nations' finance ministers to elaborate a plan for monetary coordination between Scandinavia as a whole and the EEC.

On Nov. 14, Austria announced its intention to join the EMS. Italy is being rapidly consolidated into the French-German program by stated commitments to pour capital investment into the devastated Southern Italian region through the multibillion dollar European Monetary Fund.

#### No bailout for London

The only nation that Schmidt et al. have offered nothing to as an enticement to join — and according to Schmidt on Nov. 13, the only European nation unlikely

to join — is Britain.

Over the last two weeks, the following chain of events unfolded.

Over the weekend of Nov. 4-5, the Royal Institute of International Affairs held a conference to decide whether or not Great Britain would enter the EMS by Jan. 1. The elite of London banking left that conference preaching the need of UK adherence. The characteristic line, as typified by Lloyds chairman Jeremy Morse, argued that the EMS could only be "improved" from within, with London a full-fledged member. Prime Minister James Callaghan spoke to Parliament in positive tones on the issue.

Just one week later, Prime Minister Callaghan was telling the audience at the Nov. 13 Lord Mayor of London's banquet that he was pessimistic about whether the country would be able to join the new system by Jan. 1 or even at a later point. On Nov. 14, William Solomon of London's REA Bros. authored a piece for the West German *Die Welt* stating categorically that the City of London bankers were *not* in support of the EMS as it was currently constituted — belying the testimony of these same bankers to Parliament just days earlier.

What happened?

For one thing, the West German and French government leaders of the new EMS made it clear that they could not be swayed into providing bailout funds for the industrially collapsed British sinkhole. Said one highly placed West German official: "We always have to tell our British colleagues that the European Monetary System is for the growth of the entire European economy, not for bailing out London."

— Renee Sigerson

## 4. Europe says 'no thanks' to arms buildup

For the second time in two months, the West German government has found it necessary to denounce officially the written allegations of a British subject, Robert Moss, concerning West German defense policy matters.

A spokesman from the West German Defense Ministry attacked Moss for writing in a recent London *Daily Telegraph* article that West Germany would "drastically reduce" all future NATO military maneuvers on its territory. "*The Daily Telegraph* may believe in the practice of getting at the truth by repeatedly printing false and biased information. I do not believe in such a policy," the spokesman declared.

The last time around, Moss had written that certain West German Social Democratic Party officials were secretly conspiring with Moscow to have West Germany withdraw from NATO. Government spokesman Klaus Bölling had only one word to describe that allegation: "Baloney."

To an outsider, it may seem strange that the West Germans — usually so reserved in their official statements — would bother to single out for criticism the crankish lies of a writer for the London *Daily Telegraph*. Robert Moss, however, is far more than that. Because he is part of the inner circles of the British oligarchical elite, Moss represents the crucial obstacle to a new economic and military order currently being evolved by West Germany and France. And because Moss is controlled by the same grouping that controls NATO Supreme Commander Alexander Haig and Henry Kissinger, Moss provides the key to understanding the rapid shifts in the offing in Europe's defense posture.

### The Moss line

Robert Moss functions as the coordinator of the flow of disinformation from the British oligarchical elite into the United States news media. Compare, for example, the following statements from his Nov. 13 *Daily Telegraph* article, "U.S. Defense Policy — Why the SALT Sellers Are Wrong," with what has subsequently appeared in the U.S. media:

"Soviet military writers state explicitly that nuclear superiority is politically usable and that the Russians believe that, if they achieve it, they would be ready to carry their advantage to the limit. . . . This is not to say that the Soviet leaders want a nuclear war. Of course they don't. They want to use evident strategic superiority to pursue their political objectives through a combination of diplomatic pressure, the deployment of proxy troops like the Cubans, and perhaps, in the near

future, the deployment of Warsaw Pact conventional forces.”

It would be hard to count all the lies and distortions contained in this one statement. The aroma, however, becomes particularly pungent when one recalls the way in which Admiral Stansfield Turner and Zbigniew Brzezinski engaged in outright lying around Cuban presence in the Shaba II affair. Moreover, any competent military thinker knows that the Soviet Union would never launch a mere conventional assault on Western Europe alone.

Moss is particularly obsessed by the role of West Germany in European defense policy-making:

“According to my NATO sources, Chancellor Schmidt’s decision to receive Mr. Brezhnev in Bonn was a direct consequence of Mr. Carter’s indecision on the neutron bomb and the embarrassment it caused Herr Schmidt personally.”

His “NATO sources” are incorrect, of course. Schmidt’s primary consideration during his historic meeting with Brezhnev last May was the signing of a 25-year economic and technological cooperation treaty which would create the long-term basis for peaceful relations through massively expanded trade.

Another part of Moss’s line on West Germany oozed into the columns of the French daily *Le Figaro*. That newspaper’s Bonn correspondent strongly suggested that the new Soviet ambassador to Bonn, Vladimir Semyonov, had been sent there solely for the purpose of “negotiating Germany’s neutrality” and “detaching Bonn from the Atlantic Alliance.” “Isn’t Semyonov bringing in his diplomatic pouch a new version of the old neutralization plan, only this time by the detour of disarmament?” the correspondent asked.

Chancellor Schmidt himself has refuted this particular slander. Speaking over Stuttgart radio he said that the new Soviet ambassador would be doing no such thing. “Leonid Brezhnev and Andrei Gromyko know perfectly well that that is not possible.”

### The momentous shift of the EMS

What upsets the West German government about these statements, however, is not the fact that they are stinking lies, but rather how they function to obscure a momentous shift in Europe’s military status, which will occur Jan. 1, 1979: the establishment of the European Monetary System.

The concept behind the EMS — high rates of capital formation and massive expansion of trade based on stable currency rates and cheap credit — is directly in opposition to the no-growth program Britain is currently attempting to impose upon the United States. Ever since the end of World War II, Britain’s credibility as a viable nation has been staked on the credibility of precisely this austerity model. The establishment of the EMS is a direct threat to the “special relationship” Britain has enjoyed within the NATO command since the alliance’s establishment.

(It is an open secret that London, and not Paris or Brussels, has always been the seat of all significant policy decisions within NATO.)

Moreover, the rapid expansion of Europe’s export markets embodied in the EMS concept necessarily means that the countries of Europe must make major commitments to develop the economies of the East bloc countries, as well as to collaborate with these countries in developing markets in the Third World.

One further implication of the EMS is the fact that France, as a cofounder of the system, will necessarily begin to resume her proper role in the formulation of European defense policy.

Under these conditions, any massive buildup of arms and troops in Central Europe is a sheer waste of time and money. It has already been unofficially announced that West Germany has flatly turned down a NATO proposal to increase NATO’s European deployments by eight new mobile divisions. Instead, the West German Defense Ministry has just announced a five-year plan for its army that will keep troop levels the same, with only three new brigades to be created out of present troop strengths.

In short, the fate of NATO as a credible institution for European defense hangs in the balance during the upcoming months. This — and not Robert Moss’s maunderings — is the background for understanding the recent unprecedented disputes between West German government officials and NATO Supreme Commander Alexander Haig.

Haig was recently interviewed by Jacques Guilleme-Brulon of the daily *Le Figaro*. Guilleme-Brulon reported.

“. . . When I brought up the recent criticisms by West German Defense Minister Hans Apel of the big NATO maneuvers in September which, under the code name ‘Autumn Force,’ had mobilized about 325,000 men from Norway to Turkey, the General refused to discuss the differences ‘which do not exist in effect’ between Hans Apel and NATO. But he added caustically, raising his hands in the air, ‘Oh, you know, it’s nothing new. The military make proposals and the politicians make decisions.’ ”

Detente, according to Guilleme-Brulon,

“leaves him stone-cold, insofar as he feels that it is an instrument which can function according to the ingenuity, talent, and especially the will of those — the politicians — who are, by definition, in charge of using it.”

### Haig aims at the Third World

On the other hand, Haig heatedly defended another possible use of NATO:

“I would like to stress that our deterrent is still convincing . . . but I also insist on warning you, since it is my duty: the Soviets’ forces have become global, notably their naval forces. They are, in effect, capable of playing an offensive role in the peripheral regions of the Third World,

among others. We must especially not make any bad calculations as to the Soviets' intervention capability in the Third World, in the short term."

The French and West German governments have already explicitly debunked Haig's interview point by point. French Defense Minister Yvon Bourges told the National Assembly Nov. 7, "Never mind, we French believe in detente," when asked about the interview.

On the same day a spokesman for the West German Defense Ministry said at a press conference that his government is not alarmed by Haig's statement because

"all military men call for increased armaments and criticize the government for doing too little. . . . Of course we will continue to develop defense, but at the same time we will continue to talk to the other side. The current situation is forcing the present rates in armament expansion, but this is not where the people really want to go."

At a more recent press conference, West German Foreign Minister Hans-Dietrich Genscher repeated his promise that his country will never tolerate the "transplanting of the East-West conflict into the Third World" — a policy which has won West Germany many friends and business partners in the developing sector over the past months.

## What will follow NATO?

Another implication of the EMS not to be overlooked is the fact that many of the Mediterranean countries may be participating in the system from the very start. Last week the Nordic Council (consisting of all the Scandinavian countries plus Iceland) also gave their full support to the EMS and advised their finance ministers to work out a proposal for concrete collaboration. In military terms, this means that Haig and his mentors can say good-bye to another of their pet projects: the "weak flanks" of NATO. On cue, NATO-linked writers in the daily *Frankfurter Allgemeine Zeitung* have begun to issue expressions of "growing concern" over the postponement of military budget increases in both Norway and Sweden.

None of these considerations, however, answers the most important question of the future of European defense: if NATO ceases to be a credible institution, what will replace it?

Certainly the cornerstone of the new institution will be French-West German collaboration in the EMS — with or without support from the United States. In the admittedly linked sphere of disarmament, France's proposal for new comprehensive European disarmament negotiations in the context of the Helsinki agreements points in the right direction. So

## Using suicide to scare the Soviets

*Hans Morgenthau, chairman of the National Committee on American Foreign Policy, made these remarks in a recent interview.*

*Q: What is your assessment of the effect of Camp David on the U.S. posture toward the Soviet Union globally?*

*A: The Soviets have been suspiciously quiet on the Middle East until now. But now they see a possibility to try to break the Camp David agreements by pushing Iraq and Syria into conflict with Israel. What we must do is apply the same readiness as we evidenced in the October '73 war. We must put to the test the determination that, if the Russians make a move to back up Syria and Iraq, such as by airlifting troops, we will go on general nuclear alert as in '73. The Rus-*

*sians must be made to measure our readiness without ambiguity.*

*Q: Then how do you evaluate recent European determination to improve trade and other relations with the Soviets — what some people refer to as "Finlandization"?*

*A: Well, the Germans have always had an eastern option, but under the present circumstances they won't go East. The Europeans have to be convinced of our determination to back them up. It is not popular to pose it in this way these days, but the key question is, "Will we blow ourselves up to save Europe?" And the answer here is decisively "yes" at this point.*

*In a recent statement to a pro-Israel group, retired Gen. George Keegan made the following attacks on U.S. support for a Camp David "linkage" between the Sinai and West Bank-Palestinian components of the accords.*

The Administration is simply not gauging the mood now in Israel. If this ignorance continues, the government won't last long, and will be replaced by a lot less temperate one. No Israeli government can accede to demands for linkage. I know from expressed views of members of the Israeli Cabinet, in private, what the mood is, and they simply won't accede to the linkage idea. Nor will the Knesset.

The Administration is asking Israel to give up all its defensible borders, in a way such that by 1985 Israel will be faced by an Arab coalition with arms greater than all of NATO put together. This will make a new war soon much more likely.

The behavior of the U.S. is unconscionable. We need a strong Israel to stop the Soviets. Israel's being strong is the only thing that has kept the Saudi monarchy in power.

And keep in mind what will happen if this government falls. Nothing stable could replace it.

also does the proposal made by Soviet Foreign Minister Andrei Gromyko on his recent Paris visit to integrate all the nuclear nations into the current SALT II negotiations.

A more comprehensive solution was recently proposed by Paul Granet in the French daily *Le Figaro*. Basing his ideas on those of Trade Minister Jean-François Deniau, Granet wrote:

“Political Europe is only possible in independence, and we cannot talk about European independence as long as NATO exists. . . . In this area, one can only advance suggestions with prudence . . . but finally, wouldn't it be possible to arrive at a joint political Europe in those sectors which come into play in defense policy: computers, weaponry, space and nuclear? Couldn't we endow Europe with a permanent conference of Ministers and a permanent group to investigate and evaluate crises (which would have nothing to do with NATO's institutions)? Are such perspectives utopian? Times have changed.”

— John Sigerson

## 5. Pushing a U.S.-USSR Mideast showdown

Current efforts to set the stage for a U.S.-Soviet confrontation are, in the Mideast context, the direct response to growing consensus in the Arab world and Europe that reconvening the Geneva peace talks, rather than the Camp David fiasco, is the proper forum for negotiating a peace settlement.

With the Camp David accords fast disintegrating as a result of Israel's fanatic refusal to “link” the West Bank-Gaza Strip issue to a bilateral settlement with Egypt over Sinai, elaborate efforts are afoot to undercut international pressure on Israel that could topple the Begin government.

Israel has its back to the wall. Its backers know this, and are out to force the U.S. into line behind Israel's war government by raising the spectre of the escalating Soviet threat to the Middle East.

However, the principle Zionist excuse — that Israel must fight to survive as a nation — now stands

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You would have chaos, one government after another will fall, and Israel will be like the French Fourth Republic or like many recent situations in Italian history.

### Nix to comprehensive peace

*These portions of a commentary by Joseph Churba, former intelligence analyst for the Air Force chief of staff, appeared in the Nov. 15 Baltimore Sun:*

The Carter Administration's current interpretation of the Camp David accords is much more damaging to peace prospects than anything the Soviet and Arab rejectionists have so far been able to mount. By its behavior the Administration is making it highly uncertain that the forthcoming Egyptian-Israeli peace treaty will facilitate any broad accommodation in the Middle East. . . .

Presumably, the State Department prefers to encourage Arab solidarity rather than to strengthen the pro-Western regimes of the area. As in the past, this approach plays directly into the hands of the radicals and Moscow. American overtures to Damascus will be used as a weapon against Cairo and as proof that no “genuine” peace is possible without the cooperation of Syria, the PLO and Moscow. This is precisely the disastrous formula envisaged in the Soviet-American statement of October, 1977. Observers will recall that joint communiqué as a major factor in prompting Mr. Sadat's journey to Jerusalem last November. Then, President Sadat's bilateral initiative pre-empted Mr. Carter's comprehensive approach. The danger today is that shifting U.S. interpretations of the Camp David accords intended to facilitate a wider peace are threatening to destroy the prospective Egyptian-Israeli settlement.

Washington Post syndicated columnist Joseph Kraft boldly called for the U.S. to lay off Israel and forget about a comprehensive peace settlement. In a Nov. 14 op-ed, Kraft points out that insistence on an overall settlement may bring down Begin's intransigent coalition.

Putting new pressures on Israel at this time . . . makes little sense. The parts of the agreement that make for pressure — the parts relative to Jerusalem and the Palestinians — cannot be immediately operative anyway. Sadat does not need concessions on these items to carry his country. So for the time being, at least, the issues of Jerusalem and the Palestinians are secondary. What is primary and immediate — and what the Carter Administration ought to concentrate on almost exclusively — is the Sinai accord between Israel and Egypt.

completely destroyed with the announcement at the recent Baghdad summit meeting that the Arab heads of state accept as a given the existence of the Israeli state within its pre-1967 borders.

Last week, Jordan's King Hussein closed out a three-day visit to Bonn, West Germany by telling the press that only a return to Geneva can rescue the Middle East from a "flatly unacceptable" Egypt-Israel separate peace. Hussein arrived in Bonn immediately after the Arab summit in Baghdad, where Arab leaders issued a call for Israel to return to its 1967 borders as the precondition for peace. The Baghdad call shatters the myth that the Arabs do not recognize Israel and hence are "not interested" in peace.

Standing alongside King Hussein as he called for Geneva was West German Chancellor Helmut Schmidt, who nodded his approval.

The Europeans — in particular the West Germans and the French — and the Arabs are united in clearing the way for a comprehensive Middle East settlement at Geneva. They are dedicated to blocking the emergence of an anti-Soviet "Middle East Treaty Organization," which Israel's Zionists, the British Crown, and Zionists in the U.S. have sought to shape out of the Camp David accords.

### **Begging for war**

In the past week, no less than five major Zionist lobby strategy planning sessions have taken place to lay out the drive for war.

First and foremost was a series of meetings between Israeli Prime Minister Begin and the Bronfman family-controlled networks in Canada. In Toronto, Montreal, and other Canadian cities, Begin and his entourage met with hundreds of Zionist financial backers and Canadian government leaders to plot out, among other things, the consolidation of an anti-Soviet, pro-NATO alliance in the Middle East, possibly to be guaranteed by Canadian troops. It should be remembered that it was liquor and drug magnate Edgar Bronfman who first put forth the idea of just this sort of "Middle East Treaty Organization" alliance.

This policy line came to public light at a Nov. 10 meeting in Washington of the National Committee on American Foreign Policy, a group of rabid anti-Soviets overseen by Anglophile former ambassador to Spain Angier Biddle Duke. During the conference,

which was entitled "American Policy in the Middle East After the Camp David Summit," speaker after speaker discussed how best to force the Carter Administration into a strategic showdown with the Soviet Union in the Middle East. Among the speakers were **Joseph Churba**, a former head of U.S. Air Force Middle East intelligence and known controller of the Jewish defense League; **Bernard Lewis**, architect of the infamous "Lewis Plan" for unleashing tribal warfare against legitimate Arab-Islamic governments; **Edward Luttwak**, author of scenarios for invading Arab oilfields; **Robert Tucker**, a leading advocate of Israel's exercising its "nuclear option"; and **Uri Ra'an**, who recommends that the U.S. "threaten national suicide in a nuclear war" as a means of terrifying the Soviets into backing down in a strategic confrontation with the U.S.

Summing up the prevailing attitude, conference chairman **Hans Morgenthau** of the New School of Social Research told an interviewer that the U.S. had to demonstrate, first, a "willingness to blow ourselves up to save Europe" in order to prevent the Europeans from making ambitious trade-and-development deals with the Soviets, and second, "resolve to go on nuclear alert as in October 1973" in response to an alleged Soviet design to "launch a war against Israel through their clients Syria and Iraq." This scenario includes opening a U.S. military base on Israeli territory to "counter Soviet designs."

### **Press picks up the line**

The line coming out of the Washington conference was picked up rapidly by pro-Zionist press spokesmen. Since Nov. 13, *New York Times* hatchetman William Safire, Henry Kissinger's mouthpiece Joseph Kraft, and Joseph Churba have written virtually identical editorials blasting those State Department officials intent on achieving a comprehensive Middle East peace and warning that such U.S. effort could lead to an Israeli preemptive strike against the Arabs.

In turn, this theme was picked up at a special conference in Verona, Italy, attended by Italian and French "friends of Israel" earlier in the week. Entitled "The Superpowers in the Middle East," the conference featured Israeli strategists close to Moshe Dayan who insisted that the current Egypt-Israel bilateral talks were "just a ceasefire," and that a new Arab-Israeli war is looming on the horizon.

# John Paul II's 'Augustinian' papacy

An interview with a close associate of the new Pope

**ROME** — The following is the text of an NSIPS interview in late October with Dr. Brasca, a close friend of Cardinal Wojtyla, recently elected His Holiness Pope John Paul II. The new pontiff greeted Dr. Brasca with a warm embrace when, on his first trip outside St. Peter's after the conclusion of the conclave, he visited a Polish prelate in convalescence at the Policlinico Gemelli, one of the largest hospitals in Rome.

Dr. Brasca, now at the Policlinico Gemelli, was the director of the *Azione Cattolica* (Catholic Action, the political affiliate of the Roman Church in Italy) in Milan for six years during the late 1950s. At that time, he worked closely with Cardinal Montini, then Archbishop of Milan. Montini became Pope Paul VI, whose 1967 encyclical *Populorum Progressio* proclaimed technologically advancing economic growth as the basis of the Vatican's global policy.

**NSIPS:** How would you describe the new pope's orientation in matters of theology?

**Brasca:** Wojtyla is a professed Thomist, but he is most basically an Augustinian. Modern theological writers usually present St. Thomas as being an Aristotelian. Wojtyla's interpretation of St. Thomas puts him in more of an Augustinian light. If you look at the speech the Pope made yesterday to the Vatican diplomatic corps, you will find that the approach is Augustinian throughout, as when he speaks of an appreciation of positive temporal values. Then again, he says: "The Holy See does not wish to leave its pastoral role.

Involved in realizing the concerns of Christ, how could the Holy See, preparing the eternal salvation of mankind that is its first duty, not be interested in the well-being and progress of the peoples of this

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## EXCLUSIVE INTERVIEW

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world?" — Here, especially at the end, there is a harkening back to Pope Paul VI and the *Populorum Progressio*. John Paul II is a humanist pope, and at the same time something of a mystic.

**NSIPS:** Pius XII, although Italian, was also a "German" pope: Paul VI by the same token was French. How would you describe the Polish John Paul II?

**Brasca:** As an Italian, with very close working relationships to the Milan archdiocese of Cardinal Colombo, with whom he met often.

**NSIPS:** How will the pontificate of John Paul II compare with the course established by Paul VI?

**Brasca:** Just a few weeks ago Cardinal Wojtyla came here to visit me, and was sitting in that same chair where you are sitting now. This was before the death of John Paul I. Wojtyla stressed very much that the line laid down by Pope Paul VI is the one that the Church must follow, and which we must all support. I think that John Paul II will be an even stronger disciple of Paul VI than John Paul I was. Montini and Wojtyla worked together very closely during the Vatican II Council. The Apostolic

Constitution that came out of Vatican II, *Gaudium et Spes*, was a Franco-Italian-Polish elaboration, and much of the Polish part came from Wojtyla.

**NSIPS:** During this century and even before, a permanent feature of Vatican diplomacy has been the promotion of a Franco-German alliance for an Atlantic-to-the-Urals "greater" Europe within the context of a powerful thrust towards world economic development, as in the *Populorum Progressio*. What are the new pope's views on this, and how will he continue the Vatican *Ostpolitik* of Monsignor Casaroli?

**Brasca:** Since you have used the expression from the Atlantic to the Urals, I must tell you that the new pope uses a very similar expression in an article of his that is about to be published in the magazine *Vita e Pensiero*. I myself have prepared a summary of this article which will be published I think within a day or two in the *Osservatore Romano* (official Vatican newspaper). The pope gave us express authorization to print this article after the conclave had ended. In it he says that the geographical borders of Europe are without question the Atlantic and the Urals. As for the political borders, these change with passing epochs. During the first millennium after Christ, the Eastern border of Europe was dominated by the evangelization of the peoples living there, including of course the Poles. During the second millennium, this area has been marked by military conflicts. It is very interesting that the pope in this con-

text mentions the Soviet Union as one of the nations that has suffered most from these conflicts. The pope also warns against a tendency towards a return to neocolonialism on the part of Western Europe, and calls upon Western Europe to open itself to the needs of the Third World. At the same time he calls for greater liberty in the countries of Eastern Europe, including religious liberty.

As for the Vatican Ostpolitik, I personally think it is very likely that Monsignor Casaroli will be selected as Secretary of State. It seems to me that Casaroli's policies enjoy wide support among Polish Catholics. The Church is telling the governments of the communist countries: we are not the chaplains of the established order in East or West. The Church no longer presents itself as conservative, as it once did, nor as revolutionary, but as progressive. The Church no longer seeks special privileges or concordats with the

communist governments, but merely asks to be allowed to work unhindered. In these questions as in others, John Paul II is a man of solutions, not a man of problems.

**NSIPS:** *Wojtyla, the son of a sergeant, was himself a worker, and the first leader of the Cracow archdiocese not to come from the Polish nobility.*

**Brasca:** In all of my many trips to Poland, I have never come in contact with members of the nobility there. This nobility has been largely swept away by the present government, and I personally think this was a good thing.

**NSIPS:** *There is a long history of conflict between the Holy See and the British Crown, a fact that was underlined earlier this year by the attacks of Prince Charles on Paul VI. How do you see further developments in this area?*

**Brasca:** There is a long tradition of this sort of thing. I would only say

that in Poland, the Catholic Church and the Russian Orthodox Church are in a very good ecumenical relationship. I expect to see, during my lifetime, the final reunification of the Roman Church with the Eastern Orthodox Churches. But as for a unification with the Anglican Church, I think that is a very long way off indeed.

**NSIPS:** *One last question on Italian politics: Giulio Andreotti has now set 1980 as a likely date for Italian Communist Party entrance into the government. How will the new pope's presence affect this?*

**Brasca:** I think the Vatican will take a position of noninterference, of letting things in Italy take their course. As long as the presence of the Communist Party in the government does not oblige the other parties to give up their own principles, as long as cooperating in the government is political, economic, technical, there is no cause for any great concern.



# National Security Agency caught working for British Intelligence

Continuing investigation of an interlinked mail-theft and wire-transfers financial-warfare and "milking" operation against the U.S. Labor Party and other organizations associated with Lyndon H. LaRouche, Jr. has led directly, and repeatedly, to the doorstep of the United States' largest and most super-secret intelligence agency, the National Security Agency — according to a report given by the U.S. Labor Party's security section.

The party reports discovery was made by cross-gridding the results of three separate investigations. The first of the three was an investigation of widespread "black operations" traced conclusively to an escalated NSA telecommunications surveillance launched August 1977. The second investigation was a statistically designed test mailing, which defined crucial features of a pattern of mail-theft being conducted within the Post Office. The third investigation centered on fraudulent practices perpetrated by Canadian banks, including the Bank of Nova Scotia.

Findings of the three investigations dovetailed, proving conclusively that the NSA was deploying its resources on behalf of British intelligence for a massive, illegal operation against the U.S. political party, party officials have reported. Facts developed coincided exactly, according to party officials, with a leaked warning from within the U.S. intelligence community received during 1977, a leak outlining the crucial features of a super-secret, illegal combination of financial warfare (with the acronym "FIST") and "black operations" designed to strip away party members and supporters (bearing the acronym "SWEEP").

Although party officials report that they have not yet discovered the official name for the target of their inquiry, investigations show that the interconnected operations triangulate on an area of coordination situated immediately between the National Security Council and NSA in the chain of command. In addition, officials note, this unnamed super-secret special group is triangulated as closely coordinating with the United Kingdom Liaison Office and associated elements of the British Secret Intelligence Service deployed within the U.S. government. This latter connection is most important, according to officials,

since the initiation and command of the overall operation is centered in top-level persons long associated with the old British-Canadian Special Operations Executive (SOE) command.

## Investigation number one: telecommunications

Party investigations of NSA telecommunications operations against the domestic telephone and telegraphic communications of the party and numerous of its members has focused on the time interval from approximately mid-August 1977. Although evidence of earlier NSA operations is conclusively established, according to officials, it is the post-August 1977 escalation of NSA telecommunications surveillance which is presently most-accessible to conclusive findings.

The detection of post-August 1977 NSA surveillance — incidentally, quite illegal — has been facilitated by the wide circulation of NSA-generated monitoring of party communications in variously raw, selected and content-altered formats. By inserting "black" content into selected bits of raw telecommunications extracts, agencies coordinating use of NSA materials develop false reports of internal party communications which are selectively "leaked" as purported high-grade intelligence information to targeted credulous recipients. In addition, there are not-infrequent instances of "instant" black operations deployed during the course of telephone communications.

Through use of "intercept" methods which do not depend on conspicuous forms of case-by-case cooperation from telephone and other entities, and with the aid of developed computer monitoring of these intercepts, the NSA has developed the ability to selectively monitor financial records and transactions through tapping computers of the banking system. This NSA capability is indispensable for certain of the varieties of financial-warfare activities conducted through Canadian banks such as the Bank of Nova Scotia, according to experts with whom party officials have reviewed the evidence collected on this operation.

## Investigation number two: 'Flaps and Seals'

Cumulative evidence of massive loss of incoming mail prompted party officials to secretly launch a

statistically designed experiment to verify this evidence and to determine patterns from which the character of culprits deployed within the U.S. postal service could be conclusively pinpointed. From various parts of the nation individuals including party members, non-members, and other various selected contacts, were each recruited to mail various kinds of correspondence, including letters containing subscription applications, and checks of various denominations.

The test experiment's results did not exclude the possibility that some mail theft was being conducted by low-level employees of the postal service, but it was proven that the pattern of results secured by the test mailings required intensive manipulation of party mail on the kind of special basis possible only through high-level intelligence agencies of the U.S. government. The NSA is the agency which is currently

the authorized agency for such operations — called "Flaps and Seals" operations.

Communications sent from various offices of organizations associated with the U.S. Labor Party around the nation usually get through as sent — although sometimes with delays. Communications by persons outside the party do not arrive generally. Some small-denomination checks do get through, but virtually no larger-denomination checks. Officials point out that such a massive, consistent and selective pattern of mail theft requires both persons of high-level authority working within the postal service, and also detailed, current knowledge of party activities and membership lists throughout the country and abroad. The NSA is the lowest-level governmental agency which meets the required specifications of the agency responsible for the mail theft operations.

## The assassination plot against

Beginning in July and August 1977, two operational assassination deployments were conducted against U.S. Labor Party Chairman Lyndon H. LaRouche, Jr. Both deployments employed international terrorist networks in an attempt to create a climate for the assassination, and were conducted in tandem with sophisticated financial and communications warfare against organizations associated with LaRouche. The chronology:

### July through August 1977

**Aug. 1:** The U.S. Labor Party receives information from high-level U.S. intelligence sources that LaRouche's name is high on a list of assassination targets in a new wave of "Baader-Meinhof" assassinations. Dresdner Bank chairman Jürgen Ponto, assassinated on July 31, had been on the same list, according to the source.

**Aug. 2:** Mitchell L. WerBell III, an internationally known security and counterintelligence expert, is officially retained to provide physical security for LaRouche, who at this time is in Wiesbaden, West Germany.

**Aug. 7:** Information from two independent sources confirms that escalation of a slander and containment operation aimed at isolating LaRouche and the organizations associated with him is planned to begin in September 1977. The coordination of this operation involves links to the Xerox Corporation of Sol Linowitz, and includes both "left" and "right"-wing slanders. The "left" side involves the American Civil Liberties Union, the Fellowship of Reconciliation, the National Council of Churches,

and the Institute for Policy Studies. The "right" side of the operation includes Buckley family intelligence networks including Richard Viguerie, which employs the I.D. format slander, "the U.S. Labor Party is KGB," while Ku Klux Klan and American Nazi Party networks are prepared for physical attacks on Labor Party offices and members.

**Aug. 8:** LaRouche is threatened with eviction from the Wiesbaden apartment where he is residing.

**Aug. 11:** The West German Maoist paper *Arbeiterkampf* slanders the European Labor Party as "fascist provocateurs" for exposing terrorist attempts to disrupt the French "Super Phenix" breeder reactor. Articles appear in the U.S. *Village Voice* and *WIN* magazine, employing the I.D. format slander that the "USLP are right-wing police agents and fascists" to prepare the environment for an attack on LaRouche and the Labor Party.

**Aug. 17:** Western Union International, linked to Kuhn-Loeb, serves notice that it plans to cut off Labor Party AVD communications service linking New York and Wiesbaden. Simultaneously, Leasco (Alanthus) begins removing domestic telex machines from Labor Party offices in the United States, disrupting the communications system.

### May 1978 to present

Following the May 1978 Schmidt-Brezhnev agreements and the July 1978 Bremen and Bonn summit meetings, a renewed live assassination operation is activated against LaRouche.

### Investigation number three: bank fraud

Since late 1974 entities linked to British-Canadian "SOE" circles have been engaged in periodic efforts at massive tampering with bank accounts of organizations either associated with the U.S. Labor Party's leading members or the Labor Party itself. In the first wave of such operations, Chase Manhattan Bank and Citibank were the banks targeted by the operatives. Substantial deposits were wired to accounts in these banks, initially as confirmed bank transfers. Subsequently, "unidentified" agencies intervened to claim these confirmed transactions to their own account. During a recent period, this pattern has erupted again, with the bank-fraud conducted by leading elements of the Canadian national banking system.

It is a statistical impossibility that these several clusters of developments could have occurred as

errors of the banks involved. Officials note that if such clusters of errors could occur "spontaneously" within the range of transactions of the accounts involved, the entire U.S. and Canadian banking systems would periodically break down entirely. Any statistical gridding of these transactions is sufficient to prove a very special financial-warfare operation is being conducted against entities associated with leading members of the U.S. Labor Party. It is not astonishing to officials that the Canadian banks involved in the recent pattern of developments are the same top circles of Canadian politics and finance who are implicated in the projected assassination of U.S. Labor Party chairman Lyndon H. LaRouche, Jr., including persons linked to organizations under investigation by Attorney James Garrison and others in connection with the assassination of President John F. Kennedy.

## USLP chairman LaRouche

**June:** Coincident with LaRouche's return to the United States, a new wave of slanders is circulated through networks associated with Robert Moss, the Royal Institute for International Affairs, the Heritage Foundation, and Francis Watson, in conjunction with various Zionist intelligence circles in the U.S.

**July 16:** An assassination attempt occurs against LaRouche in Detroit, where two vehicles attempt to sandwich LaRouche's car in the manner employed in the Schleyer and Aldo Moro operations. The attempt is linked to networks including the National Lawyers Guild, elements in the United Auto Workers, and B'nai B'rith funder Max Fisher. It is coordinated with massive circulation of slander against LaRouche in business circles, to isolate him from potential support.

**June 22:** Simultaneous with the illegal entry into the U.S. of Baader-Meinhof terrorists, the USLP confirms that Heritage Foundation operative Francis Watson is conducting a nationwide slander campaign against LaRouche.

**July 28:** An operation orchestrated by Zionist lawyer Nahum Bernstein in coordination with Lord Caccia and Sir Harold Sebag-Montefiore of the British Order of St. John and the Jerusalem Foundation, attempts to set up LaRouche for assassination by demanding his presence in court in a trial involving an earlier assault of a Labor Party leader in New York City.

**August:** Financial harassment breaks out against the European Labor Party communications system, including arbitrary and illegal demands

for prohibitive financial deposits. In late August, confirmation is received that Walter Hesselbach, a board member of the West German Bundespost and linked to the Jerusalem Foundation, is involved in the operation. At the same time, a series of physical attacks is carried out against European Labor Party and U.S. Labor Party organizers by Maoists, the Hare Krishna sect, Croatian Ustashi, and others.

**Sept. 5:** USLP Congressional candidate Debra Hanania-Freeman is threatened at gun-point outside the USLP office in Baltimore, Maryland.

**Sept. 12:** USLP members in St. Louis, Mo. and Seattle, Wash., receive telephoned death threats.

**Oct. 1:** A wave of I.D. format slanders erupts against the USLP and LaRouche subsequent to Mont Pelerin Society meeting on "the LaRouche problem" in Hong Kong.

**Oct. 2:** *Business Week* issues slander against the USLP written in coordination with Harvey Kahn of the Institute for Policy Studies, portraying the "LaRouchies" as a religious cult.

**Oct. 16:** *Citizens for the Republic Newsletter*, connected with Ronald Reagan, publishes a Heritage Foundation slander, "Bizarre cult seeks conservative allies."

**Nov. 1:** Joseph Rauh, a member of the B'nai B'rith Anti-Defamation League and co-chairman of Americans for Democratic Action, comments to a U.S. Labor Party member on the Mont Pelerin Society plans to stop LaRouche: "Shoot him."

## The triangulation

Party officials report that the August 1977 escalation of NSA operations against the U.S. Labor Party correlates with the initiation of such an operation by Henry A. Kissinger's patron, George Franklin. Franklin, a key insider of the New York Council on Foreign Relations, was a key official to whom Henry A. Kissinger reported for direction following Kissinger's special training by British intelligence at the London Tavistock Institute. Franklin is also a key executive of the Trilateral Commission, a real insider, as contrasted with show-piece appointees such as former Trilateral executive Zbigniew Brzezinski.

According to cross-checked sources, including U.S. government officials, Franklin's role in the affair was as follows.

During the Spring of 1977, one Gordon Novell developed a friendly approach to the U.S. Labor Party for the purpose of developing information he could "sell" to George Franklin, to whom he reported on this account during that period. Novell, tightly tied to the New Orleans Mafia, was in serious troubles at the time, and was desperately active seeking to sell old friends and other political "merchandise" to the CFR crowd, ostensibly in hope that those CFR circles would bail Novell out of his other pressing problems.

At the time that U.S. Labor Party chairman LaRouche was being aided by the intelligence services of three "Western" governments against a Baader-Meinhof assassination threat, top intelligence circles in London and also Henry A. Kissinger intervened in an effort to cut Baader-Meinhof target LaRouche from all assistance. During the same period, Novell, fabricating false information he purported to have secured "under cover" from an associate of security specialist Mitchell WerBell, who had been retained to help guard LaRouche, made a recorded telephone call to George Franklin. In that call, Novell purported to have information that LaRouche had prearranged the execution of Zbigniew Brzezinski, an execution, according to Novell, to be activated on the command of some prearranged signal given by LaRouche.

Subsequent investigations traced Novell's August behavior back to secret meetings with George Franklin in New York City during the preceding spring. Franklin and Brzezinski were fully aware of the fraudulent character of Novell's allegations, but used those fraudulent allegations as a pretext for escalating Brzezinski-directed NSA operations against the U.S. Labor Party.

The "FIST" and "SWEEP" operations were

already scheduled for the summer and autumn of 1977, according to confidential, high-level reports from the U.S. intelligence community to Labor Party leaders. "FIST" and "SWEEP" were defined in those confidential reports as a joint operation involving the NSC, NSC-controlled elements of the U.S. Department of Justice, and Rothschild-allied international financial interests. The coordinating agency within the government for this "black operation" against the U.S. Labor Party was identified as a special, super-secret entity linked to the NSC and identical in character and resources with the super-secret entity coordinating operations against the International Brotherhood of Teamsters.

According to officials, every fact developed in connection with the three-part investigation coincides exactly with the outline of the "FIST" and "SWEEP" operation established as an operational project during the Spring of 1977. Undercover and other investigations against British intelligence and related Zionist organizations complete the essential evidence, according to officials' reports.

On the U.S. government side, the chain of command for the illegal operations coordinated through Brzezinski is White House to Brzezinski, to NSA, through a super-secret "plumbers unit" formally reporting directly to Brzezinski's White House office. This "plumbers unit" is coordinated directly with top levels of British intelligence, especially the Montreal-New York "SOE" networks linking "Mr. M" (Montefiore) to the "SOE" inner circles within the New York Council on Foreign Relations. Although Zionist organizations, especially the Jerusalem Foundation (Bronfman) and top circles of B'nai B'rith are complicit in the projected assassination of President John F. Kennedy, Zionist-linked entities, such as Bronfman's Permindex of the early 1960s (e.g., Major (ret.) Louis Bloomfield), are deployed as potential scapegoats in case investigations of assassinations should threaten to come too close to "Mr. M" himself or the British crown.

Although the name of the super-secret Carter White House "plumbers unit" is not yet known, the triangulation conclusively shows this entity to be the coordinating agency behind the mail theft, bank fraud, and other "black operations" being deployed (illegally) against the U.S. Labor Party.

The offenses of which the Nixon Administration was charged are "small potatoes" by comparison with what is presently being deployed from the White House.

# Capriccio Siciliano

Part four of the Soviet's explosive investigation  
of the JFK assassination

## In this section

This week *Executive Intelligence Review* concludes its exclusive translation of "Capriccio Siciliano," a four-part series of articles on the links between political assassinations and the drug trade by Julian Semyonov which appeared recently in the Soviet youth organization's weekly magazine *Ogonyok*. The series is significant not only for the new light it sheds on such matters as the Kennedy assassination, the Mafia, and the activities of the Maoist Chinese intelligence apparatus, but also because it sets forth a new, sophisticated Soviet perception of the inner workings of British and Knights of Malta-linked intelligence networks.

Part one of our serialization dealt with the links between Lee Harvey Oswald, the purported assassin of President John F. Kennedy, and Jack Ruby, the man who killed Oswald; the links between Ruby and the Mafia and drug-running; and presented evidence linking Chinese intelligence to both. In part two, Semyonov detailed the Mafia's ties to Italian fascism and Western intelligence networks, and in part three he showed how those strands led to the illegal narcotics trade and the sometimes murderous politics of international oil.

In this, the fourth and last portion of his series, Semyonov draws all the threads together to reach, if not answers, then certainly the defined avenues along which further investigation should proceed. Notwithstanding his sometimes misinformed secondary evaluations (for example, of Jimmy Hoffa and of the Kennedy family's political role) Semyonov has made a powerful contribution to dragging the British-run international "black networks" to justice.

(Note to readers: Ellipses in the text are all as employed by the author in the original Russian, except where enclosed in parentheses —(...) — which indicate occasional small deletions by the editor for purposes of abbreviation.)

In the spring of 1962, the FBI arrested Joe Valacci for dealing in heroin. Known within Cosa Nostra by the nickname "Cago," he was the trusty lieutenant of Tony Bender, Genovese's assistant.

When Joe Valacci was sentenced, the police sent him to jail in Atlanta, to the very same cell block where the "boss of all the bosses," Vito Genovese, was imprisoned. The boss had ideal conditions in prison. His food was prepared by a cook who knew Don Vito's tastes. On bath days a special masseur kneaded his body, before handing him over to the barber and the pedicurist. Inmates who wanted to talk with Don Vito submitted a written request. The audience lasted not more than 10 minutes, and questions had to be prepared beforehand. No flights of lyricism here, just business.

Once Don Vito came up to Joe Valacci and asked him what he thought of Tony Bender.

"I think Bender is a fine man," answered Joe.

He did not know that Bender had just been killed on orders from Don Vito, who had decided that his "little son" was siphoning off his profits.

Genovese sighed, smiled at something and remarked:

"When you find a bruised apple in a basket of nice red ones, or, even worse, a worm-eaten apple — you have to throw out that apple mercilessly, don't you agree?"

Joe Valacci looked into the softly smiling eyes of the godfather and was overcome with horror: "I am under suspicion!"

"If I've done anything wrong, even once," said Joe, "and you have proof I'm guilty, give me a pill. I'll take it right here in front of you. I'm not afraid of death, but I can't stand disgrace."

"What are you talking about, my son?" asked Genovese with the same soft smile, "I don't think you understood me. Let me kiss you as a sign of my trust in you. We have the same life behind us. Are we going to just forget about the past? Only crazy men forget about the past, or people who have decided to get friendly with nonpeople. But you wouldn't do that, would you?"

Don Vito kissed Joe on the forehead, kissed him with the tender kiss of an older brother.

And after that kiss, the whole Genovese "guard" looked on Valacci as a condemned man: they openly suspected him of betrayal, for they all knew how many murders and kidnappings he had behind him and yet he had gotten a short term, while Don Vito, the boss, got 15 years.

Joe Valacci, a faithful Mafioso, didn't handle this terrible suspicion well. He couldn't sleep. He stopped eating, for fear of poison.

Things came to a head when during an exercise period he seized a length of metal pipe and bludgeoned the petty swindler Straup on the head, because he thought Straup was sneaking up on him with a knife.

Joe could look forward to the electric chair, for Straup died without regaining consciousness.

And then Joe Valacci made an offer to the prison authorities:

"Get me away from Genovese, I'm ready to cooperate."

A few months later, prisoner Joseph di Marco was transferred to Westchester prison. This was the pseudonym given to the new FBI agent, Joe Valacci.

Flynn, the rising star of criminal investigations, was appointed by Attorney General Robert Kennedy to work with him.

Joe Valacci told everything about himself. Flynn pretended that he found "di Marco's" testimony highly interesting. He fed him dried sausage and soft cheese, "di Marco's" favorites. And he unwound, slept comfortably in his single cell, and "the other side" no longer seemed so disgusting to him. "Among them there are people too."

Flynn, having softened up his prisoner, hit him right between the eyes:

"Joe, everything you've told me I've known for years. Don't take us for stupid, Joe. We're interested in you because we believe you can tell us all the names, the safehouses and how to get there."

"Get where?"

"Joe, Attorney General Robert Kennedy didn't save your life so that you could read me detective film scripts. You're alive because you can help break Cosa Nostra."

"You'll never break Cosa Nostra, because that's the second government of America, sir. You can't do anything to the Syndicate ... What are you going to do with Joe Bonanno? Formally he runs a real estate firm. In reality — he's boss of New York. What are you going to do with Joseph Profacci? He practically runs the whole import of olive oil. You love olive oil, right? It's good for your heart and all that. Well, Profacci is the second boss of New York. And what are you going to do with Carlo Gambino? He's the chief consultant of the Syndicate — but you can't pin him down to anything, even though our people don't do a thing without his advice. And Thomas Lucchesi? He's a clothing manufacturer and also a boss in New York. Vito Genovese? He's in jail in Atlanta, but every week he gets a report from Cosa Nostra and hands down

orders on the main questions of Syndicate strategy ... What can you do to them, sir?"

"In order to do, you have to know, Joe. You will help us learn, Joe. Everything, to the very end."

"Answer me just one question, sir, but answer the truth. Was Luciano CIA or FBI?"

The question caught Flynn by surprise, for the special relations of Luciano with the secret services was the CIA's "secret of secrets."

"You see," continued Joe Valacci (henceforth "di Marco"), "You had Luciano, the 'boss of bosses' on your side, and you couldn't crack Cosa Nostra. Or didn't they let you? Robert Kennedy is a powerful man, the President's brother — but even he is not all-powerful in this country. And if he gets stubborn on this one, they'll hit him and hit him bad, believe me."

All his near and dear ones turned their backs on Joe Valacci, when Vito Genovese gave the signal from Atlanta. His son publicly denounced his father, his wife demanded a divorce, and his relatives spread a story that Joe had gone crazy.

Joe Valacci died in prison from a sudden and unexplained illness. Remember the sudden and strange death of Ruby in prison!

"Any other traitor is going to get the same thing," was the word among Cosa Nostra people, when his obituary appeared in the papers. "Sooner or later our vengeance will catch up with him. No one dies his own death, not even in a single cell by his color TV and soft bed."

... To return to the relations between the Mafia and fascism: we must review a number of postulates which read as if they were specially formulated for the practical activity of the "secret order."

The first postulate concerns relations with the trade unions (Cosa Nostra is constantly looking for approaches into the unions).

"The national-socialist trade unions should by no means be organs of class struggle, but only organs of professional representation. The national-socialist state knows no classes. Both nationalist workers and national-socialist employers are servants only of society and carry out its assignments.

"The spirit of class struggle characterizes not trade unions as such, but only Marxism, which has made the trade unions a weapon in its struggle."

The second postulate has to do with the Mafia's "educational work" — how to prepare gangsters, how to teach them to obey blindly and carry out orders to the letter:

"For centuries, the magical power of the spoken word has been that factor which set into motion great historical avalanches, both religious and political. The broad masses yield above all to the power of the spoken word. All great movements are national movements. This is the volcanic eruption of human passions and spiritual sufferings. Only passion gives — and only to her

chosen ones — words which, like hammer blows, open the gates to the hearts of the people. He who is without passion, whose lips are sealed, is not the chosen messenger of the will. To the man who is only a writer, let us say: 'Sit at your desk with your inkwell and engage in theoretical activity, if that is what you have the ability to do. You were not born a leader and have not been chosen one.' "

The third postulate is about relations toward people, toward "the throng," "the herd," sometimes more politely called "the mass":

"The mass loves a master more than someone who merely requests something of it. The mass is more satisfied with a teaching that suffers no other than with the toleration of various liberal freedoms. For the most part, the mass doesn't know what to do with liberal freedoms, and even feels abandoned in such circumstances."

(The author of these "postulates," so precisely applicable both to the rightists, and the Maoists, and the Mafia, was Hitler.)

## A series of investigations

... I found no place to stay over either in Palermo or in Termini. The hotel prices were sky high.

"Go to Cefala," I was advised. "It's a pretty little town, an old one right on the coast, and it has a few hotels of different qualities."

So I went to Cefala.

I stopped at a gas station and decided to get another 20 litres. Usually people don't get very much gas at a

time in the West, since they have gas stations all over the place, and gasoline is expensive. Nobody wants to waste money, and if two or three litres evaporates, that's quite a bit of money. But I, accustomed to our huge distances and few gas pumps, filled the tank; people stared at me with their eyes popping out, especially when gasoline bubbled up around the gas cap. In Sicily they conserve every drop, just like a pastry chef decorating a holiday cake with very expensive icing.

The left rear tire on my Fiat was a little flat. I opened the trunk to find the jack and couldn't believe my eyes: there was no jack and no spare tire either!

I immediately figured out in my head how much it would cost to pay for the missing jack and tire ("You live and learn, but die a fool" — I should have checked the car before I left Syracuse!), compared this price with how much money I had left, and began to feel somewhat uncomfortable. There might not be enough.

I was in a very low mood when I arrived in Cefala. I tried to fix my mind on the town, which is famous for its "coastal Mafia," but I couldn't get my head clear. An unpleasant thought, especially when it has to do with the next day, is like a pebble in your shoe. It's always there.

I checked in at a medium-cheap hotel, went down to the pizzeria, and ordered Italy's tastiest food, Neapolitan pizza. It's very similar to our Batum khachapuri, but it has tomatoes instead of eggs.

There was only one table set in the pizzeria. Five adults — two men and three women — were sitting at it, along with a dozen children, incredibly friendly, noisy, and laughing little Italians. The children were

## Who's got the news that's fit to print?

*Apparently word of the Executive Intelligence Review's exclusive translation of "Capriccio Siciliano" is getting around. For the New York Times's lead editorial of Nov. 16 includes a vigorous denunciation of conspiracy theories in general and of an especially outrageous such theory on the Kennedy killing from the Soviet Union in particular.*

*Huffs the Times:*

If the United States keeps reopening investigations of the assassination of President Kennedy, a New Republic writer recently suggested, well then let Italy reopen an inquiry into the assassination of Julius Ceasar ...

Such acid comment was prompted by the House Assassination Committee and was surely justified by the way it began investigating the murders of John Kennedy and Martin Luther King Jr. and the conspiracy theories generated by both. Poisonous feuds and lurid leaks soon made the committee look even more irresponsible than the fearful fantasies.

But then came a new chairman, Representative Louis Stokes of Cleveland, and a new chief counsel, G. Robert Blakey, of Cornell Law School. Abruptly, the leaks stopped and the committee's work became disciplined. If it continues on its prudent course, the committee will make two impor-

tant contributions after all.

The first concerns the billow of conspiracy theories generated by the Dallas assassination: the Russians did it; no, the Cubans; no, the Mafia. A Soviet writer now claims it was *Peking*, in cahoots with the Mafia ... Instead, the committee put the conspiracy theories on trial — and found them invalid ....

*In an upcoming issue the Executive Intelligence Review will present the story behind the Stokes Committee coverup, and the role of whiskey king Edgar Bronfman and his Permindex organization in the Kennedy and other assassinations. What will the New York Times say to that?*

running around the pizzeria, the women were talking nonstop while furiously knitting, and the men had their eyes glued to their newspapers.

The 13-year-old waiter, glancing over the men's shoulders at the newspaper, whispered something to the cook, who was baking pizza in a huge oven like the ones in the late Aleksandr Row's films. Wiping his hands on his long white apron, the cook took off his chef's hat, came up to the men, and also peered at the paper until the little assistant cooks, standing by the stove, started shouting at him. Evidently my pizza was burning.

When the party left, their newspapers were left behind. Twenty-some pages is a nuisance to carry.\* I picked one up and looked at the headline: "Scandal of Giuseppe Peri, Police Commissioner." I don't read Italian, but if you know English, understand some German, and are studying Spanish, you can get the general sense. The story was about a group of Mafiosi tied up with the fascists. I wrote down the police commissioner's name in my notebook, ate my somewhat scorched pizza, went back to the hotel, and flopped into bed. After a Neapolitan snack, the next day's nightmare — of paying for the credulous bungling of a man used to relying on an outlet's prestige, on account of its being a government facility and therefore highly responsible — was not as acute as it had been an hour earlier.

("Maybe he'll take responsibility" — still, you must agree that it's a fine thing to be able to count on it ...)

Later I obtained documents on Commissioner Peri, which were published by the Italian magazine *Europeo*. This material is of sufficient interest to be discussed in great detail.

Journalist Roberto Ciodi, who reported on the inquisitive Commissioner, claims that Peri had no doubt of the connection between "neofascists, Mafiosi, and gangsters."

Peri is currently investigating four cases. On the surface they appear to be unrelated, but he thinks they are internally linked into a single whole.

Among other names, Peri is carefully studying Pietro Luigi Concutelli, a Mafioso whom the bosses relocated to northern Italy. He was arrested in Rome in February 1976 and 11 million lire was found in the room where the police nabbed him. This was money he got from Mafioso Renato Vallanzasca: the ransom for Signore Trapagni, who was kidnapped on orders from headquarters. The chain led to the neofascist Placido Morgante, who, in order to frighten the kidnapped Luppino, cut off his ear: "If they do not bring the money, I will cut you to pieces."

Commissioner Peri insists that it is Concutelli himself who shot Judge Occorsio and Pietro Scoglione, the General Procurator of Palermo. He insists on this because 30 .24-caliber cartridges were found not far from the scene of the murder. Exactly 60 cartridges of

the very same caliber were found in the car used to kidnap the banker Corleo, and in Concutelli's secret apartment 339 cartridges of that same caliber were confiscated, along with armed forces instruction on how to handle explosives and two blank ID cards, complete with seals and signatures, from the Italian Defense Ministry.

The four criminal cases which concerned the commissioner above all others were the following: the murder of some court officials; the crash of a DC-9 airliner in the mountains of Sicily in full view of a crowd at an electoral campaign meeting near Palermo; four bold kidnappings; and a series of bandit raids on the western seacoast of Sicily.

*Europeo* underscores: "These are all links in a single chain of plots, the goal of which is to inspire fear in the population, to discredit the state authorities and to use the chaos thus created to impose their own criminal ideology. It is no coincidence that many of these crimes were perpetrated on the eve of the elections with the support of a certain section of the Mafia, which would come up 'winners' in the event of a power turnover."

Commissioner Peri studied the technique of the organizing of the kidnappings, which were carried out in order to finance the movement of the fascist organizations *Ordine Nero*, *Avanguardia Nazionale*, and *Ordine Nuovo*.

Kidnappings, like political assassinations, are thoroughly planned and even rehearsed several times.

The first stage, the process of the kidnapping itself — the riskiest part of the operation — is entrusted to the Mafiosi living in the same region as the victim. In this way, the perpetrators are up front: "Look, there they are, the scoundrels. We know these characters; there's no need to look any further."

The second stage: if they do not succeed in channeling the investigation toward the obvious man, the up-front man, in order to distract the law from seeking the true criminals, from the headquarters which does the planning and knows what the planning is for, then comes the time for retribution and the small fry are sacrificed to the authorities. The perpetrators are little fish. They are not dangerous, they know nothing, they can't spill anything. The chain linking the headquarters to the perpetrators is many-layered and interfaces with the criminal world's connections to the police through informers buried within the apparatus.

The story of the DC-9 explosion is yet another proof of how small fry are sacrificed. There were 118 passengers on the Alitalia airplane. One of them (obviously a hit man) was not identified. The remaining bodies, although torn to shreds by the explosion, were identified. The relatives flew in, and received urns. Only one urn was not picked up — the mafia bosses, of course, don't like parading around in the open. This was the man who carried in his suitcase the little package given to him at the airport, having no idea that it was an explosive and that the timer

\* Pravda, the biggest of the dailies Semyonov's readers use, is usually six pages long — ed.



would set it off at the very end of the trip, as the mountains of his native Sicily slowly and majestically went by under the wing of the airplane. . . .

Peri stresses in his analysis: "In the event of landing gear failure, the pilot has several seconds in which to signal the flight control and security workers on the ground. Then the 'black box' record remains. But this pilot didn't report anything, meaning he did not have that second. There was the explosion, then dead silence, and nothing more." ...

(I should note that until now no one has researched yet another not unimportant circumstance: on board the airliner was also Ignatio Alcamo, deputy general procurator in the Palermo appellate court. What matters came under his jurisdiction? How many people connected with the Mafia were waiting for a summons to his office? What level were these people?)

The ultraright — neofascism and the Mafia, united by their shared interest — strikes hard, and the stakes are uncommonly high. Judge Scaglione, the Palermo general procurator, was shot. The investigation of this murder — the first assassination of this type — was carried out by the general procurator of Genoa, Francesco Coco.

They shot Procurator Coco, and two of his bodyguards also were riddled with rounds of ammunition. This happened after Coco met Occorsio in court, and a very important exchange of opinions transpired between them.

Commissioner Peri concludes: "The headquarters in Rome, to which all the threads of the plot led, was very active, but remained above suspicion. There existed and still exists a powerful machine whose particular business is organization of kidnappings. (280 million lire was paid for a Mr. Mariano, 2 billion lire for the banker Perfetti, 700 million lire for the industrialist Campizi.) The idea-men of the organization must be looked for *in political circles which are above suspicion*. The weapons, gear, and military instructions found at Concutelli's clearly reveal the main goal of the heads of the organization, who do not disdain to use the powerful support of the Sicilian and Calabrian Mafia. . . ."

... It is clearly worthwhile to analyze thoroughly (although this is devilishly difficult; the "open" society knows how to cover up its secrets) shifts in the economic structure: without economic shocks, fascism, as the highest manifestation of nationalism, is practically impossible, since it is not profitable for capital. It becomes advantageous only in a critical situation, I would say, in a "choice" situation: Either the victory of the leftist forces or the emergence of the ultraright, which can be controlled. Isn't that why the various Krupps and Thyssens depended on Hitler in the difficult years of economic crisis and the upsurge of the leftist movement in Europe?

Let us return to the tragedy in Dallas, to the story of the death of John Fitzgerald Kennedy. Because this

was a crime of many levels, we must remember that Charles Luciano, "the narcotics king," CIA agent and "boss of all bosses" of the American Mafia, spent several years in Havana, turning the capital of the dictator Batista into a transshipping center on the "Asia — Mediterranean — USA route."

It follows that in Havana tremendous amounts of money were invested. After all, it was a world center of the gambling business as well! Remember how the Mafia bores its way into banks, gets itself legalized, and penetrates into all the pores of the System. Thus the Mafia had the interests of respectable capitalists and bankers. The Castro victory was a blow against bank accounts! And to this they know only one way to react — attack! Those who planned the landing of Cuban counterrevolutionaries in the Bay of Pigs were connected in one way or another with the financial groups who had a financial interest, a real interest in getting Havana back. Castro closed all the casinos, which cut deposits into American banks by millions, even billions! And for that, they'll fight you to the death, as the history of imperialist wars clearly illustrates. But previously the Mafia had not penetrated so deeply into the pores of legitimate business. Now a paradox arose: the bandits and Mafiosi, embedded in the banks carried along with them the very financiers who pay enormous sums to an army of journalists, directors, actors, and professors to turn out propaganda against narcotics. Narcotics interfere with the system of exploiting the workers, dissipate their strength, and, moreover, hurt discipline in the armies, which are supposed to defend the class interests, the economic interests, of the strong men of this world.

... "The deputy boss" in the Maranzano group for many years was Francesco Saveria, known by the pseudonym "Frank Costello." He was sometimes called "premier of the underworld." The old Mafioso liked this nickname. He had made his career in 1930, when he concluded a deal with Louisiana Governor Hugh Pierce Long. Long gave Costello exclusive rights to the ownership of the "gambling business" in the state. Costello hired, for double duty as deputy and adviser, the old fox Dandy Feel.

Dandy rushed around America, putting together a block of "strongmen." He finally proposed to the "premier of the underworld" two powerful partners: a Mafioso from a "good Sicilian family," Carlos Marcello, and the boss of the group of Jewish gangsters, Meyer Lansky. A "pact" was formed between Costello, Lansky, and Marcello. They took over the casinos in most of the southern states: then the group began "the invasion" of Havana.

On the evening of May 2, 1957, Frank Costello dined at one of the most elegant French restaurants in Manhattan, L'Aiglon. Costello was famous as a genuine gourmet. It is thought that he financed the publication of the elegant leather volume *The Mafia Cook Book*. That evening Costello ate kidneys in red wine, "*boccacini da vitello*," country sausage,

*“semifredo al listaccio”* and a lot of strawberries — not canned, but garden fresh, with the leaves still on.

He ate well. His friends liked to watch Frank eat. Beautiful eating is a real art, a sort of invitation to your companions to join a festival of gluttony.

Costello surrendered to the food, during those hours, forgetting vain worldly cares. And on that May day he needed a rest, since an audit of his business was still going on; he had drawn the mighty General Motors into an interesting deal — \$10 billion; the competitors, of course, tried to block it and a scandal ensued. Oh well, what's done is done. When you've got money there's nothing to fear. The one who has something to fear is he who has lost and has to humbly borrow a lousy hundred thousand for his daily bread.

Costello left a tip (he always left \$25 in bills), asked for a taxi to be called, went out into the street, felt drops of warm rain on his face, got into the car at the curb and heard a familiar voice:

“Frank!”

The “premier” turned. A man walked up to him and said:

“It's you, Frank!”

And he emptied the cartridge clip of his Colt into the “premier of the underworld.”

At Roosevelt Hospital the doctors were astounded: the bullet-riddled man was alive.

When Costello could talk, the police came to see him.

“Who shot me?” Costello asked. “Look here, I have no enemies. I am an ordinary mortal, an old businessman, tired of this damned life. I'm telling you the truth, I never laid eyes on the man that committed this villainous act.”

He had seen the man. In fact, he knew him very well: Vincenzo, nicknamed “The Chin,” a former boxer from Greenwich Village, a “hit man,” whose connections can be traced to Vito Genovese, the second “boss of bosses,” Luciano's “truest friend.”

Costello thought fast: keep quiet and maybe survive; say a word and they'll get you. Don Vito Genovese doesn't know how to joke; evidently Don Vito cannot forgive Luciano the monopoly on Havana, and the reason for the murder attempt probably can be found in the obvious features of the General Motors scandal. Everything was precisely worked out, and a cover story was prepared to submerge the obvious.

When Luciano couldn't do anything to “get Havana back,” it was his turn: the Mafia, as we showed, had become a gigantic “network of financial interests.” A fearful chain: the secret narcotics plantations in China; couriers carrying the goods in suitcases with false bottoms; businessmen known as “spreaders”; the legal millionaires of the Mafia; investing the “heroin money” in banks; presidents of construction firms building casinos in Las Vegas with the money; factories for production of artificial milk for babies (billions of dollars of profits; a woman must preserve her figure, and breast-feeding is a barbarism from the

last century!); chairmen of movie industry oversight boards — porno films; directors of the biggest transport companies — the Mafia needs to have its people in transport ... (...)

When the counterrevolutionaries' landing at the Bay of Pigs failed, a thought had to be given to the future. The Castro regime had proved its vitality: Cubans were ready to fight with arms in hand, and “motherland or death” was not so much a slogan as a statement of fact.

## Pulling all the threads together

It's still difficult to say who personally thought up the idea of killing the President. The President who could not return Havana to its former proprietors. The President who tried to turn the country toward reality in assessing the new structure of the world. It was this, precisely this, that gave him his popularity. Well, but popularity too has its commodity value.

All it took was for Robert Kennedy, on the eve of the elections, to repeat that if elected to the Presidency he would demand a review of the Oswald-Ruby matter and begin an attack on the Mafia, and the half-mad Sirhan Sirhan appeared, and shots riddled the galvanized counter at the Ambassador Hotel restaurant.

... The morning of that tragic day I was in Los Angeles, in “Bobby's” headquarters, and I spoke with John Kennedy's former “press chief,” Pierre Salinger, who at that time was running Robert's electoral campaign.

What was happening in that enormous building was indescribable. Noise, shouts, laughter, ceaseless telephone rings; young girls were giving out records with songs hailing “Bobby's” future victory; a young Negro gave me a styrofoam hat with a portrait of Kennedy on it. “Bobby will win!” was written in red under Kennedy's portrait.

Salinger looked at this gay madness with a tired smile: he was only getting three hours of sleep during Robert's tour, and scrunched up in the seat of an airplane at that.

“Kennedy will win?” I asked. “Are you sure?”

“60 percent,” Pierre replied.

“Why not 80?”

“That's impossible in America. 60 percent for us is like 110 for you — an absolute overfulfillment of the plan. . . .”

That evening I returned to New York and was invited by Cronkite, the CBS television observer, to his program: the old ace journalist was giving his instant analysis of the likelihoods in the presidential primaries. Observing the television poll reports from Los Angeles on the primaries (Kennedy's opponent was outstripping him by several points), Cronkite said:

“Nonsense. Bobby will win. He's going to the White House, he's destined to.”

We left Cronkite at midnight; he collapsed in an armchair and a girl started to take his make-up off. On American television everything is real — the telephone really rings, rather than having an assistant off-stage with an alarm clock in hand; the computers really work, they're not just lights lighting up numbers prepared by the props people; it's only the chief that is artificially made up.

"Americans don't like old, ugly men," Cronkite explained. "The chief has to set a standard, that's all there is to it."

We said goodbye and parted: he went home and I went visiting.

At five in the morning Dmitri Tyemkin called, our old friend. (Remember the song "Green Hills"? The music for the film "A Hundred Men and One Girl"?)

"Kennedy's just been killed."

I drove over to CBS.

Cronkite was already there. He was trembling. He sat in his usual place, without make-up, gray, with bags under his eyes.

"When will this horror end?" he asked America. "When? Will we never learn to value and to cherish Man?"

I went out onto the street at seven o'clock. People were walking around preoccupied, exchanging smiles, stopping in front of shop windows, gathering around the tobacco kiosks, as if nothing had happened that night, as if the man they had applauded so much five hours previously had not died.

Heavens, I thought then, can it be that today's new tempos have made the world so indifferent? Or is the System of racing after the mirage of success making everyone feel stale towards one another, increasing egocentrism such as mankind has never known before? Or is it that here, amid the rumble and hubbub, the category of the coincidental has been made into some kind of everyday lawfulness, as the strategists of "terror and destabilization" have calculated precisely on this?

That morning in New York was cruel, cruel to the bitterest hopelessness.

I really began to "unravel" the story of the assassination of the Kennedy brothers at the end of 1968, when I summarized and systematized the material I had collected during my stay in heroic Vietnam, with the fighters of Ho Chi Minh and the partisans of Laos. It was then that I first noticed the quiet Chinese, those who were organizing — during the struggle of the Vietnamese people against American aggression — Maoist penetration, organizing little by little, for the future.

Then was my trip to West Berlin, with talks at the "Republican Club" with Mahler, the theoretician of the "RAF" (Red Army Fraction — the Baader Meinhof Gang — ed.) and his staff. At the time they were openly preaching the cult of Mao; their main ploy was to destabilize the West by terror.

(Listening to them, I always recalled Lenin's works

against the SRs (Socialist Revolutionaries — ed.), who relied on terror; the struggle of the communists against the theoreticians and practitioners of anarchy; alas, how few in the West know about these pages of history.)

Then came Singapore and Malaysia, the notorious "eastern-style shops," the attempt to infiltrate Peking's ideology into Southeast Asia using trade, the creation of Maoist bases in the business world.

The more deeply I delved into the material, the more interested I became in two aspects: first, that *someone* was pushing the Mafia (at the end of the 1950s, as can be traced in the documents) into the oil business. Who? Second, that at exactly the same time the Maoists' narcotics supplies to the Mafia became a real "industry." Oil and heroin. Ruby, relocated by someone to Dallas, the oil capital; Ruby, without whose permission no narcotics were sold there.

Let's say what is *probable*. The first link: oil (that is, war) — CIA; the second link: Peking (that is, narcotics) — Mafia. Put it together and you get: oil — narcotics — CIA — Peking — Mafia.

It was not in vain that I studied the history of the interlock between the Mafia and fascism: they too had ostensibly been enemies, and yet look how they hooked up! Both the CIA and Peking, although exchanging propagandistic barbs from time to time ("Love is not complete without quarrels"), are both interested, from two standpoints, in one thing: in compromising the ideas of scientific communism, which has always been against terror and any other kind of pseudorevolutionary adventures.

I finished the rough outline of my version of what happened three years ago, during my trip to the USA. I am continuing the work. New facts will probably be uncovered, primarily, I should like to hope, by the Americans themselves. But I still have one question: why do those abroad only analyze the obvious, the superficial, the red herrings? What is it — American rationalism? Or is *someone* — again via the System (through which the Mafia germinated) — painstakingly, invisibly, and firmly *deflecting* the Americans from studying *all* the possibilities? (Who? Who benefits?)

What else is remarkable? The latest victims, who might have been able to throw light on the Kennedy affair, were connected to the Mafia: Sam Giancano was considered one of Chicago's most influential Mafiosi — he was shot at dinner, in the kitchen; Charles Nicoletti was a hit man in the Chicago Mafia — he was killed; the "CIA-Mafia" connection, Jimmy Hoffa, also disappeared; John Roselli from the Sam Giancano "family" perished.

Remember: Ruby was relocated to Dallas from Chicago. And it's the Chicago "families" which have the best-established contacts with the "heroin industry." Another link? A link in the chain which has to be broken, so that nobody will ever arrive at the truth. All these murders were organized after Mao

had already died; it is as if someone was wiping out the traces — the projected alliance of the vultures from the military-industrial complex and their guardian angels at the CIA with the Peking chauvinist anti-Soviets must be “irreproachable.”

... And in Messina, where I had to turn in my Fiat, everything worked out. The examiner didn't even look in the baggage compartment. I, however, said to him:

“For shame, you didn't provide any tools.”

The examiner answered in Italian:

“Non parlo inglese.”

“Oh well, so much the better.”

At night my neighbor in the next berth explained:

“Live and let live. If all cars were leased out equipped with spare tires and tool kits, then what would the ‘Autosos’ firm do? Declare bankruptcy? Or hire Mafiosi to force the leasing company to give patrons cars with defects?”

My neighbor took a small receiver out of his suitcase, raised the antenna, found Radio Palermo. They were transmitting music — it was tender and heavy and full of sun and warmth, languor and anticipation.

“*Capriccio Siciliano*,” said my neighbor, “the melody of a serene morning. Do you like it?”

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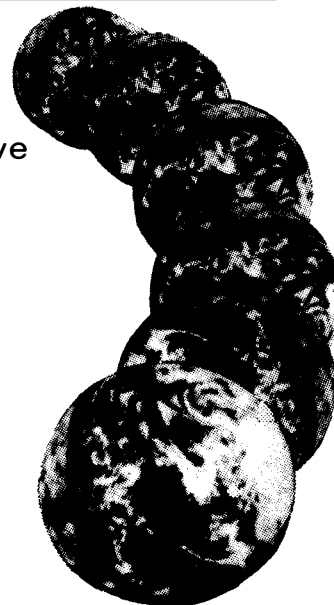
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# Arabs lead UN drive for nuclear power

*IAEA report ridicules zero growth, appropriate technologies*

In a tightly coordinated maneuver in the United Nations General Assembly Nov. 2, the Arab bloc and leading Third World countries allied with the Soviet sector nations and protechnology Western European forces to pass two resolutions increasing technical assistance in nuclear power to developing nations and increasing their representation in the UN's International Atomic Energy Agency. The resolutions also called for the convening of a 1981 or 1982 conference on the peaceful uses of atomic energy.

In a move which caused some surprise, the resolution increasing IAEA representation from Africa, the Middle East, South Asia, and Latin America was presented by the Ambassador from Saudi Arabia, Mr. Baroody, who noted that "it is very rarely that I submit resolutions." Baroody also called for the broadening of the agenda of the IAEA's scheduled conference on the nuclear fuel cycle to stress "measures to promote international cooperation in the peaceful uses of nuclear energy for economic and social development, particularly in the developing countries." In view of the infrequency of Saudi sponsorship of such resolutions, and also because the Saudis currently occupy the chairmanship of the IAEA Board of Governors, Baroody's move is seen as an indication of full and forceful Arab bloc support for nuclear power in the emerging nations.

But the strong and broadly based support for nuclear energy at the UN, among both developing and developed nations, also reflects the fact that the majority of the international community — hard-hit by the high cost of energy since 1974 — is increasingly unwilling to accept demands for austerity and deferral of industrialization plans. And developing nations in growing numbers — including the OPEC countries — are turning aggressively and with determination to nuclear forms of energy as the solution to their problems.

A second UN resolution, introduced by Yugoslavia, a strong force in the Non-Aligned Group, called for "much greater emphasis on questions of technical assistance ... on a long-term basis" to Third World nations. This resolution opposed earlier British Empire and American resolutions that channeled

most of the IAEA's efforts and funding to the policing of non-proliferation of nuclear weapons.

## Annual report

The resolutions, which were passed by a consensus at the end of the day-long debate, followed an unprecedented, strong annual report to the General Assembly by IAEA head Dr. Sigvard Eklund.

In his speech Dr. Eklund denounced the coupling of non-proliferation and the peaceful uses of atomic energy, and strongly criticized the "irrational" attacks on nuclear power by those, he said, who "hide behind terms like 'appropriate,' 'soft' or 'intermediate' technology" to deny nuclear energy to both developing and advanced sector nations.

Eklund called upon the signatories of the July 1978 Bonn Summit to honor their stated commitments to nuclear energy and, in a pointed reference to the United States, "not to abridge or change their supply contracts" with other nations.

The IAEA head also referred to the collaborative efforts of his organization with the Nuclear Energy Agency of the Europe-based Organization of Economic Co-operation and Development, and noted the advantages of having the IAEA headquartered in Vienna where other energy agencies, including the Organization of Petroleum Exporting Countries (OPEC), are located.

The IAEA is known to be strongly influenced by progrowth industrial and scientific forces who are the political backbone of the European Monetary System (EMS). Observers at the UN agreed that Saudi support represented a close policy coordination between the EMS and the Arab Monetary Fund.

In the day-long debate, Soviet bloc nations gave unusually strong support for transfer of nuclear technologies to the developing countries. Czechoslovakia asked the Assembly to "recall that Czechoslovakia is the initiator of the idea that technical assistance should be granted as a matter of priority to the economically least developed countries," while Mr. Komives, the Hungarian representative, demanded that fusion power be included in the framework of the proposed conference on new and renewable energy.

The final sally in this important victory for world development of nuclear energy came from Pakistan, which requested that the Saudi resolution delete reference to a December 1977 Assembly resolution that coupled non-proliferation with nuclear energy development. The Saudis agreed, and Mr. Maik, the Pakistani representative said quietly, but triumphantly, "the (Saudi) proposal has the support of the majority of the member States of IAEA, including that of the Group of 77 (the Third World nations — ed.)."

The response of the British Empire nations, including Canada and Australia, and also that of the United States, was to reiterate their "concerns" about nuclear proliferation.

But they were not about to call for a vote, and allowed the resolutions to pass by consensus. This is all the more striking since strong U.S. disapproval had squashed a similar resolution proposed by Nigeria in the 1977 General Assembly.

— Leif Johnson  
United Nations correspondent

## IAEA head: developing nations need nuclear power

*Sigvard Eklund, director-general of the International Atomic Energy Agency, gave an unprecedented, strong endorsement of the extension of nuclear power to Third World nations in his report to the United Nations General Assembly on Nov. 2. Some highlights:*

... The International Fuel Cycle Evaluation which began last year is now fully under way, with 53 countries participating. . . . The most important aspect is that, if a country is prepared to renounce nuclear weapons and to accept safeguards covering all its nuclear activities to verify compliance with that commitment, it is free to engage in any form of peaceful nuclear activity, including that based on regional cooperation. Indeed, the more technologically advanced countries should help it to gain access to peaceful technologies.

This implies that there is an equal obligation on supplying countries not to abridge or change their supply contracts. Irrevocable safeguards must be balanced by irrevocable commitments to supply. . . .

As history shows, there is no correlation between the spread of nuclear weapons and that of nuclear power. . . . Nevertheless, in spite of all the facts and logic and against all argument, the opponents of nuclear power continue to persist, irrationally, in maintaining that nuclear power leads to proliferation. The outcome of that argument and of other campaigns being waged by the opponents of nuclear power in the

industrialized countries will affect the developing nations also. They cannot be indifferent to the possible results.

### Program to solve the energy shortage

On the global energy front, there are certain steps the industrial world could take to ease the energy situation. Among the more important are the following:

... Secondly, the industrial countries must forge ahead with nuclear-power programmes, which at present offer the only immediately available alternative to traditional means of producing electricity on a large scale.

Thirdly, as developing countries turn increasingly to nuclear power in the next decades, they will be in competition with the industrial world for available uranium resources. To reduce this competition it is desirable that all countries should promote prospecting for uranium and that the development of the fast breeder reactor should continue, since thereby the world's nuclear-fuel resources would be extended 100-fold.

Fourthly, as I have already said, the developing countries must be helped to introduce peaceful nuclear-power technology wherever this is economically promising.

The remarkable paradox that we now face is that, while the Governments of the main industrial countries are committed to all or most parts of this four-point programme, . . . the introduction of nuclear power has slowed down considerably, and even halted in some countries.

### Regulatory morass

We now have a situation in which . . . nuclear power plant operators in the free-market countries are being compelled to turn to other sources of energy. One principal reason for this is the almost incredible complexity of the regulatory and juridical procedures that nuclear projects must now contend with. Although the time needed to build a nuclear power plant is of the order of six years, it can now take as long as a dozen years in some industrial countries to steer a nuclear project from start to finish through the maze of juridical and regulatory hurdles. The operator of the plant cannot plan effectively over such a long and uncertain time span, and his capital costs spiral as interest charges mount up. The matter is made even more difficult by major changes and uncertainties in Government policies in some countries.

### 'Appropriate' technologies not the answer

As I said at our General Conference in September, the reasons for this confusion are probably imbedded in certain fundamental changes of attitude in some quarters of affluent countries towards science and technology in general. I remarked in Vienna that,

hiding behind such terms as "appropriate," "soft" or "intermediate" technology, there are many wishful thinkers today who would have a world where the developing countries can make do with windmills while the industrial world contents itself with zero growth and consumes the fruit of past achievements. Let me repeat that there should be no mistake: small non-conventional energy sources may provide the best way of meeting the energy needs of small, rural communities, but they cannot turn the wheels of industry of any country nor can they help it to attain eventually a self sustaining economic base, nor can the industrialized world ever maintain its standard of living without expanding its energy consumption.

The main sources of technical assistance in the nuclear-energy field are the Agency's various programmes. As the report before this Assembly shows, they have been growing steadily, although not nearly as fast as many of the developing countries, and I myself, would wish. As I have said, the Agency's budget received unanimous support in September of this year, but there were many developing countries that expressed regret that the growth in our safeguards activity was not matched by an increase in the programmes designed to promote the use of nuclear power, especially in the technical assistance programme. . . .

## Oil-producing nations join the nuclear club

An Arab journalist recently stated that the Organization of Petroleum Exporting Countries (OPEC) sees as a solution to the dollar crisis the United States adopting a global program for fusion and fission research and development. He indicated that the majority of the leaders within the oil cartel see that such a resolution to the "energy crisis" led by the United States would trigger new confidence within the international community in the U.S. economy and Washington's commitment to economic growth.

Such a sentiment reflects the growing support for nuclear energy by the oil producing nations as the most viable alternative to petroleum. Despite the much publicized myths of the "greedy sheikhs" who are making millions by subjecting the world to their "overpriced" oil, the oil producing states are in fact increasingly advocating the development of nuclear energy in order to conserve their precious oil reserves to feed future refining and petrochemical industries.

Nuclear energy is being adopted not only as a future power generating source but as the basis for desalination projects and for medical purposes. The size of nuclear programs varies between the OPEC nations, depending upon their respective stages of development, population size and long-term development plans.

But there is one invariant which characterizes all of the nuclear plans within OPEC. In no case have U.S. companies been given contracts. As a result of the Carter Administration's policies on non-proliferation and in particular Energy Secretary Schlesinger's negative position towards nuclear energy, Japan, France, West Germany and the Soviets have received every major contract.

In brief, here is what the nuclear programs of five major OPEC nations, and the outlooks of various OPEC national leaders, look like on the issues of both fission and fusion.

**Iran:** With one of the most advanced nuclear pro-

grams in the underdeveloped sector, Iran currently has four fission reactors under construction, two from the French firm Framatome, and two from West Germany's Kraftwerke Union. In total, Iran projects that an additional 12 to 16 reactors will be constructed before the turn of the century, eight of which are to be supplied from the U.S. — most likely by the Westinghouse Corporation. However, the recent crisis in Iran has upset these plans, and the purchase of eight additional reactors from France and Germany has been postponed for at least a year.

The Shah of Iran has been one of the most vocal proponents of nuclear energy internationally. Last year his government sponsored a forum attended by 41 nations, to which the Shah sent a message of greeting naming fusion energy as the new energy source for the world in the 21st century.

The Iranian Atomic Energy Organization (IAEO) has also begun research and development into nuclear energy — most importantly laser technology. Earlier this year the semi-official Iranian daily, *Kayhan*, published enthusiastic praise of fusion power and announced that the IAEO has embarked on a program of laser fusion research.

Not only is nuclear energy envisioned as a source of power for Iran, but the Shah himself foresees the day when nuclear plants will power desalination projects along the Caspian Sea as a means of irrigation. During a September visit to Iran, Japanese Prime Minister Takeo Fukuda promised assistance to Iran with its nuclear program. *Kayhan* later reported that the Japanese firm Mitsubishi was planning to send a delegation to Iran to propose the sale of reactors to Iran.

**Saudi Arabia:** Only over the last two years have the Saudis begun to investigate the applicability of nuclear energy to their economic development. In December, 1977 Saudi Arabian Oil Minister Zaki Yamani signed an agreement with the French for

nuclear research assistance and joint exploration of uranium in Saudi Arabia. Just last month, the Saudis signed a similar agreement with West Germany. Both agreements portend the future supply of research reactors to Saudi Arabia.

Unlike Iran, the Saudis do not foresee the use of nuclear fission as a means of generating power, but rather are looking to nuclear energy as a source of massive desalination projects. As well, the Saudis are planning to employ nuclear energy for medical purposes.

Saudi Prince Mohammed ben Faisal, as a representative of his government, this summer broke the silence from Riyadh on the issue of fusion power. Speaking on New York City television, Faisal warned against scare stories from environmentalists against fusion, which he termed the "energy source of the future."

**Iraq:** Iraq, like its neighbor Saudi Arabia, is just beginning its nuclear program. Framatome will provide the Iraqis with one 600 megawatt power gener-

ating reactor. France will also provide highly enriched uranium to feed the reactor. As well, Framatome will sell Iraq a smaller research reactor, in a deal which has yet to be finalized. It is estimated that the power generating station will be operational by the mid 1980s.

**Libya:** Like Iraq, Libya has kept its nuclear program quiet. A \$300 million agreement was signed two months ago between Tripoli and Moscow for a large fission plant for power generation. Libya has also aggressively promoted an educational drive to train nuclear physicists both in the U.S. and in Europe.

**The United Arab Emirates (UAE):** In tandem with the creation of a board of prominent UAE political and business figures to centralize industrial development, the UAE this summer finalized an agreement with France to establish cooperation on nuclear fission. This was the first foreign agreement aimed at establishing a nuclear program within the UAE.

## U.S. oilmen seek expanded nuclear energy role

The annual meeting of the American Petroleum Institute in Chicago opened Nov. 13 with a panel discussion which centered on the need for more energy production — particularly nuclear energy production. Although the API is frequently derided as "oilmen talking to oilmen," this year's meeting appears characterized by a desire on the part of the petroleum giants to broaden their political and industrial-economic base. In fact, one of the conference co-chairmen referred in his opening remarks to a "dialogue" that has been occurring among various U.S. forces favoring expanded energy production, and stated that "one of the highlights of the dialogue has been in the NAACP energy program."

Featured on the opening panel were Robert Georgine, head of the AFL-CIO's Building Trades department, Allen Grant of the American Farm Bureau, Thomas Ayres of Illinois' Commonwealth Edison, and scientist Jerome Weisner of the Massachusetts Institute of Technology.

The participants were united in either explicitly or implicitly criticizing the no-growth emphasis in the Carter Administration energy program designed by Energy Secretary James Schlesinger. Declared the AFB's Grant: "In effect we have no national energy policy, despite the fact that the President signed what he calls an 'energy bill.' The reason we don't have an energy bill and the reason Congress could not agree is that the original proposal was nonsense. Many

people," he continued, in an apparent reference to some oil interests, "thought it was necessary to compromise to get any bill out. The Farm Bureau is straightforward — when we're right we're right, and we don't compromise with someone who's wrong.

"We still need an energy policy," Grant continued. "Nuclear power is its substance. Fusion is a promising source down the road, but atomic power, which we have on line now, is the cleanest, safest, most inexhaustible source we have. We need more nuclear plants; we need the breeder reactor, at the core of a national energy policy."

Adopting a conciliatory tone, the AFL-CIO's Georgine declared that "I could speak for two hours or two years on our disagreements — but I came here to speak on our common areas of agreement and to enlarge to new areas where we can agree." Several times repeating that his views do not represent the entire organized labor movement, the building trades leader told the oilmen's gathering: "We share a common goal: the current and future growth of the economy of this nation, the continued growth of the energy industry, including the oil industry. Our real strength is in our unity. Members of the Building Trades Commission are also part of the petroleum industry. The thing that unites us all is the understanding that the only real alternative is nuclear power. . . . Refusal to unite would ensure our defeat by the philosophy of no-growth."



# Indira Gandhi's political comeback

## How fast? How far?...

A tiny, rural parliamentary constituency in southern India named Chikmagalur made political history for the entire South Asian subcontinent on Nov. 4. During the March 1977 general elections Indian voters humiliated the Congress Party government and turned it out of power. This time a record 76 percent of the eligible population cast its ballots to return the controversial former Prime Minister of India, Mrs. Indira Gandhi, to the national parliament. The election returns were not programmed in any scenario-producing computers in London or Washington. As Western newspapers have soberly acknowledged, Gandhi's presence as the unofficial head of the parliamentary opposition puts her one step from the office of Prime Minister.

It was the ruling Janata Party's intention to make any electoral contest against Mrs. Gandhi, big or small, a major test of its strength. So Chikmagalur became the scene of hectic showdown campaigning with the Janata Party deploying all its party powerhouses, including even the Prime Minister, Mr. Desai himself, to campaign against Gandhi. The Janata put before the population its vision for a ruralized India, with Desai charging that a vote for Mrs. Gandhi was "a vote for authoritarianism." And the Janata Party lost.

Nov. 4 was Mrs. Gandhi's day. The election victory is the most crucial step thus far in her bid for a political comeback. As Gandhi herself stated this week on a private visit to London, "A political comeback? I never went anywhere." This was precisely the Janata Party's problem. Ever since her disgraced exit from office in March 1977, the opposition has attempted through false arrests, corruption commissions, criminal charges, and even threats to change the constitution, to seal Gandhi off from the public eye.

It is to the credit of a small group of political advisers and Mrs. Gandhi's own courageous fighting that the Chikmagalur election was a success. Her advisers, in particular the Karnataka State Chief Minister Devraj Urs (who also functioned as her campaign manager since Chikmagalur falls inside his state), refused Janata provocations to campaign on false issues. In mid-July, when disenchantment with the Janata Party's misrule was at a high point, Urs and Gandhi chose the electoral venue, the timing

(produced by the resignation of the seat Gandhi won by a Congress-I member of Parliament), and all the campaign issues. In all cases the Janata was outmaneuvered. Gandhi started off with a strong pro-science, pro-industry campaign style and the largely rural population, much to the World Bank's chagrin, chose industrial development, despite the Janata's ruralist slogans.

### International ramifications

All eyes are now on Pakistan, India's neighbor. As the *Executive Intelligence Review* has documented, Henry Kissinger's threats and blackmail against former Pakistani Prime Minister Zulfikar Ali Bhutto were aimed primarily at wrecking a historic detente and development perspective for the Indian subcontinent which Bhutto and Gandhi were in the process of consolidating. Bhutto today sits in a death cell, condemned to hang by the ruling bogus court and the dictate of a military junta. Pakistan's military strongman, Gen. Ziaul Hague, has gone to great lengths to appease India on the theme of "genuine nonalignment" and to enforce on his nation a policy of persecution, floggings, and political repression.

Repeatedly before the Chikmagalur campaign, Gandhi spoke out for Bhutto's life. She charged that there had been a foreign conspiracy against her government, and that the period of 1975-1977 saw the unfolding of a plot that removed the legitimate governments of Bangladesh, India, Pakistan and Sri Lanka. Gandhi, during the electoral campaign, outlined the method behind her foreign policy: "It is not merely having an Indian government but an Indian government which regards national interests, first, second and last, and which takes every decision in the light of long-term interest." The Desai government's newfound "detente" with a Pakistani junta which has exhibited overtly fascistic tendencies, its silence on the Bhutto case, and its effort to go all the way toward a meaningless India-China relationship will all come under heavy scrutiny with Gandhi in the parliament.

### Gandhi's campaign

Gandhi's campaign strategy was to take the offensive against the Janata government's policies. The ground for her programmatic fight was laid when Gandhi, at

the invitation of Urs, placed the foundation stone for the Mangalore steel plant. The plant is a few miles from Chikmagalur. Gandhi's action was directly scornful of the Janata government and the World Bank promoted back-to-the-villages movement.

When the Congress-I (I for Indira) announced her candidacy in mid-July, it was scoffed at, but within weeks the small constituency became a mini-India. Gandhi addressed seven or eight rallies a day, and visited the villages to discuss the impact of national policy and the need for industry and science with her audiences. She did not speak the language of the state, but refused to let this become a barrier. Gandhi spoke as a national leader in English or Hindi, and Urs translated her speeches to those gathered to listen. Gandhi chose a south Indian constituency (she is from the north) and stated repeatedly that she did not think, given the Janata government's policies against her, that she could have received a fair election in the north. She was well received on this basis. One rueful political analyst summed up the ambience of the Gandhi campaign: "A large section of the rural population thinks that in Chikmagalur they are voting for the next Prime Minister."

### The Janata strategy

On the scene observers described the Janata mud-slinging against Gandhi as "fascistic." This was not a characterization of Prime Minister Desai or for that matter Defense Minister Jagjivan Ram's wing of the party. But these leaders fell into line behind the left-right extremists within the Janata Party, as they have on many points of policy over the past months.

Industries Minister George Fernandes, an ally of Willy Brandt's Second International, and the Communist Party of India-Marxist ran the Chikmagalur campaign against Gandhi. Posters with skulls dripping blood and Gandhi's photograph in the background were plastered up all over the constituency; riots were stage-managed by provocateurs. To the last day, an attempt to provoke a law-and-order crisis in the Congress Party-run state was on the agenda. Fernandes' campaign issues were clear: cottage industries are India's future, Gandhi is a "fascist" and the Janata government means "democracy." The CPM took a more sophisticated approach. They charged that Gandhi was the worst of the evils that plague India. The landlords of the state, so often attacked by the CPM, this time rather liked the CPM's defense of their interests against Congress Party land reform programs.

The right-wing side of the Janata, usually led by the so-called cultural militias of the Rastriya Sevak Sangh (RSS) — the "saviours of the motherland" — abandoned Fernandes. The RSS, the military arm of the Jan Sangh wing of the Janata Party has been deeply implicated in provoking caste and religious (Hindu-Muslim) strife in the north. Gandhi has made them one of her consistent targets, charging that RSS

communalist actions serve the interests of those foreign powers who wish the decentralization and breakup of the Indian nation.

### The election outcome

Many of the diversities of India as a whole are present in Chikmagalur. Historically, it is a coffee-growing area, taken over by the British East India Company. When Britain gave independence after World War II, the coffee plantations were turned over to the 'brown sahibs' (brown masters) to run. Since the 1950s Congress Party governments have tried to break the back of this social structure through land reforms, rural debt moratoria, and special programs for the minorities, particularly the lower castes, which have functioned as virtual indentured and landless labor.

### Reason wins in Chikmagalur

*Under the headline, "Chikmagalur: Reason Wins...Turning Point in Subcontinent" former Indian Minister of Chemicals, K.R. Ganesh rated the Gandhi victory's international significance. Ganesh, one of the key political leaders nationally who campaigned for Gandhi, gave his analysis of the current issue to the Indian newsweekly New Wave.*

Indira Gandhi's commanding 77,000 margin victory is the first decisive breach in the strategic conspiracy of the Anglo-American-Chinese axis and their monetarist agencies to convert South Asia, extending from Iran to Vietnam into an Eastern extension of NATO, as an anti-Soviet area, by bringing about the destabilization of one after another nationalist and progressive regimes. Sheikh Majibur Rahman (of Bangladesh), Bhutto (of Pakistan), Gandhi (of India), Sirimavo Bandaranaike (of Sri Lanka) and even the Shah of Iran with all the complex interplay of social, political and religious forces in Iran, are glaring pointers to this strategy.

Their aim was to install dictatorial and obscurantist regimes, or seduce and encircle inept and weak governments. The internal situation in each of these countries and the omissions of the regimes no doubt facilitated the imperialist objectives. But to deny the existence of a conspiracy and keep one's eye shut to it is to neglect the strategic tasks in this crucial region of the world.

The events in Afghanistan took the international conspirators by surprise. The unfolding scenario in India has thrown a spanner in their works.

Former Prime Minister Gandhi and her chief campaign manager, state Chief Minister Devraj Urs, more than any other leaders are associated with this effort. Gandhi's campaign slogan, "Black Money Turns Yellow" also hit at the heart of the brown sahib dirty money operations and the conversions into gold of drug-related and other illegal funds.

The returns spoke for themselves. Out of a total 450,068 Gandhi won by a margin of at least 77,000. In the constituency 25,000 Muslims were eligible, 167,000 oppressed castes. The Lingayats (the landowning and small business caste) were the backbone of the Janata campaign.

### Withering Janata

National political realignment is the next step. The Janata Party has two choices. Either it fights an unpopular anti-Gandhi battle merely on the issue of her alleged misrule during the State of Emergency (1975-1977). Or sane Janata elements will realign the party along issues the population feels are more important than the persecution of Gandhi. Desai, and a handful of other forces know that whatever the government delivers on is what will determine its future, rather than the bogus equation of whether Gandhi government misrule is better or worse than Janata government power vacuums. Both have played their roles in giving the World Bank and the Ford Foundation a foothold in India.

The Congress Party, led by former Defense Minister Swaran Singh, abstained from running a candidate against Gandhi in Chikmagalur. This was read as an indication in many circles that Singh is determined to make Congress Party unity and joint action with Indira Gandhi's Congress forces the basis for a united programmatic platform. Many "left radicals" have tried to undermine Singh's determination without success. While it is known that the CPM will continue its infantile radicalism tactics, its main focus is not Gandhi but the pro-Soviet Communist Party of India (CPI). The CPI opted for neutrality in the election, reflecting divisions in the party between those favoring an open door to collaboration with the Congress(es) and those calling for an ultraleftist "plague on both your houses" attitude toward the Janata and Congress parties. Which way the CPI and CPM go will be important in the realignment.

### Has Gandhi changed?

Efforts to decipher what is on Mrs. Gandhi's mind have been at the center of virtually all political developments in India for the last year. It is exactly a year since the then-Home Minister Charan Singh ordered Gandhi's arrest. Nobody has ever figured out why he made this move since Gandhi was out, under court order, in a matter of hours and on the road to an energetic, political battle. She charged that politics, more than criminal or corruption offenses, was at heart of the false arrest. Since then, every move by the Janata Party against Gandhi has carried the undercurrents of these charges. In January of this year the Congress Party split over whether Gandhi was its leader above all others. But since January, candidates running under the Congress-I banner have one after another smashed their Janata opponents.

Gandhi and her coterie have themselves undergone significant changes. There are no doubts now that in evaluating her humiliating March 1977 electoral defeat, Gandhi has figured out that an inside job was pulled against her. The infamous "Sanjay mafia" — the group of sychophants who attached themselves to her son and promoted full-scale sterilization programs — are today nowhere to be found. Even Sanjay is out of politics. Instead, prominent political figures such as Urs have promoted Congress unity from Gandhi's side and, during the last week of her campaign, the respected former Petroleum State Minister K.R. Ganesh campaigned for giving more weight to her programmatic efforts. Ganesh is identified in knowledgeable circles as the author of Gandhi government efforts during 1975 against black money and smuggling.

One crucial campaign tactic swung the voters behind Gandhi. She used the image of a united India and recalled the programmatic campaigns of her father, the late humanist Prime Minister Jawaharlal Nehru. The Janata was boxed into an anti-Nehru tirade, and to that extent lost the confidence of India. Even the lowliest Indian peasant, knowing little else, is aware that it was Jawaharlal Nehru who led India's freedom movement and pulled his nation into the modern world united, not as a collection of petty squabbling kingdoms. The Janata Party was given one year to follow those footsteps. Its year has gone by quickly.

# Gandhi: India needs national unity to develop

*The following are excerpts from an interview with Indira Gandhi published in the respected Indian news-weekly New Wave shortly before the former Prime Minister's victory in the Chikmagalur State parliamentary elections.*

*Q: Madam, how do you assess the relevance of Jawaharlal Nehru's developmental strategy, his domestic and foreign policy framework, which the Janata conglomerate is trying to denigrate and destroy?*

*A: Jawaharlal Nehru's policies will remain relevant so long as there is poverty, inequality and injustice in Indian society. After all, we followed these policies not merely because they were Jawaharlal Nehru's but because we considered them relevant; in fact, only these policies are possible in the Indian situation. And, I think that the success we achieved within the country as well as outside was proof of this relevance. What is freedom worth if a majority of the people are not free to enjoy it?*

*Q: What, in your opinion, are the reasons which have prompted the Janata party to deviate from Nehru's policies, including nuclear policy, aimed at industrial development and modernisation of Indian society?*

*A: The reasons are that they disliked the policies from the very beginning. These people, the previous Union Home Minister (Charan Singh), for instance, disapproved those policies even when he was in the Congress Party. He was quite open about it. So many other people like the present Prime Minister and others, who were in the Congress organization in 1959, also did not like them. They argued against these policies. But they did not dare vote against them in the AICC because they knew the majority was overwhelmingly for those*

*policies. They were waiting for an opportunity to hit back. They did hit back at Jawaharlal Nehru at the time of the Chinese aggression by forcing Krishna Menon's removal which was a very big blow to Nehru. It weakened his authority considerably as also the authority of the Indian government.*

*As is obvious from the statements of some of these people, they are not at all interested either in industrial development or in modernisation. They are positively against modernisation. Then there are others who may want modernisation or rather a superficial kind of modernisation but who may not bother about true economic independence as is obvious from today's industrial policy. . . .*

*Q: Are the Janata policies beneficial to big Indian industries?*

*A: It is not benefitting all of them. It is benefitting only a few. Look at the unfairness of the gold policy. I do not have inside information but I am told that there are about seven families or firms which have definitely benefitted. Perhaps this is the only way they could think of turning black money, which has accumulated recently, into yellow.*

*Q: Does it not harm national industries?*

*A: Certainly it does.*

*Not only that but also buying goods abroad which can easily be produced in India, or which we can do without. After all, we are at a stage of development when we cannot afford luxury in place of people's necessities. So the Janata government's industrial, export, and import policies are not in the national interest. The effect of it will be felt later. It will hit us with a bang. When we left the government we left the economy in a very sound and stable shape and this is what will keep them going for some time. . . .*

*Q: Are they acting under foreign pressure or is it because of their own outlook?*

*A: It is a mixture of both. It is their outlook. I do not think they need much pressure. Basically, they are inclined towards that. But there is also pressure, no doubt.*

## A Fresh Consensus?

*Q: Behind Panditji's policies and development strategy there was a broad national consensus which was reestablished by you after the split in the Congress in 1969. There is no such consensus at present. Do you think there is need for a fresh consensus among all the progressive and democratic forces which are presently working at cross purposes? If so, how do you propose to achieve it?*

*A: I certainly think there is need for a fresh consensus. I do not know how to achieve it today when everybody seems to have trained his gun on me. But as I have said repeatedly that if somebody could wage this fight by my remaining outside, I would have gladly done so. I did remain outside, and I found nobody was doing it. In fact the time we lost thus is proving a serious handicap now. Had we started the fight right from the beginning the situation would have been different. My advice to my party was that we should go to the people immediately even if we were stoned on the day we were defeated.*

*Consensus can be achieved only by people who realise the objective situation and try to persuade others. The situation is far more serious than is realised. It is not a question of personalities or even of parties. It is the question whether this country is going to be independent as the founding fathers had envisaged it. It is not merely having an Indian government but an Indian government which regards national interest first, second and last, and which takes*

decisions in the light of long-term interest. It is not only Indian interest but the interest of world peace and of other developing countries.

**India-China Relations,  
Camp David**

*Q: How do you view the Janata's foreign policy, particularly its China policy, and the so-called policy of "genuine nonalignment" or the policy of equidistance towards the Soviet Union and the USA? What is your reaction to the Camp David agreement?*

*A: ... Our friendship with the Soviet Union was in no way against the USA, or China for that matter. And we did try to befriend the USA in spite of disagreement on many points: for instance, on Vietnam and their policies towards other nations of Africa, Asia and Latin America. But they always had a tilt against us. Why has that tilt been*

removed or tilted the other way I do not know. There is a definite change in the government's attitude.

There is no such thing as genuine nonalignment. Whatever non-alignment was, it was established by Nehru, Nasser and Tito. We do not need Mr. Desai or Mr. Vajpayee to tell us what the real thing is.

... I only hope that Mr. Vajpayee is not going to jettison national interest during his trip to Peking. And also, it is not clear which way China is heading ... And the West, which is so concerned about democracy in India, is not concerned about democracy in China or Pakistan and in so many other countries where it has not only not sided with democracy but often helped overthrow democracy and put up dictators.

China has got nuclear bombs but

it has not industrial strength. It now hopes to build it with the help of America. I do not know how far America would like China to become strong. The West welcomes China as a market at this moment or as a place for their goods. Their great disappointment was that India, which was a considerably big market, was more and more able to meet its own needs. So now they find there is a very big field by China. But the Chinese are not fools. I just cannot say in what direction all this will lead.

However much the Chinese may dislike or talk against the Soviet Union, I doubt very much whether they would like to get involved in a conflict with the Soviet Union.

So far as Camp David accord is concerned, anything which is rejected by the Arabs cannot possibly succeed.

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# Midterm elections prelude disaster

## *Kissinger-Kennedy machine strengthens grip on GOP, Dems*

“Read ‘em and weep,” the comment of one observer on the 1978 elections, accurately summed up the results of the fraudulent national balloting Nov. 2. The 1978 elections represent a substantial political setback to the nation, and, looking ahead to 1980, a potential disaster in the upcoming presidential race.

In five “megastates” — California, New York, Pennsylvania, Michigan, and Illinois — representing three fifths of the electoral college vote necessary to elect a President — operations by the Anglophile nexus around Henry Kissinger and the Zionist lobby took giant steps forward to consolidate supraparty rule in this country. This result greatly strengthens the position of City of London-mandated forces in the Democratic Party to seize the Presidency directly in 1980, and to dispense with the need for unreliable surrogates such as Jimmy Carter. It is this prospect that underlies the Ted Kennedy boom.

The election is now being used to claim a mandate for austerity and genocide. *New York Times* columnist James Reston dubbed last Tuesday’s contest “the austerity election.”

### **The national picture**

In five key states, two-party contests are a joke. In both California and New York the Republican candidates for governor ran their races as if lead weights were tied to their feet. The U.S. Labor Party supplied both Evelle Younger in California and Perry Duryea in New York the ammunition needed to defeat their British-backed opponents. But Duryea in New York sat on the intelligence of the Bronfman drug and gambling money used to pay for Governor Hugh Carey’s phony television campaign. In California, Younger abandoned his earlier emphasis on nuclear development for industrial growth, which would have blasted “small-is-beautiful” advocate Jerry Brown out of the race. Younger’s campaign was sunk when he committed himself totally to pursuing the chimera of tax-revolt.

### **Pennsylvania and Illinois**

In Pennsylvania and Illinois where nominal Republicans won, the question is, “you call these guys

Republicans?” In Illinois, Chuck Percy, the leading drug decriminalization advocate in the U.S. Senate, was reelected by an alleged last minute massive voter shift, although two-thirds of the Republican county chairmen opposed his renomination and reelection.

In Pennsylvania, Richard Thornburgh has been elected governor. Thornburgh comes straight out of the Kennedy-linked networks in the Justice Department, as did his nominal opponent Pete Flaherty. Further proof of Thornburgh’s sentiments is that he held back from supporting the GOP Congressional candidate in Delaware County, to permit Kennedy-connected dope advocate Robert Edgar to win reelection. With Republicans like these, it is no wonder that Henry Kissinger can be touted as a GOP candidate for high office.

### **Michigan and Ohio**

The differing results in Michigan and Ohio exemplify the crimes and blunders committed by the Republican National Committee under Kissinger’s direction. In Michigan, where the U.S. Labor Party has been a strong political force on behalf of growth, the GOP, dominated by arch-traitor Max Fisher, sabotaged the Labor Party as an electoral force. The Republicans proposed the notorious third-party qualifying primary law in 1976; they permitted massive fraud against the U.S. Labor Party’s primary vote this year, thereby excluding the USLP slate from the ballot; and they corrupted the federal judge to reject the Labor Party’s challenge to the fraud. The result of the Fisher operation on Tuesday was that Republican Bob Griffin was defeated for Senate, and long-time Congressman Gary Brown and Elford Cederberg also went down to defeat. Only William “Cornflake” Milliken (so-named for his advocacy of cereal as an energy source) won reelection for Governor.

By contrast, in Ohio, the Labor Party and the Republicans have enjoyed a reasonable degree of cooperation since the fight against vote-fraud in 1976.

This year Governor James Rhodes won reelection against his Kennedy-linked opponent, Lt. Governor Richard Celeste. Rhodes limited Celeste’s plurality in Cuyahoga County (Cleveland) to a mere 44,000 votes.

# in 1980

In Cleveland, the Labor Party concentrated its anti-Kennedy, progrowth fire. The Party's candidate for governor received nearly 10,000 votes there, and ran ahead of his nominal third-party opponents by two-to-one. The Labor Party also pulled strong support in the blue-collar districts north of Cincinnati. The notorious Ohio vote-fraud machine had to be content with the ouster of Ted Brown, long-time incumbent Secretary of State, who led the fight against fraud in 1976. He was officially defeated by a margin of .038 percent.

## The lessons of 1978

The lesson for any honest politician who seeks to defend his constituency interests is: work with the Labor Party and use its political clout to destroy the common enemy. Unless this lesson is learned the outlook for 1980 is bad. The counterpole strategy proposed by Labor Party Chairman Lyndon H. LaRouche, which would permit LaRouche, or a candidate oriented to the Labor Party's platform for U.S. economic recovery, to win in 1980, is the only way to prevent a Kennedy landslide into the White House in the next presidential election.

—Dr. Stephen Pepper

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## MARYLAND

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### Freeman claims victory over Mitchell in Baltimore

For the first time in eight years, the residents of Baltimore's 7th congressional district may find themselves with a new delegate to the House of Representatives. Dr. Debra Hanania-Freeman, an independent candidate backed by the U.S. Labor Party is contesting Rep. Parren Mitchell's claim to have been reelected Nov. 7 with 86 percent of the vote.

The confrontation over who will be seated in Congress is a clash between two widely divergent political platforms and programs. Mitchell, well-

entrenched in the poverty apparatus, has long been a proponent of low-wage public works jobs and the decriminalization of marijuana. Hanania-Freeman, on the other hand, campaigned on the U.S. Labor Party's growth-oriented economic development program and against any moves to relax penalties for drug abuse.

While supporters of the Hanania-Freeman campaign are continuing to amass evidence of extensive machine fixing, intimidation and other irregularities, the candidate herself is proceeding with plans to be officially certified by Congress as the district's legal representative in January. "Not only did I win the Nov. 7 election, but I alone have the credentials to represent my district in Congress," she said during a support rally in Baltimore Nov. 14.

Called the Congresswoman-elect by many of her supporters, Dr. Hanania-Freeman also said, "I will not wait until January's swearing in of the new Congress to take possession of my office and fulfill my responsibilities to my constituents and the voters of this nation." She is establishing a district office, which her supporters say will have an open door to all area residents.

Hanania-Freeman's campaign to take office will indeed present problems for Congressman Mitchell. In the months before the election, as Hanania-Freeman picked up endorsements of civic, religious, political, and social groups, the Congressman took to street campaigning in a way he hadn't since his initial election in 1970. Mitchell also attempted to scuttle voter rejection of his marijuana advocacy by trying to hide copies of such legislation bearing his endorsement.

Formally, Dr. Freeman will file a "notice of contest" with the Clerk of the House of Representatives. Within 30 days, Mitchell must attempt a rebuttal of the included evidence of Freeman's victory and her right to the congressional seat. Then, she may subpoena witnesses, take depositions and so on. The final verdict will be rendered by the House Administration Committee after hearings, which cannot occur before Jan. 15, 1979, regardless of previous judicial decisions.

In the period between Jan. 15 — when the new Congress is seated — and the House Administration Committee ruling, both Dr. Freeman and Mitchell will have equal access to the House floor, equal voting rights and equal right to introduce legislation as Congressional delegates.

### Legislative priorities

Hanania-Freeman recently issued a 3,000-word statement on her legislative priorities. They included:

- Integration of the U.S. into the new European Monetary System, gearing the U.S. toward a national economic recovery;
- Revision of the U.S. tax code to foster high rates of economic growth in the private sector. The first of these must be a combination of accelerated depreciation and amortization plus tax credits for capital improvements in major industries. U.S. exports must be promoted by the ending of the legislative red tape presently strangling them;
- Reorganization of the debt of Third World nations to allow them to develop within the new European Monetary System.
- A new national energy policy for the U.S. with concerted upgrading of all areas of research and development.
- Elimination of the drug problem in the U.S., which would include federal penalties against the trafficking and abuse of all illegal drugs.
- U.S. elections must be safeguarded from fraud through regulations defining election and voter registration practices.

### Fraud tactics

“Mitchell has never won an election honestly,” a resident of his district reported to Hanania-Freeman’s campaign staff recently. That may well be the case. The congressman’s initial election to Congress was won by a margin of less than 50 votes in a race that was said to be riddled with irregularities. Mitchell at one point threatened riots if he was not awarded the seat. Later the district was redrawn to keep the Congressman in the House of Representatives.

Investigators for Hanania-Freeman have already uncovered some heavy-handed indications of fraud which appear to have been perpetrated by Mitchell sympathizers. Preliminary returns for Dr. Freeman fall into two categories, with virtually little showing in between. In the first category she is awarded between 30 and 60 percent of the vote, in the second 2 to 3 percent of the vote, characterized as impossible by a statistician. Researchers have also revealed evidence of probable tampering with vote machine counters, causing totals to return to 0 after every tenth vote was cast.

Hanania-Freeman said her staff would continue compiling proof that she was defrauded which would be submitted to the Department of Justice.

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## WASHINGTON

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### Fabians sweep congressional races

The Washington State election results have left the progrowth administration of Governor Dixy Lee Ray in an increasingly isolated position from the state’s congressional delegation. Republican congressional candidates who had the chance to win two seats in the state delegation threw the election to Kennedy-Jackson-linked Democrats who are notoriously anti-growth.

The seventh district race was the most obvious case. Incumbent Republican Jack Cunningham was elected in 1977 in a special election because he campaigned on a strong pronuclear platform. In that election the U.S. Labor Party candidate effectively targeted Kennedy Democrat Marvin Durning as a “radical environmentalist,” shaping the Cunningham victory in a traditionally Democratic stronghold.

This year Cunningham, favored to win in pre-election polls, ran his campaign under Richard Viguerie’s austerity banner and lost heavily to Democrat Mike Lowry. Cunningham volunteered himself as sponsor of “Nader of the right” Howard Jarvis’s tax cut bill. Lowry accurately depicted his vote as a “60 percent vote against Cunningham.” Cunningham’s campaign was handled entirely by GOP operatives associated with Richard Viguerie.

Will Wertz, U.S. Labor Party candidate in the seventh district race was eliminated through vote fraud in the primary election. In media spots prior to the primary, Wertz dubbed Lowry “a perfumed version of Marvin Durning,” blasting Lowry’s strong antinuclear, promarijuana stance. Despite Wertz’s urging, Cunningham never once called Lowry on these issues, and lost trying to out-Lowry Lowry.

Similarly, conservative John Nance Garner lost to Kennedy Democrat Al Swift in a contest for the second district seat given up by Fabian Democrat Lloyd Meeds. Garner, too, limited his campaign to the tax cut issue.

Though eliminated in the congressional races, four strong U.S. Labor Party state legislative races focused against the planned statewide decriminalization of marijuana — which Governor Ray has promised to veto if passed — helped shape the victory of progrowth forces in the state legislature. The previous 65-33 lead enjoyed by Fabian Democrats is now a healthier 49-49 split. This balance, and the growing Labor Party influence which resulted from this campaign, will help mitigate Ray’s isolation as the state’s congressional delegation falls under total Jackson-Kennedy domination.

—Marianna Wertz



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## CALIFORNIA

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### GOP hands governorship to Mr. Austerity

Seasoned West Coast political observers believe that Republican Attorney General Evelle Younger would be governor-elect in California today had he not fallen victim to "Proposition 13" psychosis. Despite a flood of national news stories heralding the reelection of Gov. Edmund G. "Jerry" Brown, Jr. by a 60 percent majority as a sweeping triumph which will boost his chances for the Presidency in 1980, the evidence shows that Brown didn't win the election; Younger lost it.

Younger, who styled himself a "moderate," emerged the victor in a tough Republican primary last spring after campaigning strongly and accurately against Brown's "Zen government," zero-growth strategy for California. Particularly notable was Younger's indictment of Brown's continual efforts to sabotage nuclear power plant construction in the state. Pointing out that California voters had overwhelmingly rejected a ban on nuclear construction in a statewide referendum, Younger challenged the constitutionality of decisions by Brown's handpicked nuclear regulatory board and supported bipartisan efforts in the state legislature to reverse Brown's antinuclear policies.

Initially, Younger's campaign was so brilliantly successful that *New York Times* editor Tom Wicker, a devout environmentalist, wrote a series of columns forecasting that the nuclear issue might well send Brown down to defeat, and launch a national trend against environmentalism.

With the passage of Proposition 13 Brown, who had originally opposed the measure, became an enthusiastic "born-again" tax-cutter, presiding over state legislative sessions to determine which government services would be scrapped and which temporarily rescued with allocations from a state budget surplus. Younger went on vacation in Hawaii. And when he returned, he largely dropped the nuclear issue and rapidly fell into a pattern of "me-tooing" Brown's fiscal austerity war cries, while Proposition 13 "guru" Howard Jarvis endorsed Brown's performance in widely circulated television commercials. Younger turned in such a lackluster performance that in the end his campaign was reduced to near-nightly subject of ridicule for late night television comedian Johnny Carson. Brown coasted to an easy win.

Meanwhile, Zionist lobby forces had engineered a deal with Republicans, backing MGM records "rock-and-roll" executive Mike Curb for the lieutenant governorship against the incumbent Mervin Dymally, a traditional organization Democrat. In a campaign that even the state Republican chairman acknow-

ledged was so dirty that he doubted that Curb would ever again be nominated for statewide office, Curb "predicted" the indictment of Dymally on corruption charges at the conclusion of the campaign. Brown conspicuously refused to support his own Lieutenant Governor, and Curb won. Yvonne Braithwaite Burke, a member of the Congressional Black Caucus and the Democratic candidate for Attorney General, was also defeated by Republican state senator George Deukmejian, as Brown sat on his hands. Thus the forces in his own party which had bucked Brown on the nuclear issue were smashed, and the psychedelic hipsters who promoted Brown and Curb even won passage of a proposition banning enforcement of criminal laws against marijuana sales in the city of San Francisco. In the end, Jerry Brown appeared on national television on election night to proclaim his victory as a mandate for "austerity in government...the first new idea my party has had in over forty years."

— Donald Baier

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## ILLINOIS

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### Percy victory a setback for nation

To experienced election-watchers, the election of Senator Charles Percy of Illinois smells like an international dirty operation. Alex Seith, Percy's Democratic opponent, was the leading spokesman in the last election on behalf of international trade and, in particular, East-West trade. Percy has been the advocate of no-growth policies such as the Nuclear Non-Proliferation Act and the decriminalization of marijuana.

Percy was opposed for renomination by two-thirds of the county chairmen of his own party, and as recently as this summer a quiet meeting was held in Chicago by representatives of Midwest industrial giants to "deal with the Percy problem." On the eve of the election, the outlook for Percy was so bleak that the candidate literally fainted from exhaustion and anxiety. (At that time, eight days before the election, he was 17 percentage points back in the polls.)

Then, miraculously, on election day, Percy carried conservative districts by wide margins, Seith carried Democratic Chicago by slim margins, and the result was a Percy victory by 10 percentage points.

The only explanation for this outcome lies outside the boundaries of Illinois. Percy benefited from "bipartisan" support provided by a crucial network around General Julius Klein, a founder of the wartime OSS and protégé of British agent Sir William Stephenson, and by the official Republican leader-

ship of former Governor Richard Ogilvie, who was instrumental in blocking investigation of vote fraud in Illinois in 1976, and who arm-twisted Republican county leaders to work for Percy. But more important for the outcome was the role that Klein and his associate Philip Klutznick, president of the World Jewish Congress, played in undercutting Seith in Chicago. This British-style coalition backed Percy because he is the leading exponent in both houses of Congress of the program of a Massachusetts-based group, the New Alchemy Institute, in favor of deindustrialized "appropriate" technologies. Are they working on a program to turn butter into guns?

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## NEW YORK

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### Kissinger, the kiss of death for N.Y.'s GOP

Ripe for defeat after an administration characterized by austerity, sabotage of nuclear power, and passage of an unpopular drug decriminalization law, New York's Democratic Governor Hugh Carey instead swept to reelection on the strength of a feeble and issueless campaign run by his opponent, Assemblyman Perry Duryea, with the support and blessing of Henry Kissinger.

Key to the Duryea defeat was the GOPer's refusal to raise the major scandal of the campaign, uncovered by Labor Party candidate Paul Gallagher: Carey's acceptance of a \$300,000 "loan" from drug and whiskey magnate Edgar Bronfman, clearly in return for Carey's support for drug decriminalization, Carey's abrupt switch to favor casino gambling in New York City, and Carey's support for a measure that would permit unregulated, Cayman Islands-style foreign banking operations in New York City.

The impotent Duryea campaign also punted on the drug issue, allowing Carey to hush up the election's other major "hot potato," a state report showing that drug use by teenage and preteen youth had skyrocketed since passage of Carey's drug decriminalization law. In fact, both Duryea and his running mate, Bruce Caputo, had supported the measure, and both showed signs of severe embarrassment when former President Ford, campaigning on behalf of the GOP ticket, came out strongly against drug use and decriminalization at a press conference.

Whatever the deals that were made between the Kissinger Republicans and the Bronfman-backed Democrats to get Carey reelected, the outcome has set the stage for bringing Kissinger into "elected" public office — with a campaign to win the seat which

Republican Senator Jacob Javits may vacate in 1980. "Senator Kissinger" is already being touted in national business publications, and major media coverage of the Duryea campaign highlighted Kissinger's presence at select Duryea fund-raising parties.

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## PENNSYLVANIA

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### Thornburgh strikes rotten bargain

The election of former U.S. Assistant Attorney General Richard Thornburgh as the Republican governor of Pennsylvania was the result of a rotten bargain struck between Thornburgh and the Kennedy apparatus entrenched in eastern Pennsylvania. Terms of the deal — reflected when a coalition of black poverty groups issued a leaflet backing Thornburgh in the final days of the campaign — included the defeat of traditionalist Philadelphia Mayor Frank Rizzo's Charter Reform proposal to allow him to seek reelection, and the reelection of Democratic Congressman Robert Edgar, a proponent of drug decriminalization, in the heavy Republican seventh district. A further key aspect of the deal was to defraud U.S. Labor Party candidates of all but a handful of votes.

As a result, Thornburgh swept to victory on the basis of the margin provided him by the black counter-insurgency machine in Philadelphia. Democratic candidate Peter Flaherty was targeted by machine leaders, including Jesse Jackson, as a "racist," and his plurality in the heavily Democratic city was cut to a margin small enough to hand victory to Thornburgh.

Thornburgh's forces, on their part, helped deliver the coup de grace to Rizzo's Charter Reform effort. Informed sources report that key figures inside the Rizzo camp either wittingly or unwittingly conspired to defeat the change, functioning as a "fifth column" to set Rizzo up for a race war and chaos scenario which is now going into operation.

Another casualty of the deal was Republican Edgar Kane, who ran against incumbent Robert Edgar, a pot decriminalization advocate, in the seventh congressional district. Kane was jettisoned by the county Republican machine, which otherwise swept the vote for the state legislature in that district, and Edgar squeaked through by a 1,200 vote margin. The Labor Party candidate in that race, Tony Esposito, was badly defrauded, credited with only 500 votes out of anticipated 5,000 minimum. Esposito ran heavily on the drug issue and against incumbent Edgar's support for decriminalization.