

# EXECUTIVE INTELLIGENCE REVIEW

February 6-12, 1979

Short march  
to World War III



New Solidarity International Press Service

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# EXECUTIVE INTELLIGENCE REVIEW

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William Engdahl

## Production Editor

Deborah Asch

## Executive Intelligence Review

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## Short march to World War III

Afflicted with what one observer termed "galloping insanity," the Carter Administration this week concluded the visit of Chinese Vice-Premier Teng Hsiao-ping by unexpectedly signing a joint communiqué denouncing "hegemonism" — the Chinese code phrase for the Soviet Union. Combined with Anglo-American provocations against the Soviets in Iran and the Middle East, and clearly enunciated U.S. policy of subordinating the European Monetary System to the British-dominated International Monetary Fund, the outcome of the Teng trip has placed the Administration firmly behind the "arc of crisis" policy of encirclement of the Soviets enunciated by Zbigniew Brzezinski — and the world on a short fuse toward nuclear confrontation. This week's SPECIAL REPORT documents the provocative character of the policy course onto which Teng has whipped Carter, including specimens of the Chinese leader's repeated attacks on the USSR, a report on China's strategic war perspective, and preliminary Soviet response to the Sino-U.S. communiqué. Plus: reports on U.S. policy in the Middle East and Europe.

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### **The British faction in the Soviet leadership**

Who's responsible for the provocative policy course emanating from the U.S. State Department, and why does it strike a responsive — albeit deadly — chord in some sections of the Soviet leadership? Our COUNTERINTELLIGENCE report this week looks for the answer in the common British pedigrees of such Foggy Bottom "heavies" as Warren Christopher and Soviet circles such as Georgii Arbatov who fall in the tradition of Royal Dutch Shell-linked N. Bukharin — a feature report by Lyndon H. LaRouche, Jr. Plus: Who's who in the State Department, Aspen Institute, and United Nations Association networks which interface Britain and the British faction in the Soviet leadership. page 35

### **BRD out to reform U.S. credit system**

What's behind the surprising decision of Chase Manhattan and several Midwestern U.S. banks to lower their prime rate last week? — amid cries of "premature" and "untenable" from London-linked press and financial circles. Our ECONOMICS report provides the answer in an analysis of moves by West Germany, Switzerland, and Japan to "reform" U.S. credit markets, and pull the plug out from under the speculative bypassing, and eventually drying out, the speculative Eurodollar market. Plus, an analysis of President Carter's 1980 budget. page 19

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**World must act now  
to save Bhutto**

According to several unofficial sources of information, the Pakistani junta headed by General Ziaul Haq has secured a Supreme Court rejection of Prime Minister Zulfikar Ali Bhutto's appeal of his death sentence, and is making preparations for the execution of the popular leader, who aroused the anger of Henry A. Kissinger by his insistence on developing Pakistan's peaceful nuclear energy capabilities. Our THIRD WORLD section this week brings you a full report on Bhutto's situation, plus a statement by Lyndon H. LaRouche, on why Bhutto's death would mean the death of Pakistan. Also in our report: an exposé of plans for a coup in Colombia that lie behind Time magazine's sudden "concern" over the Colombian drug connection, and a report on U.S. support for the present Colombian government's antidrug efforts. **page 42**

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**COMING NEXT WEEK**

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Our report on Mexico and President Carter's upcoming state visit, planned for this issue but unavoidably delayed by circumstances beyond our control, will appear in next week's issue. Along with it: a report on developing African labor power to meet the challenge of industrialization, and the first of some exciting new business and economics reports which will appear regularly in Executive Intelligence Review.

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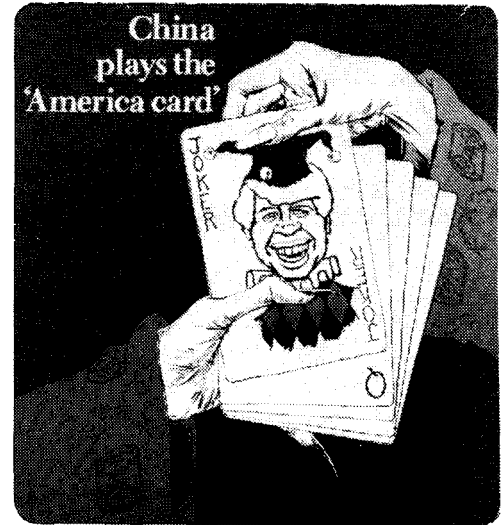
really negotiated at the July 1978 Bremen and Bonn summits of industrialized countries . . . and how the European Monetary System launched at Bremen was *modeled* on a 1975 proposal by the American political economist Lyndon H. LaRouche, Jr. as the "seed-crystal" of a new, development-oriented world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

## ... REPORTED HOW

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# Khomeini returns to Iran

*London is using chaos to begin a 'new dark ages'*

The religious opposition leader Ayatollah Khomeini returned to Iran this week after a near 15-year exile. Speaking to the millions of Iranians who turned out to see him, the Ayatollah minced no words in his attacks on the government of Shahpur Bakhtiar or the thousands of foreign technical assistants the Shah has called into Iran to expedite his industrialization programs.

Khomeini called upon the Iranian masses to "cut off the hands" of all foreigners in Iran in keeping with reactionary Islamic law — an awesome remainder of what a huge step backward Iran will take if Khomeini's Islamic government replaces Bakhtiar. Iran will become the first example of a "New Dark Ages" plan for the world economy, a plan that a faction of the British oligarchy associated with the late Bertrand Russell is actively promoting.

## **Fueling speculation on oil**

But more, London is using the Iranian crisis as a trigger for global economic warfare against the newly formed European Monetary System. The aim is to eliminate the threat the EMS represents to the continued power the City of London financial machine has for centuries enjoyed.

It is no coincidence that Khomeini's

arrival in Iran was timed with a crisis-mongering statement from U.S. Secretary of Energy James Schlesinger that the cut-off of Iranian oil exports, as a result of militant labor strikes, will plunge the world into another energy crisis like that of 1973. Schlesinger and his London conspirators plan to enforce the International Energy Agency Emergency Sharing measures by no later than early March. This would make the major industrialized nations vulnerable to IEA economic control through the dispersal of fuels.

London's British Petroleum and its sister company, Royal Dutch Shell, are also using the constricted oil markets to lead an international speculative binge, driving the price of oil on the open market to as high as \$18 a barrel. This is nearly \$5.00 over the OPEC price even after the January price rise of 5 percent.

London press conduits are spreading rumors of impending financial panic within the Eurodollar market as a result of quickly depleting Iranian reserves. Over the last four months, Iran's reserves have dropped by nearly half in order to service debt and maintain vital domestic functioning and imports. The Jan. 29 *Financial Times* notes that already one Dutch lending institution has reclassified Iran as a credit risk.

## **Khomeini in Iran**

What the international press has not reported in detail is that many of Khomeini's "advisors" in Paris are known collaborators of British intelligence and the Bertrand Russell Peace Foundation, along with circles of existentialists and environmentalists associated with Jean Paul Sartre, Pierre Vigier, and the Institute for Policy Studies.

Prior to Khomeini's arrival in Iran, Iranian Prime Minister Bakhtiar told the press that he felt that Khomeini's associates in Teheran were "more reasonable" than those in France, implying that he and the powerful Iranian military felt Khomeini might be more amenable to reaching a peaceful agreement if he were in Teheran. Just at the point where the remote chance of an agreement is within reach, Iran has been plagued by an upsurge of armed guerrillas reportedly not under Khomeini's control. If Khomeini backs off, the Iranian military can be expected to clamp down on such terrorists, which Arab sources confirm are under the direct control of London's closest ally — Israeli intelligence.

— Judith Wyer

# 'Why is the U.S. afraid of inflation?'

West German Finance Minister Hans Matthöfer's extended stay in the U.S. this week marks the beginning of a European diplomatic effort to break the U.S. press blackout around the European Monetary System. In a lecture before the Council on Foreign Relations Jan. 30, moreover, Matthöfer put the CFR — the central bastion of the postwar "special Anglo-American alliance" — on notice that the nations that founded the EMS intend to establish inroads for influencing the misguided Carter Administration to support the very policies the CFR was founded to prevent.

These policies, also the policies behind the EMS, are to use economic development, especially throughout the Third World, to prevent the eruption of East-West conflict and thermonuclear war. Matthöfer's blunt criticisms of U.S. economic policy during his CFR address indicate that West Germany and France have escalated their diplomatic interventions into the U.S. political crisis because of the simmering Middle East conflict and crisis in Iran, a development which in the estimation of European circles has brought the world closer to thermonuclear extinction than the Cuban Missile Crisis of 1962.

## **EMS to support dollar**

In front of the CFR, and in interviews with major financial journalists, Matthöfer made clear that the EMS has been designed to strengthen the U.S. dollar. However, that task cannot be assured, he explained, unless the U.S. adopts appropriate domestic economic policies.

Matthöfer outlined what these policies must be. U.S. officials, he stated, are overly preoccupied with the problem of inflation. The debate about inflation has obscured what the chief problem actually is, namely the collapse of industrial investment, particularly in new technologies. Openly sweeping aside the mountains of antigrowth, environmentalist propaganda which hits the U.S. business community every day, he emphasized that the chief resource at the nation's disposal is its scientific and

technological development, thus far, which must now be pushed further.

"Why are you Americans so afraid of inflation?" the New York Times reported Matthöfer querying the CFR. The West German Finance Minister then suggested that this fear is hampering American industrial investment, and government decisiveness on economic policy. "You have such a big country, such great resources, and you are so outstanding in science and technology. Why don't you produce more effectively?" he asked.

Pointing to high West German productivity as the secret of the 4 percent real growth rate and 3.5 percent inflation expected for 1979 in the BRD (2.5 and 7-8 percent for the U.S.), Matthöfer stressed the benefits of a labor-industry-government alliance and labor's just de-

mands for socially productive benefits. The core message of this "uncharacteristic finance minister," as the Times called him (he is a former metalworkers union leader) was that economics is subject to the will of men and governments — the principle of dirigism.

Complete panic and rage must have swept through the CFR auditorium when Matthöfer defined Europe's preferred policy objectives for the U.S. The CFR's inner elite could have been no more pleased about the finance minister's intimations that West German officials are now outlining a program for a complete reorganization of the Eurodollar market to make the privately held funds there a subjugated part of the EMS. (See our ECONOMICS report for details.)

## Pope brings Latin Church behind development policy

On Jan. 28, the third Latin American Episcopal Conference (CELAM) was convened in Puebla, Mexico, by Pope John Paul II. The pope's motivation for personally attending the conference — one of the most important in shaping Vatican Third World policy — was unequivocally revealed by the speech he delivered on the day of the CELAM's opening session. The pope condemned in the strongest terms the so-called theology of liberation doctrine which had emerged from the last CELAM meeting in Medellin, Colombia 10 years earlier.

The theology of liberation was the name given at the earlier conference by a group of Latin American bishops linked to the schismatic movement of Archbishop Lefebvre. The aim of this grouping, whose most vociferous spokesman is Mexican Archbishop Mendez Arceo, was to oppose the industrialization of Latin America through the promotion of "revolutionary" violence and outright terrorism. Not accidentally, the dissidents' political con-

nections are to the fascist oligarchical families of Latin America and Western Europe. Mendez Arceo, for example, was originally a member of the notorious "cristero" fascist movement in Mexico that opposed the Mexican Revolution, and got his political start in the fascist National Action Party, with which he maintains close ties to this day.

## **Vatican policy for the Third World**

It was this grouping which opposed the policy laid out by Pope Paul VI at the 1968 CELAM conference in Medellin. Paul VI's encyclical *Populorum Progressio*, written for the Medellin meeting, proposed a policy of rapid technological development for the developing sector. This was to be mediated by the creation of an international "world fund" to provide liquidity for high-technology projects, and would thus ally the Church squarely with the most progressive of Latin America's political leaders. A dissident movement at Medellin prevented the full adoption of



Populorum Progressio at that time, and has since attempted to legitimize its political destabilizations of the continent through the Arian, liberation theology thesis which portrays Christ as a radical revolutionary rather than the son of God.

Pope Wojtyla at Puebla accomplished the dual task of condemning the theology of liberation as an intolerable deviation from Catholic doctrine, while simultaneously reasserting Populorum Progressio unequivocally as the basis of Vatican policy for the developing sector. Without mentioning the European Monetary System West German Chancellor Schmidt and French President Giscard d'Estaing designed to link advanced sector economic recovery to the development needs of the Third World, the Pope rightly noted that at the present time it is even more urgent than during the 1968 Medellin conference that the policies laid out in his predecessor's encyclical become the doctrine for the entire Latin American Church.

The Pope's forthright statements predictably led to the convening of a "dissidents conference" by Mendez Arceo and the other terrorist infiltrators of the Latin American hierarchy. With doctrinal legitimacy now withdrawn from this grouping through the Pope's actions, informed speculation is that it may regroup with the overtly right-wing fascist movement in Latin America under cover of "helping the poor against the capitalists," possibly exploiting the massive "cristero" mania stirred up in Mexico during the Pope's visit. A movement led by the national Mexican church against the republican Mexican revolution, the cristeros were the creation of the Mexican black oligarchy with the backing of European black noble families. The fascist National Action Party which spawned Archbishop Mendez Arceo, for example, to this day plays the official host to the Italian ex-Premier Amintore Fanfani in his frequent trips to Mexico in behalf of the Pallavicini family which set into motion and currently operates the international networks of the schismatic archbishop Lefebvre, an avowed monarchist and antirepublican "Catholic" dissident.

— Vivian Zoakos

## Hapsburg candidacy vetoed by German CDU

Otto von Hapsburg, the son of the last Austrian Emperor and one of the most prominent monarchists in Europe, saw his hopes of running in the June 10 European Parliamentary elections dashed on Jan. 30 when the General Secretary of the West German Christian Democratic Union party (CDU), the party Hapsburg hoped to represent in the elections, told a press conference that there "was not even the slightest chance" of Hapsburg running on the CDU slate.

The CDU official, Herr Geissler, surprised journalists by stating that "Hapsburg's outlook on the federal constitution and on law would forbid" his running as a CDU-backed candidate. Hapsburg's comment calling for a one-man dictatorship in times of national emergency, and his call for a court with the power to enforce the death penalty, which have been widely circulated in West Germany, are both considered to be unconstitutional because West German laws forbid the death penalty and any form of dictatorship.

The journalists received a further surprise when Geissler told them that he is even supported by the Bavarian branch of the CDU, the Christian Social Union party. Although Hapsburg, who is an advisor to the CSU's Hanns Seidel Foundation, had expected to get his strongest support in Bavaria, Geissler stated that CSU General Secretary Steiber opposes Hapsburg's candidacy because "his constitutional outlook can be best described as being an overall restorationist" — i.e., of the Hapsburg monarchy.

This sudden reversal in Hapsburg's chances for campaigning for the Euro-

pean Parliament — on a zero-growth, anti-industrial "Europe of the regions" platform, in opposition to the "Europe of the Fatherlands" platform favored by leaders of most major European political parties — came only two days after the European Labor Party held an extraordinary conference in Bonn to select its candidates for the European Parliament slates. It also followed an attack on Hapsburg by Chancellor Helmut Schmidt, who criticized Hapsburg's "political orientation" and declared that his "sense of politics is a poor calling card for Germany."

At the ELP conference, a white paper was presented on Otto von Hapsburg's outspoken plan to use the European parliament as the starting point for developing a political movement that might eventually allow him to reclaim his father's throne as Emperor, or at least become a dictator of West Germany.

ELP Vice Chairman Uwe Friesecke summarized the white paper's analysis of Hapsburg's economic program as consisting of "a rural economy, a peasant agricultural system which would have to be the center of the economy. Hapsburg wants 50 percent of the population working on 'their own soil.' He wants to break up the major cities and replace the migration to the cities with a migration back to the land. And for Hapsburg, democracy is not permissible at all as an appropriate form for the constitution, for he wants us to have an inherited monarchy." Thirty copies of the white paper were mailed to CDU federal parliamentarians in Bonn just one week before Geissler ruled Hapsburg out as a CDU candidate.

# Short march to World War

## *Carter-Teng pact against USSR propels world toward*

Chinese Vice-Premier Teng Hsiao-ping's heralded visit to the United States has moved the world to the brink of thermonuclear conflict as the talks concluded with a joint Carter-Teng communiqué denouncing "efforts by any country or group of countries to establish hegemony" — the Chinese code phrase for the Soviet Union. The communiqué, a virtual Sino-U.S. pact against the Soviet Union, came in the midst of galloping Anglo-American provocations against the Soviets and the nations of the European Monetary System — the key to war avoidance — in Iran and the Middle East. It concluded a remarkable Teng visit in which the Chinese leader used the soil of his host nation as a forum to push for a U.S.-China-Japan alliance against the Soviets, threaten a military invasion of Vietnam, and intervene

in internal U.S. political affairs by denouncing President Carter's SALT II arms limitation agreement with the Soviet Union — all without one whisper of protest by the Carter Administration.

Moreover, additional Sino-U.S. agreements will give the Chinese access to an advanced U.S. particle accelerator — which will vastly expand Chinese capabilities to conduct research and deploy thermonuclear weapons. And agreements for cooperation on satellites and satellite communications have obvious implications for Chinese missile research and deployments. And these are only the publicly announced accords.

The Teng tour of the United States following his talks with Carter is concentrating on centers of the U.S. aerospace/defense industry, currently reeling from the loss of large Iranian orders and ripe for overtures from the Chinese.

While the Soviet leadership, as of this writing, has given the U.S. an opening to disassociate itself from Teng's outrageous performance (see box), there can be little doubt that this latest example of U.S. political insanity, led on a leash by London, is forcing them to the conclusion that no American faction exists which is capable of restoring some semblance of rationality to U.S. policy — Secretary of State Cyrus Vance's touted "even-handedness" toward the Soviet Union and China notwithstanding.

In this light, Teng's trip has thus far met, if not surpassed, the highest expectations of the inner circles of the British ruling elite and their counterparts in Peking, who share the common geopolitical strategy of manipulating the United States and the Soviet Union into a nuclear showdown — while Britain and China stand on the sidelines cheering.

The Tory London Daily Telegraph crowed in its Jan. 30 lead editorial, "Mr. Teng's visit to America is both epoch-making and hopeful... The Chinese are putting their shirts on developing their rapprochement with the West into a tacit balance-of-power equilibrium against the over-mighty Russia... The West cannot afford just to watch. It must do everything possible to help and influence."

Teng made no secret as to the fundamental purpose of his visit, spelling out in detail what he hoped to achieve in an interview with Hedley Donovan, editor in chief of Time, Inc., in Peking four days before leaving for the United States. In the in-

### The Teng-Carter communiqué

*Following are portions of the joint communiqué signed by President Carter and Chinese Vice-Premier Teng Hsiao-ping at the close of their meetings.*

The talks were cordial, constructive, and fruitful. The two sides reviewed the international situation and agreed that in many areas they have common interests and share similar points of view. They also discussed those areas in which they have differing perspectives. They reaffirm that they are opposed to efforts by any country or group of countries to establish hegemony or domination over others, and that they are determined to make a contribution to the maintenance of international peace, security and national independence. The two sides consider that the difference in their social systems should not constitute an obstacle to their strengthening friendly relations and cooperation. They are resolved to work toward this end and they firmly believe that such cooperation is in the interest of their two peoples and also that of peace and stability in the world and the Asia/Pacific region in particular....



## war

terview — run as the cover story in the Times Feb. 5 issue which hit the newsstands just hours after Teng's plane touched down in Washington — the Vice-Premier attempted to bait the United States by accusing it of being "on the strategic retreat" before Soviet "hegemonism" since the early 1970s — an unambiguous insult to Presidents Nixon, Ford and Carter, as well as to the U.S. nation as a whole.

Labeling the Soviet Union as "the hotbed of war," Teng derided SALT II — Carter's purported number one foreign policy priority — as irrelevant to world peace. He proposed instead that the U.S. join with China and Japan in a strategic alliance against the Soviet Union on the grounds that "if we really want to be able to place curbs on the polar bear, the only realistic thing for us is to unite.... It is not only of interest to China but also of great significance to world peace, world security, world stability, that there be friendly relations between China and the U.S., Europe and Japan."

In the most egregious example of his utterly cynical manipulation of the Carter Administration, Teng went on to endorse an open letter signed by 170 generals and admirals — including a number of known collaborators of British-Israeli intelligence agencies such as former Air Force chief of intelligence General George Keegan — which appeared in the New York Times two weeks ago. The letter warns that a SALT II agreement would play into Soviet hands, and also calls for making Israel the main strategic ally of the U.S. in the Mideast.

Teng has been equally frank about how he thinks U.S. policy should be run since his arrival here. In a speech he delivered at a reception hosted by the National Gallery of Art in Washington Jan. 30, the Vice-Premier denounced Vietnam for its "massive armed aggression" against Cambodia which, he declared, had been carried out with Soviet backing

"would not hesitate even to shoulder the necessary sacrifices to uphold international justice" was bolstered by reports that the Chinese have massed 100,000 troops, artillery, armor and planes on the Vietnamese border, in what some analysts say are preparations for a military strike into Vietnam.

Teng had made similar statements earlier in the day to a group of House and Senate members (see excerpts below) with whom he met to discuss Taiwan and his objections to SALT II. Here, too, Teng scored a coup, apparently mesmerizing defen-

## What Teng said

*In an interview with Time magazine, in a meeting with members of Congress Jan. 30, and again in a Jan. 30 speech at the National Gallery in Washington, D.C., Chinese Vice-Premier Teng Hsiao-ping reiterated his themes of anti-Soviet alliance and war. Following are excerpts:*

**In Time magazine:** I suppose that you have already read the letter of 170 retired American generals and admirals. I have read it myself, and I very much approve of that letter. Those generals have already retired, and they are concerned and that means that the situation is indeed not tranquil.... We've already been through two world wars, and both started from small incidents. Such things often develop independent of one's will, perhaps even independent of the will of the present Soviet leaders.... We must face reality. Now every day one talks about détente, about striving for détente and disarmament. But was there détente in 1977, or 1978, or will we see it in 1979? Let us look at the Mediterranean, at the Middle East, at northern Africa. Was not 1978 more tense than 1977? ... If we go farther east there is Afghanistan, and now there is Iran.... And Pakistan. And farther to the east, Vietnam controls Laos by military means, and the Vietnamese made a major invasion into Cambodia with more than ten divisions....

**(On SALT:)** We have constantly said not that we are opposed to such agreements, but that they are of no use, that they are not of much use....

**(On a new "triple alliance" with the U.S., China, and Japan:)** The question is: After setting up this relationship between China, Japan and the U.S., we must further develop the relationship in a deepening way. If we really want to be able to place curbs on the polar bear, the only realistic thing for us is to unite. If we only depend on the strength of the U.S., it is not enough. If we only depend on the strength of Europe, it is not enough. We are an insignificant, poor country, but if we unite, well, it will then carry weight.

**To members of Congress:** To oppose hegemony, China needs to react appropriately to secure her own boundaries. We must not allow hegemonists to run around unopposed. In the interests of world peace and stability we may need force to do something we do not want to do.... We need to act appropriately, we cannot allow Vietnam to run wild everywhere.

**At the National Gallery:** (China) will not hesitate even to shoulder the necessary sacrifices to uphold international justice and the long-term interests of peace and stability. (China emphasizes the danger of war) not because we like it, but because the danger is a fact.

ders of Taiwan with promises to maintain the free enterprise system there — but still refusing to rule on the use of force in reunifying Taiwan. Robert C. Byrd (D-W. Va), the Senate Majority leader, told reporters after the meeting that his concern on the Taiwan question had been “considerably allayed,” while according to the Jan. 31 New York Times, at least two Republican senators, Schweicker of Pennsylvania and John Tower of Texas, said Teng had made a favorable impression. It was left to Maoist sympathizer Scoop Jackson (D-Wash.) to comment that the Chinese deserve most-favored-nation status since there is “no doubt” that its emigration policies — unlike the USSR’s — meet the requirements of the Jackson-Vanik amendment.

Reports that Teng has said he would not object in principle to a proposed Senate resolution expressing concern over the potential use of force by China against Taiwan, and the Administration’s announcement Jan. 31 that it would not oppose such a resolution, indicate strongly that the Chinese leader has merely decided to make this unsubstantial concession in order to garner U.S. acquiescence to his much larger goals.

Thus far, the Carter Administration has given no sign of being disturbed by Teng’s antics, including his brazen support of the President’s opponents of SALT. While it is reliably reported that Teng told Carter during their private meetings that the U.S. is not being tough enough on the Soviets, both the President and his press secretary, Jody Powell, have been describing the talks as “harmonious” and Teng’s visit “as one of the most historic events in our nation’s history.”

Nor does anyone in the Administration seem to be in the least aware of how easily the United States is being pulled about like a marionette by the Chinese and British puppeteers. Despite Teng’s ominous hints of Chinese intervention into the Cambodia-Vietnam dispute, the Vice-Premier has also made it quite plain that China has no intention of getting itself involved in a military confrontation with the Soviets — preferring to leave that to the U.S. and whomever else it can bamboozle in similar fashion. “We are an insignificant, poor country,” Teng told Time magazine’s Hedley Donovan — much to Donovan’s consternation. “You have made a poor friend.” Teng played on this same theme in his National Gallery speech, asserting that China cannot afford to go to war because this would interfere with its modernization drive.

This fiasco, on top of the Administration’s Middle East debacle, its stupidity in handling the British-inspired destabilization of Iran, and its appalling economic performance, will put an additional strain on U.S. relations with its major European allies, as well as doing serious damage to U.S.-Soviet ties. At the Guadeloupe summit, French President Giscard and West German Chancellor Schmidt firmly squashed British Prime Minister Callaghan’s attempt to get approval for the sale of Britain’s Harrier jets to the Chinese. Instead, Giscard and Schmidt stressed to Carter the compelling urgency of putting the U.S.-Soviet relationship on a more positive footing and of getting a SALT II accord signed and ratified as soon as possible. Now, just three weeks later, Carter has bent over backwards to propitiate the Chinese, risking World War III in the process.

— Kathleen M. Murphy

## BRD warns U.S. on China card

Leaders of the West German government have issued stern warnings to the United States government that playing the “China card” would be a disaster. In an officially sanctioned interview with the Neue Ruhr/Rhein Zeitung on Jan. 31, Social Democratic Party parliamentary leader Herbert Wehner warned that he and Chancellor Helmut Schmidt were concerned that East-West relations not “sink below minus degrees.” A possible alliance between the U.S. and China, he said, would in fact “be disastrous.” The Japanese, Wehner noted, have rejected similar offers from the Chinese for an anti-Soviet alliance.

Wehner made his statement in the context of discussing the necessity for detente, a Strategic Arms Limitation agreement between the U.S. and the Soviet Union, and maintaining the world’s strategic balance. Schmidt and I are worried, he said, about the maintainability of detente because “there is so little progress in disarmament negotiations.” He warned against a “lack of patience” at the disarmament talks and, in a direct attack on NATO for stalling detente, Wehner accused the West of

## Moscow demands clarification from U.S.

*Within hours of release of the U.S.-Chinese press communiqué which referred to “hegemony,” the Soviet Union replied in a sharply worded statement by the press agency TASS. The TASS dispatch left an open door for the U.S. Administration to disassociate itself from what it called Teng’s “incendiary” statements, but suggested that the U.S.-Soviet Strategic Arms Limitation Talks might be put in jeopardy.*

*Soviet Ambassador Anatolii Dobrynin was reportedly received by U.S. Secretary of State Cyrus Vance on Feb. 1, the same day the U.S.-Chinese statement was made public.*

*The TASS release said:*

Teng Hsiao-ping’s persistent attempts to lecture the American Government on how to conduct its foreign policy were noted in the United States. It was also noted that some of his statements were actually an attempt to undermine the positions of President Carter, who wants the conclusion of a new treaty with the Soviet Union on the limitation of strategic arms.

not having come up with any decent disarmament proposals for the MBFR talks.

Wehner gave his interview during an unprecedented 12 hour cabinet session called to discuss disarmament and China relations. Before the meeting, State Secretary Donanyi gave West Germany's answer to China's call for a European-U.S.-Japanese alliance with China against the USSR. West Germany will not develop any "China card" options and will stick to its commitment to detente, he said.

The next day, Chancellor Schmidt flew to France for discussions with French President Giscard on these issues. On French television that evening, Chancellor Schmidt said that Europe would become a superpower greater than both the U.S. and USSR and that this superpower would lead the way to peace and economic prosperity.

In an earlier speech in Essen, right before he left Germany, the Chancellor discussed the necessity for industrial progress, stressing that industrial modernization is the answer. He warned against "citizens' initiatives" that seek to prevent industrial expansion. Alluding to Britain's push for a "New Dark Ages" that has been spelled out in the books of George Orwell, Aldous Huxley, and H.G. Wells, Schmidt attacked those who express "civilization pessimism." Anyone can discuss the environment and similar issues, he said, but he doesn't want them to "talk about George Orwell."

## LaRouche: Is the China pact serious?

In a statement released from his headquarters in New York City today, 1980 presidential candidate and U.S. Labor Party national chairman Lyndon H. LaRouche, Jr. invited responsible world political leaders to demand that the United States clarify whether an "antihegemony" clause signed by the governments of the U.S. and the People's Republic of China is indeed to be taken seriously.

LaRouche invited President Lopez Portillo of Mexico to ask the Carter Administration if its commitment to fight "hegemony" means the U.S. is repudiating PRM-41, the presidential review memorandum drafted by National Security Council Director Zbigniew Brzezinski. PRM-41 calls for the United States to treat Mexico's natural resources (particularly its oil and gas reserves) as its own, in violation of Mexican sovereignty.

The presidential candidate also invited Benigno Zaccagnini, Secretary General of the Italian Christian Democracy, which has just been ordered to dissolve the Italian government, to inquire if the "antihegemony" agreement means that Brzezinski and

Many words were spoken by the American side in connection with Teng Hsiao-ping's stay. But these words do not reveal the attitude of the U.S. Administration to the incendiary statements by the Chinese guest of the White House, to the slanders against the policy of detente, to the condemnation of efforts to restrict the arms race, to calls to create "a united front against the Soviet Union."

All this calls for clarification, since, in statements by the American side, it was said that the talks with Teng Hsiao-ping had revealed the existence of "many common perspectives," that the two sides could facilitate the attainment of "analogous aims" and that the sides had agreed "to conduct regular consultations on questions of common strategic interest."

## State Dept. responds

On Feb. 1, the Soviet Union, through its official government news agency Tass, called on the Carter Administration to "clarify" its position vis-à-vis China in light of the joint communiqué issued by U.S. President Carter and China's Vice-Premier Teng Hsiao-ping. They received that "clarification" the same day from State Department spokesman Hodding Carter III.

"We don't think anything in the language of the communiqué has an anti-Soviet cast," said the State spokesman.

At the State's press briefing the next day, Hodding Carter was asked by a reporter from **Executive Intelligence Review** whether there was any reason why the Soviet Union should not view the Administration's capitulation to Teng and the total insanity of President Carter as anything but the failure of detente between the United States and the Soviet Union.

Carter answered: "The Soviet Union has expressed concern over some of the things Teng has said. Otherwise, I reject your assumption.

"The Soviet Union has made it clear from the beginning of the detente process that there can be no linkage. If there had been linkage, then the U.S. would have stopped certain aspects of detente because of Soviet efforts in Africa, etc."

Hodding Carter is brazenly telling the Soviet Union to put up or shut up; either quietly accept a U.S.-China anti-Soviet alliance or face a breakdown in the SALT negotiations and in the detente process as a whole.

According to sources, Soviet officials are viewing these latest provocative statements from the State Department as "amazing ... lies. This is worse than Hitler, a greater danger to world peace than anything since Hitler."

U.S. Ambassador to Italy Richard Gardner will cease to determine the rise and fall of Italian governments.

European leaders, LaRouche indicated, should ask Washington if the U.S.-China commitment means that the United States will stop insisting that Congress should subordinate the European Monetary System to the International Monetary Fund.

LaRouche invited Zaccagnini to submit copies of his inquiry to NSC chief Brzezinski and the U.S. embassy in Rome.

It should also be asked, LaRouche continued, whether under the terms of "antihegemony" the Chinese will stop supporting client governments such as the deposed Pol Pot regime in Cambodia, which murdered half of that country's population. Does the clause mean that the People's Republic of China will abandon its cooperation with the Ch'ao Ch'ou overseas population of Chinese opium traders, whose illegal drug revenues funneled through the British Crown Colony of Hong Kong currently form the major source of foreign exchange for Red China at the expense of the economies and populations of other sovereign nations?

Does the "antihegemony" clause mean that the Chinese will stop cooperating with Israel to subvert and overthrow sovereign governments in Africa and Asia, and replace them with fascist dictatorships?

If not, the 1980 presidential candidate warned, world leaders must regard the touted "antihegemony" clause as a total fraud.

## U.S. stumbling toward Mideast war?

In response to the failure of the September Camp David summit to wring Egypt away from Arab ranks into a separate peace with Israel, U.S. State Department and National Security Council policymakers are now considering alternative options that will either commit American prestige to another embarrassing tripartite summit or into an increasingly open endorsement of Israel as the so-called "pillar" of North Atlantic Treaty Organization military strategy in the region.

Either alternative will, at minimum, lead to a rapid increase in U.S.-Soviet tensions and very possibly to a thermonuclear confrontation between the world's two superpowers.

The developing crisis in American policy has been epitomized by the recent excursion of State Department special envoy Alfred Atherton to the Middle East. During a stopover in Israel, Atherton spent hours trying to negotiate disputed details of the Camp David accords. Most embarrassing to international perceptions of the U.S., Atherton compromised with Israeli insistence that the presumed treaty include clauses sundering

### China says war is inevitable

Despite ostensible changes in perspective since the death of Mao Tse-tung, the Chinese leadership has yet to cease its warnings that "war between the two superpowers is inevitable." Anyone who thinks this warning unserious, metaphorical, or obsolete in the minds of the Chinese is mistaken — like those who thought Adolf Hitler could be steered east without first conquering the west. China's firm belief in the inevitability of a superpower war is proven by their calculated actions in behalf of bringing about the very holocaust they warn of. China knows full well that the Soviet Union can be **forced** to war if its strategic interests are threatened. China eggs on the U.S. to so threaten these interests, while doing everything they can in their "sphere of influence" to aid that effort — as in Cambodia, the Middle East, Northeast Asia, and parts of Africa.

That much of China might be destroyed in such a confrontation did not deter Mao. He believed that the sheer size of China's population would ensure the nation's survival as the preeminent remaining power. Teng Hsiao-ping more deviously believes he can manipulate the U.S. and the Soviets into a series of escalating limited confrontations from which China can opt out — up to the point of a strategic total war that would leave China relatively unscathed. This view

and every action that Teng advises China to take to further this policy is insane, and places the world, contrary to Teng's intentions, on a very short fuse to Armageddon. Those who disbelieve the Chinese view do so at the peril of humanity.

### China conspired to give Israel the H-bomb

A usually reliable and well-informed source in Western Europe reports that the State of Israel and the Peoples Republic of China have closely cooperated since the Communist takeover in China in 1949, and that China gave Israel the atomic bomb.

According to the source, Israel would not have attained nuclear weapons if it had not been for the early aid of the Chinese. It was the leaders of the PRC who in the early 1960s under Chou En-lai provided facilities for Israel to test the results of its bomb programs.

This information is corroborated by what is known to be massive cooperation between Israel and China against Islamic nations. Red China and Israel worked together in support of the military junta that overthrew Zulfikar Ali Bhutto, the legally elected prime minister of Pakistan. Bhutto is now threatened with imminent hanging by the military dictatorship that replaced him two years ago.

The basis of the China-Israel collaboration lies in the fact that China supports the use of nuclear weapons against the Arab nations.

Egypt's commitment to defend her Arab neighbors against Israeli aggressive action while leaving untouched Israel's "right" to a preemptive strike. To square this circle, Atherton penned a "definition of aggression" exonerating Israel from responsibility for its military incursions into Lebanon against Palestinian and civilian concentrations. So ludicrous was Atherton's formulation that Egyptian President Sadat did not even bother to meet him when he shuttled over to Egypt. In fact, the Egyptian government termed the mission a failure in an official statement.

On Atherton's return, matters deteriorated further. Rumors circulated in official State Department "background" briefings that the Carter Administration is toying with the idea of a "new Camp David summit." This would be preceded by a tripartite meeting of the Egyptian, Israeli, and American secretaries of state and foreign ministers.

But with Egypt prevented by extensive Arab pressure — epitomized by the recent groundbreaking Syria-Iraq unity talks in Damascus — from signing a separate deal with Israel, leading Anglo-American and Zionist circles are ready to "ditch" Egypt altogether. The Sadat regime would then be subjected to the "Iran treatment," while Israel is reinforced as the anti-Soviet bastion in the region.

This is being demanded by those Anglophiles responsible for the letter of 170 retired general officers which appeared in the New York Times demanding that Israel be made the NATO extension in the Middle East. After this letter's publication Jan. 21, the Israeli Foreign Ministry elatedly rushed out a report entitled "Israel and the U.S. — the Reaffirmation of Strategic Political Interests."

According to the Christian Science Monitor: "The purpose of the paper is to refute U.S. critics who claim that the special American-Israeli relationship is due solely to internal pressure in the U.S. Instead, the Israeli document argues that Israel is an asset to the global position of the U.S."

"Arguing that Israel is the only internally stable country in this region, it raises the point that the Israeli Defense Forces are called the only effective military substitute for a considerable U.S. military presence in the eastern flank of the Mediterranean...."

Emboldened by Tories' support, the Israelis have launched a series of escalations this week. In Paris on Jan. 30, Foreign Minister Moshe Dayan declared that the "wave of Islamic revivalism" in the Mideast signified that Egypt would probably no longer want a peace treaty with Israel: Dayan effectively admitted that Israel is freed to do as it pleases in the Mideast.

During the previous week Dayan had warned that Palestinians living under Israeli occupation would be "deported" if they publicly supported the Palestine Liberation Organization. On the same day, the Israeli army razed the houses of family members of suspected terrorists — the first such Israeli action in several months. This in turn was preceded by a call by a prominent Jewish mayor of the Galilee area in northern Israel for 300,000 Jews to be brought into Galilee so that the "increasingly radical" Arabs of that area would not "engulf" the Jews of the region.

—Mark Burdman

## Gardner: IMF should rule the EMS

*The pervasive incompetence of Carter Administration policy has affected the Administration's stance toward Europe and the European Monetary System as well. Richard Gardner, the United States' Ambassador to Italy, gave the following interview to the French daily Le Figaro on Jan. 27, to say that his and official Carter Administration policy is to place the European Monetary System under the control of the International Monetary Fund, which the EMS is explicitly designed to replace.*

Can the world live indefinitely with the dollar as the sole basis? Wouldn't things go better with several reserve currencies?

### Gardner's Oxonian pedigree

Richard Gardner's career in economics parallels the creation and training of President Carter's war-mongering national security advisor Zbigniew Brzezinski. Gardner was picked up at Harvard by Professor John H. Williams, the senior Council on Foreign Relations economist who spent World War II plotting how to preserve the British Empire and the pound sterling's reserve status, and occupied himself in the postwar period with implementing antidollar measures.

Under the auspices of Eugene Rostow, an official British intelligence operative at the time, and Tavistockian Harold Lasswell, Gardner was sent to Oxford as a Rhodes Scholar. There he wrote an apologia for British policy and its American stooges, finally published in 1956 by Oxford under the title *Sterling-Dollar Diplomacy*. In intricate detail, he described how U.S. efforts to expand trade and make the dollar widely convertible for that purpose were wrecked by Lord Keynes, the pro-Hitler Lord Halifax (for whom Gardner recently reiterated his admiration), and the Truman administration.

Gardner's Oxford tutor was Roy Harrod, one of Keynes's closest epigones and companions in pederasty. Other mentors included Alexis Coudert of the New York Coudert Brothers law firm which inseminated so many "utopians" into the U.S. armed forces command and the Royal Institute of International Affairs. It was also through these channels that Gardner was married into the Luzzato family; his father-in-law is Gino Luzzato, a member of the monarchist "black" nobility of Venice, and an MI-6 operative who trained the Anglophile elite among Italy's politicians, starting with Ugo LaMalfa. Luzzato is presently collaborating with Otto von Hapsburg and Franz-Josef Strauss in launching the "Southern Tyrolean Party" as part of this group's effort to balkanize and feudalize Europe to counter the European Monetary System.



Should one get back to the Bretton Woods idea that the International Monetary Fund (IMF) should be the primary source of liquidity?

Today there is a new move toward European monetary coordination. Perhaps the outcome could be a pooling of European reserves and a European reserve currency. ... Besides, it could be beneficial to follow the advice of the IMF's "Committee of Twenty" as formulated in 1970: the deposit in the IMF of dollars, gold, and sterling reserves of the different countries in exchange for Special Drawing Rights (SDRs) and the creation of new liquidities through SDRs defined according to an international scale rather than the creation of dollars. The European Monetary System (EMS) being created could contribute to solving the problems of international economic relations ... and all the international economy stands to benefit.

I am convinced and this is also the official attitude adopted by the Carter Administration that a strong and united Europe is good for the United States and the entire world. It is also my opinion and the official point of view of the Carter Administration that the EMS is capable of providing a positive contribution to the realization of that objective. In asserting this, please do not take my sentiment as a position on whether or not such and such country should join the EMS. ...

But, a strong international monetary system will also necessitate a series of adjustments that will have to be coordinated between the members of the EMS and the rest of the international economy. It is thus that we have to find the means of reinforcing the central role of the IMF within the international monetary system, in particular, to help the fund exercise its functions of strict surveillance. (...)

The efforts undertaken on an international scale should not only concentrate on a new world economic order, but also on a new national economic order in the developed and developing countries. In the developed countries, it means the adoption of measures to restrict consumption and waste. ... In the developing countries, it means measures to aid the poor in increasing their productivity and satisfying their essential needs. Our objective does not consist in transferring the riches of the developed countries toward the developing ones. ...

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# The incompetence of George Bush

*LaRouche analyzes qualifications of presidential hopefuls*

*George Bush is a contender for the GOP's nomination as its presidential candidate for the 1980 elections. His qualifications to hold the highest elected office in the United States are the subject of many questions. Lyndon H. LaRouche, Jr., who announced his candidacy for President on Jan. 15, answers these questions in a statement (excerpted below) issued Jan. 29.*

Some close acquaintances of mine requested my evaluation of the possible merits of George Bush as an alternate to British nominee for President, General Alexander Haig. By reporting the highlights of the matter publicly, I shall not have injured my acquaintances' interest in receiving an evaluation privately, and I shall have fulfilled my duty to numerous others within the Republican Party.

First, I situate the discussion of Bush. This is accomplished by outlining the quality of process a general election campaign ought to be. In the case of Mr. Bush, one should consider the matter of organization and policy for our nation's intelligence services.

## **The campaign as a process**

If our national general election campaigns were conducted in the national interest, the selection of the leading candidates would be only an important secondary function of the process as a whole. The primary function of a prolonged (18 months or so) campaign for election of a President is a broad and profound national review of our foreign and domestic policies, with included emphasis on the causal interconnections between the two. The function ought to be to draw as many as possible of the individual voters into a combined educational and self-educational process, in which individual citizens think through the questions which will determine the future security and prosperity of our nation and its posterity as a whole. (...)

This shift of attention to policy matters as a whole is not injurious to the individual self-interest. The question whether there will be improvement in household incomes is a question whether the total national economic pie will grow or shrink. The question of employment and job security of the individual citizen will depend on the scope of opportunities provided for the nation as a whole. In thinking about the nation as a whole, the individual citizen is helping to shape the policies which will determine the opportunities and other circumstances of individual life. Will the citizen find himself engaged in fratricidal battle with his neighbor for one among a diminishing number of

jobs, fight with a sickened neighbor for one of a diminishing number of hospital beds, or shall we as a nation provide adequate employment and medical care for all?

An election campaign must not be a mere parading of candidates, efforts to sell each candidate like a brand of soap powder. An election campaign must be a process in which the candidates and the general electorate are qualitatively improved in knowledge and policy-outlooks, such that the general election balloting of November 1980 represents the outcome of an organic elevation of the national understanding and policy-outlook. Shall we repeat the dismal practice of balloting for what is perceived as the "lesser evil," or shall we — for a change — vote for a way of thinking, a policy-outlook and for a President best suited to implement that organic expression of an enlightened national will?

A good general election campaign ought to resemble a Platonic dialogue. The question of putting forward a candidate at this stage ought to center on several things. We ought to be concerned with what the prospective candidate has to contribute to the sort of dialogue the electorate requires. We ought to be concerned with the intellectual and moral qualities of the candidate, his or her ability to develop his or her own mind and outlook within the context of a Platonic dialogue, his or her ability to advance the quality of that dialogue. We must be concerned to find candidates who will oppose prevailing opinions, candidates who are not pollwatchers, who have the intellectual development and moral qualities to state what is right "without fear or favor" to guide them to any other course. Above all, we require candidates who are dedicated to the principles for which our nation's Founding Fathers fought against the British monarchy.

Generally, in both foreign and domestic policy, the central issue now confronting our institutions and our general electorate is the choice between continuing to have our policies dictated in London and the alternative of shifting our special alliance to the forces associated with France's President Giscard d'Estaing and Germany's Chancellor Schmidt. That choice will determine whether there will be thermonuclear war or durable peace during the next six years. That choice will determine whether the United States slides into a depression or rises into a durable period of growing global prosperity.

Circles associated with Arthur Goldberg and with the Mont Pelerin Society have gone to extravagant measures to suppress any knowledge of these choices from the general electorate. So far, only two prospective presidential or vice-presidential candidates, apart from myself, have endeavored to bring any of this

truth to the electorate. For the Republican Party, Congressman Jack Kemp has attempted to bring the truth concerning the European Monetary System into public knowledge. For the Democratic Party, Senator Adlai Stevenson has taken some steps in that same direction. None of the presented candidates, except myself, has so far mentioned the most crucial issue of the 1980 election campaign, the issue on which the very existence of our nation depends.

Examining each of the announced Republican candidates, we discover that each of them is actually running for the nomination of London's choice, General Alexander Haig. Granted some of these candidates are too dumb to recognize that fact, but the evidence is clear. Examining the campaign advisory staff of each, we find a nest of persons deployed from Eugene Rostow's Committee on the Present Danger. This committee has chosen General Haig as its 1980 choice; why, then, do the other Republican candidates make themselves mere pawns of the CPD? What are Bush, Reagan, Crane, Connally, actually running for? — to be nominated as the vice-presidential candidate on a Haig ticket.

The game is clear, these other candidates will chew themselves up in the primary campaigns, creating the deadlock and factional atmosphere which ensures a Haig selection. If Haig wins, the United States would surely be destroyed and defeated in thermonuclear war before 1984, if Brzezinski, Schlesinger, et al. do not push Carter into such a war before the 1980 general elections.

On the Democratic Party side, President Carter must be helped to get successfully through the remainder of his term in office. Another term would be unthinkable! What, then, Senator Kennedy? That would be an unthinkable abomination.

Among the Republican candidates fielded so far, Governor Ronald Reagan is without doubt the best, relatively speaking. Often wrong, too easily misled, he has shown a moral quality lacking in all the rest. Connally is a better intellect, and much slicker — but the policies to which he might apply his powers are left too much in doubt by both his flipping and flopping on vital issues, and his unfortunate, pro-British record as Nixon's Treasury Secretary. Crane is bright, but massively controlled by the wrong people, which is to say, corrupt. Ronald Reagan does not know his policies are corrupted; what he becomes depends upon the quality of his advisors. It ain't much, but it is unquestionably the best the Republican Party has fielded so far.

### **Bush League policies**

Bush's announcement of his candidacy was most unfortunate. He had the effrontery to cite a London Economist report as the basis of reference for his proposed strategic outlook.

In light of Bush's past career, and the current issue of the quality of performance of U.S. intelligence services, Bush renders himself totally unacceptable from the outset.

It was British intelligence, with complicity of such figures as Zbigniew Brzezinski and Henry Kissinger, who orchestrated the destabilization of Iran, and are overtly dedicated to destabilizing the entire "arc of crisis." Admittedly, unless the Bakhtiar government successfully stabilizes the situation in Iran, there might begin a significant direct intervention by Soviet forces — and there are, admittedly signs that one faction in Moscow is

dedicated to initial activation of political options for such a contingency.

Bush has no excuse not to know this; hence, his citing a London Economist strategic estimate as his own inclination would be, by itself, adequate reason for dumping his candidacy from the outset. He is either corrupt or is of an incurably Bush-league quality of strategic intelligence competence. Granted, he might step forward to correct his own monstrous candidacy announcement. Barring that, his case is hopeless.

At this point, he is simply another Rostow-Schlesinger "Me, too" stalking horse for the candidacy of Haig, a spoiler for both the Reagan (most notably) and Connally candidacies. He is, tactically, simply more confusion.

### **The CIA angle**

Were Bush to be regarded as a serious candidate, he would be expected to attack the wrecking of the CIA under the direction of Brzezinski, Turner, Schlesinger, Mondale, et al. He would be obliged to point out that the problem of CIA performance is largely the increased dependency on London, Canadian, and Israeli second-hand information through the destruction of the CIA's independent intelligence-gathering capabilities. He would be obliged to attack directly the Israeli signals of an intent to effect a total British-Israeli takeover of control of the CIA. He would insist on establishing the U.S. intelligence services' independence of the British-Canadian and Israeli agencies.

Implicitly, Bush has done the direct opposite.

## 1980: Year of the

Chinese Vice-Premier Teng Hsiao-ping's formulations concerning the Soviet Union and the world strategic balance bear a remarkable resemblance to views recently expressed by a number of leading British agents and agents of influence in the U.S. on the same topics. From National Security advisor Zbigniew Brzezinski—who accused the Soviets last month of creating an "arc of crisis" stretching from Iran through the Horn of Africa to Afghanistan and Pakistan,—to Henry Kissinger, George Bush and NATO Supreme Commander Alexander Haig—these "policymakers" have been sounding very much alike—witness a speech Haig delivered in Paris Jan. 26, which the Christian Science Monitor characterized as "his sharpest warning yet about the dangers of the Soviet military buildup in Central Europe." One naturally wonders if they've been trying to fight inflation by sharing the same speechwriter.

Potential presidential candidate George Bush is particularly intriguing in this regard since he spent a substantial period of time in Peking as the U.S. envoy following the Nixon Administration's overture to China. Bush's current bid for the GOP presidential nomination is being backed—at least for now—by friends of Kissinger, including Anne Armstrong, the iron lady of the Texas Republican Party who was Ambassador to the Court of St. James during the Ford Administration. Armstrong sits on the board of Georgetown

# Why Lowell Weicker seeks the presidency

*In last week's issue, we documented the "Haig" presidential strategy — of cluttering the Republican primary field with "favorite son" and joke candidates, to enable NATO Commander Alexander Haig to emerge as the "compromise" choice of a deadlocked GOP convention in 1980. One of those joke candidates is Connecticut's GOP Senator Lowell Weicker, as yet undeclared, but emphatically running. An aide to the senator talked with Executive Intelligence Review last week about Weicker's candidacy and his view of the issues. The results:*

**Q. Why does Sen. Weicker think he should be President of the United States?**

A. The Senator wants to be President because Carter has shown no leadership qualities and has completely botched one foreign policy situation after another. The Camp David fiasco for instance, was nothing but a media splash before the November elections. He never should have portrayed the discussions with Sadat and Begin as meaning that peace was at hand when the Palestinian rights question had not been taken into consider-

## Manchurian candidate?

University's Center for Strategic and International Studies (CSIS), one of Kissinger's current bases of operation.

On Jan. 25, Bush delivered a major speech at Georgetown under the auspices of its School of Foreign Service. At approximately the same time that Teng was burning the impressionable Hedley Donovan's ears with dire warnings of Soviet "hegemonism," Bush was echoing the Chinese leader almost verbatim.

Like Teng, Bush maintained that the "United States has been in a general strategic retreat since the early 1970s." Like Teng, Bush berated Carter for being too soft to stand up to the Soviet challenge. Like Teng, Bush accused the Soviet Union of making a global power grab, citing the recent events in Iran, Ethiopia, South Yemen, and Afghanistan as evidence. Bush concluded his tirade by quoting Winston Churchill, Arnold Toynbee and London Economist contributing editor Norman McCrae, who following a tour of Great Britain, New Zealand, Australia, South Africa, Canada and the United States, observed that there is a "crisis of crumbling institutions throughout the English-speaking union."

While the audience of 400-odd people, including former CIA station chief Ray Cline (now at CSIS) took it all in, one person was heard to mutter as he left the hall: "But what I can't figure out is, who brainwashed who?"

ation much less settled. Later, he made things worse by fostering a position of linkage to Palestinian rights when the Israelis had made it clear they were not ready to do so. He made Begin into a whipping boy. And now he can't even pull Jordan and Saudi Arabia into Camp David even after we sold the Saudis all those jets.

**Q. What does Sen. Weicker have to say about domestic issues?**

A. The main problem is with the economy and in this area Carter has been a flop. The key to helping the economy is the energy question. We must cut down on deficit spending on our overdose of petroleum. The Senator would like to see deregulation of fossil fuel pricing and mandatory conservation. For example, he thinks there should be one day in the week, perhaps Saturday, in which people are not allowed to drive their cars.

**Q. What does Weicker think of nuclear power and fusion energy?**

A. He supported the Clinch River Breeder Reactor and is for the orderly development of nuclear power. Fusion — I'm not sure he knows what that is. He also thinks that nuclear energy development should be balanced by accelerated solar energy development.

**Q. Rep. Jack Kemp, also a Republican, has stated on T.V. that he thinks that the role of the U.S. in the new European Monetary System is one of the most important issues facing the United States today and plans to push for U.S. involvement during his campaign. What does Sen. Weicker think the U.S. role should be?**

A. I don't think the senator has ever mentioned anything about that.

**Q. There is a heated battle going on across the country over whether marijuana and other drugs should be decriminalized. Has Sen. Weicker taken a stand on this issue?**

A. I don't believe he has said one way or the other.

**Q. Could you please tell me what issues the Senator thinks are most important?**

A. He's very concerned about ethics and open government. These are very big issues with him. He would like to see the public allowed to have access to congressional and administrative proceedings and full tax return disclosure by all public officials.

He is against the public financing of political campaigns because he thinks this is a rip-off of the taxpayers. He is a leading defender of individual rights and protection from governmental interference especially in income tax returns. The Senator was a co-sponsor of the Clean Air and Clean Water Acts and also co-sponsored the 1977 amendment which made auto emission standards more stringent. He was also adamantly opposed to the Concorde. Weicker opposes the Senate ethics code because he thinks the income ceiling is unethical, and favors income tax disclosure instead.

**Q. What does he think of Proposition 13 type legislation?**

A. He thinks it is demagogic. They say they will cut taxes without saying where revenues will come from.

**Q. How does the Senator think the U.S. should relate to Mexico, especially in light of the fact that Mexico has discovered huge quantities of oil?**

A. Once again Carter has committed another foreign policy blunder. He has treated the Mexicans as second class North Americans. He infuriated them with this illegal aliens business. Now the Mexicans have found oil. Now what do we do, sweeten up to them?

**Q. Energy Secretary Schlesinger has said that the Mexicans must not develop their country too fast or Mexico will become another Iran. Schlesinger speaks of "appropriate technologies" for Mexico. Meanwhile, the Mexicans have said they want our technology for their oil. How would Weicker deal with this question?**

A. Weicker has said it will be a very very difficult process — very touchy — an extremely delicate exercise in diplomacy. The key is leadership and bargaining ability.

**Q. What does the Senator think of Carter's budget Does he agree with any of the criticisms made against it by liberal Democrats like Kennedy?**

A. He is just studying the budget right this minute, so I can't answer that question fully. One thing he would be against is cutting off one's nose to spite one's face. Especially when it comes to what he considers our greatest natural resource — the ocean. If the budget eliminates research funding here, he'll fight it.

**Q. How serious a candidate do you think Senator Weicker is?**

A. Well, I can tell you that he had what was supposed to be a private meeting with Reagan and his top assistant Sears this morning and 50 reporters showed up. Weicker gave a very eloquent statement to the press and Reagan and Sears came away knowing that Weicker would be a formidable opponent.

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# BRD plans U.S. credit reform

*Eurodollar market's task is world development*

West Germany is in "collusion" with the Swiss and Japanese governments to place centralized government control over the Eurodollar markets and turn dollar credit there into long-term productive investment in the developing sector. West German Finance Minister Hans Matthoefer's trip to the United States, Jan. 29-31, is part of that collusion, said London's **Financial Times**.

On Jan. 30, Matthoefer told a startled New York Council on Foreign Relations meeting that the West German government of Chancellor Schmidt intends to impose upon the unstable Eurodollar market and the U.S. credit system a thoroughgoing reform of "transparency and control" to produce a lower tier of dollar interest rates. The aim is "to arrest the central bank diversification trend out of the dollar," which Matthoefer said was "under valued," and to create "a stable dollar."

As Matthoefer spoke, Chase Manhattan and several Mid-western banks lowered the U.S. prime lending rate from 11.75 percent to 11.5 percent, the first U.S. interest rate drop in two years.

West Germany, Switzerland, and Japan, together with France, represent the political leadership and support for the new European Monetary System (EMS). These governments announced last fall in the Japanese financial press a visionary "Consolidation Plan" for the entire world dollar credit system, which would be the "globalization of the EMS." It's that plan they are now implementing.

In an exclusive background briefing on Jan. 29 with Executive Intelligence Review, the West German Bundesbank explained the entire plan.

## **The Consolidation Plan**

The Consolidation Plan, or "transparency and control" by concerned governments, as the Germans refer to it, is based on U.S. Labor Party Chairman Lyndon H. LaRouche's summer 1977 proposal for an international "two-tier credit system," in which governments politically direct their surplus dollars toward Export-Import Bank type of subsidized credits for large-scale export of high-technology goods from the advanced to the developing sector. These "development dollars" represent a lower tier of interest rates than the remaining speculative dollars, both internationally and within the U.S., that are invested in low-quality real estate, commodity, and unpayable Third World debt. The development dollars become the most profitable sector of investment in the world. Funds flow into the dollar, stabilizing it, in LaRouche's estimate, at the three Deutchemark, three Swiss franc and 300 yen level.

According to international banking sources, the Consolidation Plan, negotiated during West German Chancellor Helmut Schmidt's October 1978 summit with then Japanese Premier Takeo Fukuda in Tokyo, envisions interest rates for lower tier dollars matched to internal German-Japanese interest rates — some 4-5 percent, compared with the recent Eurodollar high of 12 percent. This would be accomplished by the West German and allied central banks of France, Switzerland, and Japan, primarily, depositing their excess dollar reserves into the private banking system — cheaply, so that banks could begin to make development dollar loans below prevailing Euromarket rates.

As we have reported since October, Japanese and, recently, West German banks have begun to issue billions of dollars in such loans.

While the rate of issue of such "development loans" is estimated as high as \$10 billion in the last three quarters, the Schmidt government and its cothinkers found that additional, direct action on dollar market rates themselves was necessary. The stiff-necked U.S. banking community, instead of joining the Japanese and German consortia receiving central bank dollar deposits and demanding such deposits from their own government, had not only refused, but complained of "dumping." This attitude, which ensured the "containment" of the development loan policy to a limited area, was encouraged by U.S. Assistant Treasury Secretary C. Fred Bergston. In collaboration with the British Exchequer, Bergston denounced the concept to the West German and Japanese governments and to the U.S. banking community.

## **Why the prime rate fell**

The direct action, then, by the governments on world dollar rates was kicked off by West German Bundesbank Vice President Karl Otto Poehl in a controversial Berlin speech on Jan. 17. The next day's **Financial Times** of London reported with horror that "Germany and U.S. seek Euromarket control to steady dollar."

Poehl, in initiating the call for "transparency and control," stated that the sheer amount of the \$700 billion in Eurodollars that now is composed solely of dollars created to speculate against the dollar means that to safeguard international trade, governments must coordinate activities among themselves and the private banks on the market.

While the three-month London Eurodollar interbank rate (LIBOR) had in fact eased from its recent late-December peak of 11.81 percent to 11.21 percent on the day of Poehl's speech,

from that point to now it has tumbled at double the rate to 10 1/16 and continues to fall. It was these changes in international dollar rates — not what the Anglophile New York press is reporting as a collapse in U.S. domestic credit demand — which caused the break in the U.S. prime rate.

What happened to LIBOR was that the West German central bank (at least) began a two-series set of open-market operations on the Eurodollar market.

First, during the period from the end of 1978 to Jan. 17, concerted West German, Japanese, Swiss, and grudging U.S. intervention strengthened the dollar from DM 1.83 to the DM 1.84 level. It is a slow, but inexorable squeezing of the billions in short dollar positions being taken because City of London speculators loudly predicted a "Herstatt"-style dollar crunch for the first quarter of 1979 to be ticked off by an Iranian default, oil crisis, or some other "unstoppable" rush out of the dollar. They lost their bets, foreign exchange traders reported this week, because the European central banks overwhelmed them.

While this pressure on the "short-term" dollar-deutsche-mark-yen relationship has been continued, pushing the dollar up to DM 1.8730 and yen 201.43 on Jan. 31, the shift in the Euro-market metastability into a rising dollar mode had already by Jan. 18 allowed the Bundesbank to implement "phase two."

This was a direct open market operation on the long-term Eurodollar bond segment of the market. The day after Poehl's Berlin speech, the Bundesbank began to raise its Lombard rate, from 3.5 to 4 percent, while the Japanese and Swiss authorities — in "collusion," charged the *Financial Times* — made equivalent moves by loosening restrictions on foreigners' ability to invest in their domestic bond markets.

These moves ordinarily would have weakened the dollar exchange rate, encouraging short term funds to move into the DM, yen, and Swiss franc, but the central banks' previous intervention pressure had so stabilized the dollar exchange rate that the effect was a sudden boom in the Eurodollar bond market. The Cedel index of Eurodollar bond turnover rose by 50 percent in the week to Jan. 26, while that of all other Eurocurrency bonds (i.e., the mark, yen, and Swiss franc) fell by 50 percent.

This happened because while the Bundesbank-led moves made investment in those countries' domestic bond markets somewhat more attractive, it did so at the expense of constraining their Eurocurrency bond markets relative to the Euro-dollar bonds. The Bundesbank et al. have begun to phase out their currencies' use in the Euromarkets in favor of an increased role for the dollar as the reserve currency.

The combination of a healthy dollar bond market and a rising dollar exchange rate was enough to break the dollar interest rate in Europe, and cause the LIBOR fall. This affected Euromarket dollar certificates of deposit rates, which fell, causing New York certificate of deposit rates to fall and the prime rate to soften by Jan. 30.

### **An unstoppable decline**

As much as Walter Wriston, the Citibank chairman, Leonard Santow, Schröder Bank's chief economist, Federal Reserve chief G. William Miller, and others might rail, as they did in the Jan. 31 *New York Times*, against the "prematurity" of the Chase prime rate cut, it is, to the contrary, based on firm economic — and political — reality. As the Jan. 31 West German financial daily *Handelsblatt* said, reporting on Matthoef's New York speech, "The Euromarket shows signs ... of an evidently unstoppable decline in dollar interest rates, which is not seasonable, but rather a fundamental change in the dollar rate climate."

Matthoef, in his speech to the Council on Foreign Relations, reiterated nearly the entirety of Poehl's Jan. 17 Berlin speech, putting the full weight of the German government behind the actions already taken by the Bundesbank. He also added, according to West German press accounts, that the Bundesbank and other foreign central banks cannot stabilize the Euro-dollar markets without the United States. "Active U.S. participation" is needed and is being politically demanded by the U.S.'s allies.

The long-term significance of the Bundesbank strategy should also be pointed out, particularly in their handling of the bond market, long-term capital section of the world dollar market. The aim of the European Monetary System in establishing a new gold-dollar fund for foreign exchange stabilization is to begin to issue 20-year, gold-backed dollar bonds to soak up dollars and redeploy them for export financing. By introducing mechanisms to stabilize the existing international dollar bond market, the EMS governments make it all the easier to move toward increasing emphasis on the preponderance of long-term, low-interest investment vehicles in international markets, as opposed to the currently overwhelming short-term mix.

The reaction of the Blumenthal Treasury to this cluster of events should be enough to make any red-blooded American businessman rush to Bonn, or better, to U.S. Labor Party Chairman LaRouche for advice on how the U.S. ought properly to respond. In the face of this major effort by our allies to save the dollar as the world's reserve currency, U.S. Treasury Secretary Blumenthal told the Joint Economic Committee of Congress on Jan. 31 that the U.S. "is ready to consider proposals for the evolution of the international reserve system" because the Administration "isn't interested in maintaining an artificial role for the dollar" and was "quite prepared to contemplate a reduction in its relative role in the international monetary system." The irony of Blumenthal's attempt at an abortion of the new world role for the dollar in its ninth month will certainly not go without comment in Europe.

—Kathy Burdman



# Carter's budget is a hoax

Like most of the Administration's undertakings, the Fiscal 1980 Federal Budget is a nearly transparent hoax, but a hoax in which the Administration is less the witting perpetrator than the pathetic plaything of events set in motion by others.

On two counts, the so-called austerity budget is dangerous and inflationary. On the first count, more dramatic (and in reality, less important), the Budget continues the pattern of 12 to 15 annual increases in combined "off-budget" (mainly Federal Financing Bank) and "Federal agency" borrowings which has prevailed since the 1975 "recession" year. Minus these borrowings, which built the biggest ball of economic fluff in U.S. business activity, the economy is still sitting on the 1975 trough. The net (after deduction of refinancing and the pass-along of assets to private lenders) of such borrowings by the FFB, mortgage support agencies, and others of such de facto Federal deficit spending for Fiscal 1980, is projected to be \$58.5 billion, just double the official budget deficit estimate.

The problem has not gone unobserved in the past. **Executive Intelligence Review** noted the identical situation pertinent to the Fiscal 1979 Federal Budget. Economist Alan Greenspan, in a Nov. 23, 1979 analysis published in the Wall Street Journal, cited the inflationary growth of such "off-budget activity," although his proposal was to merely cease this activity and let the economy find its own way down.

But the far more inflationary feature of the budget is the decision to penalize precisely those sectors which contribute most to **fundamental counter-inflationary activity** in the economy, by way of compensation for the inflationary implications of past — including Ford Administration budget errors — including those taken while Alan Greenspan was Chairman of the Council of Economic Advisors.

According to the Economic Report of the President, issued on Jan. 25, 1979, "One of the most discouraging developments of 1978 was the very slow growth of productivity. Output per hour in the private non-farm business sector grew by only three-fourths of one percent during the year. Weakness in productivity growth did much to exacerbate inflation," now running at roughly 10 percent annually. This is not the occasion for a full discussion of the slowdown in the growth of productivity, but the disturbing trend is not a mystery. The life insurance companies and their first-cousins at bank trust departments have issued credit to the fluffiest sector of the economy at the expense of the most productive sector of the economy, while the government has discouraged the type of productivity-inducing programs in place, for example, at the height of the moonshot program.

The fact that productivity has failed to grow should be no surprise to anyone. The Carter Administration's great fault is that they have done the stupidest of all possible things in response to the inflationary result of this three-year development.

## Writing off technology... and household income

First, what might be called the technology composition of the budget has plummeted, even relative to the decline of the last several years. The energy expenditures of the federal government will shift from encouragement of cost-reducing energy sources to cost-escalating sources. Allocation for research and construction in the nuclear fission area will fall from \$1.24 billion to \$1.037 billion, almost a one-quarter decrease when present rates of inflation are taken into account.

The increase in the military budget, which could positively or negatively affect productivity depending on its technological orientation, points in a similar direction. Military expenditures will rise from \$114.5 billion in fiscal 1979 to \$125.8 billion in fiscal 1980. All of the new programs, however, involve antiquated technology, e.g. the AEGIS destroyer, and the Sparrow, Pershing and Standard Missiles. Production of these items will not have the technological spinoff benefit of, for example, the scrapped B-1 bomber program or research into beam weapons.

Second, the main cutbacks in the budget directly affect household income, which has been stagnant or declining for the past ten years. Such changes include the following:

- Workmen's compensation rules used to allow the family of an injured worker to collect from 100 to 180 percent of his average weekly wage. Under the new budget, the upper collection limit will be set at 80 percent.
- Workers receiving federal government pensions will lose up to two-thirds of the dollar amount of their social security benefits that under current programs would be granted them when they retire. This affects more than 5 million federal workers.
- School lunch programs for the young will be trimmed by \$400 million, spending for nutrition for the elderly will be sliced by \$200 million, and government sponsored funeral payments for the indigent will be eliminated for all but the poorest.
- The Comprehensive Employment and Training Act (CETA) will be cut from its 1978 level of 725,000 jobs down to 546,000 by the end of the 1980 budget. While CETA was originally created to provide slave-labor jobs, it was diverted by most urban mayors into supplementing the city's payroll. The cuts in CETA could bankrupt some cities.

A quarter of a million summer youth jobs for 14 year olds will be cut to "save" \$400 million. This will help to produce tens of thousands more drug addicts.

The elimination of youth programs, as well as the minimum level of maintenance of federal drug enforcement programs, point to a productivity problem that has escaped attention in most of the financial press, namely the effects of large-scale drug utilization on productivity. Roughly one-quarter of the nation's population between the ages of 12 and 25 are fairly regular drug users, a figure which includes a significant portion of the

workforce, and reflects only somewhat lower rates of abuse among 25-to-35 year-old workers. Since official data show the rate of drug abuse on an exponential rate of increase, the effect on productivity is clearly enormous. The Southern Connecticut Manufacturers Association has prepared a study estimating that industrial accidents costing \$30 billion annually can be attributed to drug abuse. No accurate data exist on the effect of drug abuse on the change in the rate of productivity increase, but the result is intuitively clear.

The drug abuse issue only illustrates the broader point in the budget's general approach, namely that it seeks to compensate for the inflationary effects of total federal government activity by cutting into areas of spending which immediately affect worker morale, and therefore productivity. What might be called the "second-order" effect of the inflationary orientation of previous budgets as described above, the penalization of household income, is far more inflationary in the long run than the "off-budget" spending.

Possibly, the reason that the budget's visible flaws have not been subject to public dissection (there has been more than sufficient griping of the predictable variety) is that the budget, on close examination, shows how badly rigged the economy is. To follow Alan Greenspan's suggestion and eliminate the inflationary *de facto* deficit spending elements would put the U.S. into recession which, on balance, the majority of the business community has decided they do not want.

#### **Housing mortgage vs. construction**

The mechanism of the problem centers on the housing sector and the mortgage market. The largest component of the 1975-1978 "recovery" occurred in the housing sector. The Economic Report of the President states that the "flattening out of residential investment outlays was a dominant element in the slower growth of real GNP in 1978," contrasting the 15 percent rate of increase in 1977 to the 3.5 percent rate of increase during 1978. Ignoring the stupendous level of federal-agency support

for the mortgage market, the Report wonders whether credit market conditions played a role in depressing the rate of increase. It concludes that "the striking feature of the housing sector last year was its continued high level of activity in the face of sharply rising interest rates." The real constraint was more ominous: "The sharp rise in prices of a wide range of building materials suggests that the building industry was operating at close to capacity in 1978."

In other words, even though the housing sector was the center of aggravated speculative conditions during 1978, in which households took on large amounts of high-interest credit in order to acquire assets whose rate of price increase would outstrip the general rate of inflation, the relevant capital-goods sector was too weak to maintain the desired level of output without running into bottlenecks! That is pure shambles.

Between 1974 and 1977, the increase in total borrowing by households (from \$48.6 billion to \$139.6 billion) was roughly equal to the expansion of mortgage credit (from \$55 billion to \$131.0 billion, both numbers showing net new extensions in each year). What this reflects is the widespread use of mortgage credit by households to finance non-housing expenditures. Between 1975 and 1977, mortgage credit extensions jumped from one-quarter to two-fifths of total credit extensions.

This process locked the United States into a high-interest-rate, high-inflation environment, with the deleterious effects noted above. Given the failure to build additional or better capacity into the economy, the "off-budget" credit hoax is producing worse and worse results. Larger volumes of mortgage credit extensions are producing smaller increases in construction, and the entire perverse cycle is ready to give way. The "conclusion" is that somewhere, something has to come out of someone's hide. And that is what the Carter Budget proposes to extract. It is a prescription for disaster.

—David Goldman

# How the EMF is shaping up

## *Gold remonetization moves forward*

After one month of unofficial but sweeping operations, the European Monetary System (EMS) is coming into its own on all fronts of its self-defined tasks: currency stabilization, redirection of world credit flows, and industrial development initiatives.

The EMS was created last June at the Bremen summit meeting of European Community (EC) heads of state. Its sponsors were the West German and French governments; its other members include Italy, Denmark, the Benelux nations, and Ireland—the EC Nine minus the United Kingdom, which fiercely opposed the EMS's creation as a threat to London financial weight and International Monetary Fund policy control. Both publicly and behind the scenes there has been close EMS coordination with Japanese authorities and with the member nations of the Arab Monetary Fund, especially through the Saudi-West German "special relationship" consolidated last summer.

Efforts have also persisted to recruit Washington, D.C. and the U.S. business community to EMS alignment; the most recent open diplomatic mission was West German Finance Minister Hans Matthöfer's trip to the United States the week of Jan. 29. His core message was that economic phenomena are subject to the will of men and governments — the principle of the EMS's "dirigism." He also said he expects the EMS to go into official effect this month.

The EMS itself now shapes up as follows:

### 1. Current Stabilization

The EMS founders said their first aim was to stabilize EC crossrates and the dollar. They have succeeded. On Dec. 5 they adopted fixed internal rates with a 2.25 percent fluctuation up or down permitted each currency vis-à-vis the others. Temporarily, the problematic Italian lira is allowed 6 percent.

This killed the British-inspired counterproposal that rates be set in reference to a fluctuating basket of currencies in a sort of infinite regress. Within the "grid" system adopted, the European Unit Currency (ECU), a weighted amalgam of European currencies, is used simply as a switchboard numeraire, signaling what will already be apparent, that some component is out of line. The ECU's more interesting accounting function is noted below.

The past two months' implementation of this "grid" parity structure has been smooth and tight. January's crossrates confirm this, with *Business Week* noting the phenomenon as proof that the EMS is already in effect. Spinoffs of increased West German growth to its trading partners have made the fixed rates somewhat easier to achieve.

A DM 1.86-level floor under the dollar has also been enforced, especially in the latter part of January. Speculators have been forced by EMS intervention and threats of EMS intervention to substantially withdraw their dollar "sell" orders (effects on the Eurodollar markets detailed in our Economics report). Apart from this publication, no commentator has explained how this dollar stabilization could occur in the midst of the Iranian-Mideast crisis, and persistent economic-policy bungling in Washington. The analysis ventured by those who prefer to leave the EMS out of account is that low 1979 growth is expected to cut the U.S. trade deficit, and that this has bolstered the dollar!

### 2. Concentration and transformation of dollar-gold reserves

In the official EMS communiqués of July and December, the European Monetary Fund was established, with an initial capitalization of 20 percent of each member's gold and dollar reserves. The funds — roughly \$35 billion — go into an already existing EC institution, the FECOM (European Monetary Cooperation Fund). Over a two-year period, the EMF is to be turned into a full-blown replacement for the International Monetary Fund, the European Commission's economic directorate, and the Bank for International Settlements. It will have the formal mandate and administrative and planning cadre to act as a nexus of a global international development bank — institutionalizing and expanding the West German-Soviet 20-year economic development agreement as well as the Arab Monetary Fund and Bank of Japan links. And, given a realistic administration in the White House in 1981, it will draw the U.S. into the new world monetary system.

#### Remonetization of gold

Meanwhile, Chancellor Helmut Schmidt of West Germany and President Valéry Giscard d'Estaing of France are speeding up the mechanisms of the EMF as a reserve pool and a clearing mechanism that is remonetizing increasing amounts of gold.

A profound step to this end was taken in mid-January, when the EMS governments instructed the central banks to start implementing gold remonetization for credit backup. As reported in the last issue of *Executive Intelligence Review*, instead of simply assigning a flat monetary value to gold, the EMS adopted an ingenious transitional measure that will uniformly upvalue the 20 percent of members' gold reserves in the EMF to essentially the market price (see table) — and will also incrementally upvalue and monetize the remainder of their total gold reserves.

Every three months, each central bank is expected to square its accounts so that the original balance of its gold and dollar deposits with the EMF is restored. If Italy, for example, has drawn credits from the fund, it must pay in dollars and/or gold.

The creditor countries — above all, West Germany, will take the fund's remittances and replace the surplus over the 20 percent with the Bundesbank. But, the paid-in gold will not be valued at the Bundesbank's low level, which presently accounts its \$30 billion in gold as only about \$17 billion. The difference between the two valuations will be monetized and placed in a special fund. Thus this transitional measure increasingly up-values the majority of Bundesbank gold and allows the government to centrally and deliberately control the surplus created. It also bypasses the presently tortuous process of political and legal ratification of full gold remonetization.

The EMF's clearing operations, in which ECU's serve as accounting channels for these transfers of gold and dollars, are thus the opposite of the post-World War II series of European Payments Unions created by Robert Triffin and the Marshall Plan. Then, the purpose was to provide small margins of European-currency balances-of-payments credits in order to "stretch" gold and dollar holdings and make them less and less consequential. These credits were allocated in a situation of

overall credit constriction on the IMF model, which drastically prolonged postwar austerity. The EMS is designed to make the dollar, with gold backing, a prized and potent world currency precisely as a vehicle for long-term expanded credit.

The EMS idea is to begin issuing gold-backed bonds through the West German and French governments and increasingly through the fund itself. These instruments will attract resources out of the large proportion of the \$700 billion Eurodollar markets which is not serving trade or other useful purposes, since although the bonds will have only 3 to 5 percent interest rates they will be inflationproof. As the funds finance targeted industrial development projects inside and outside Europe, they will in fact countervail inflation by gearing up production and productivity relative to monetary aggregates.

The gold capabilities of the EMF would be amplified beyond their already formidable level if South Africa joins. Finance Minister Owen Horwood had said Jan. 24 that the government is closely watching the European "zone of monetary stability" and considering whether to link its currency, the rand, to the EMS, now that it has been decoupled from the dollar. South African brokers say a "yes" decision may have already been taken.

Joining the currency "grid" would not necessarily mean that South Africa would commit its large gold reserves to the EMF,

## European Monetary Fund Assets (by country)

(in billions of dollars)

EMF MEMBER COUNTRY	DOLLAR RESERVES late 1978	GOLD RESERVES Dec. 5, 1978 valued at \$230 a troy ounce	20% of gold-dollar reserves
BRD	\$40.5	\$30.1	\$14.3
France	7.6	26.5	6.8
Italy	9.6	21.4	6.2
Holland	3.6	14.0	3.5
Belgium-Luxembourg	2.6	10.8	2.8
Denmark	2.7	.46	.6
Ireland	2.4	.14	.5
<b>TOTAL</b>	<b>\$69.0</b>	<b>\$103.4<sup>3</sup></b>	<b>\$34.7</b>
Switzerland <sup>1</sup>	12.8	20.0	6.6
United Kingdom <sup>2</sup>	15.8	5.75	4.3

but in practice South African coordination of the gold markets — which the European central banks already guided to the \$235 per ounce level — and eventual involvement in the EMF would follow.

Norwood's statement came in the midst of a shift in South African foreign exchange policy. A "financial rand" will be created, replacing the more limited "securities rand." The latter was involved chiefly in gold mining shares transactions, and sold for more than 40 percent discount, permitting London speculative networks to buy into the shares cheaply. The "financial rand," managed at a lesser discount, is intended to facilitate direct foreign investment in South African industrial capacity expansion.

The London allies in South Africa have been advocating a major rand devaluation to boost the mining sector's "export competitiveness" at the expense of other industry's import costs, and a "free enterprise" dismantling of state-controlled enterprises. They say they would like to see a gold craze tick off a run against the dollar and isolation of the U.S. (This is why Robert Guy of N.M. Rothschild, who chairs the London gold price fixing committee, among others, is now touting remonetization of gold and a sharply fluctuating \$260-\$290 per ounce price this year. The fact that the EMS authorities have

the market increasingly under control, however, was expressed by his colleague, Allan Jeffrey of American Express's London-based International Banking Corporation, who said "The currency, gold and money markets no longer have their destinies in their own hands. Regrettably, the markets are becoming pawns of a political game."

With the Jan. 24 currency reforms, the opposing South African faction won a rejection of a devaluation. The best people in this group are proponents of "the Ponto Plan" for collaboration with Europe to industrialize the African continent and shove out the drug-linked gold and diamond networks of the de Beers-Oppenheimer power center. Under conditions of a blow to mining-share speculators, the government may move toward nationalization of the mines and capitalization of currently marginal mines to supply the new gold-backed monetary system.

Dresdner Bank spokesman Jürgen Ponto, it should be noted, was one of the guiding West German minds behind the EMS; his assassination by Baader-Meinhof terrorists in July 1977 was intended, in fact, to obstruct the EMS. Now, the African French-speaking nations will attend a briefing by French President Giscard on the EMS at the beginning of this month, coinciding with the South African shift. The IMF, according to Washington sources, has given up trying to throw gold out of the world monetary picture altogether, and instead is hoping to end the embarrassing practice of valuing it at \$43 an ounce — perhaps, in pharisaical fashion, simply accounting it by weight instead of dollars or Special Drawing Rights!

### **Eurodollar command**

Phase one of this transformation began long before Schmidt and Giscard announced the formation of the EMS, as Europe and Japan continued to soak up dollars in the currency markets to protect the U.S. currency; Phase two was the Nov. 1 success in forcing Washington, D.C. to officially join in this effort. Phase three, actual control over the flow of Eurodollar credits beyond the sphere of the currency spot and futures markets, has now begun. As detailed in our ECONOMICS report, the EMS central banks — especially the Bundesbank — are debating the creation of a two-tiered international credit market — that is, lower-interest productive credits on the bottom tier, made possible by low-cost central bank dollar allocations to the private banking sector, as well as direct government gold-backed bond issuance. The upper tier is the old speculative interest-rate structure. Parallel developments are being guided for the domestic economies.

### **3. Development commitment**

The September 1978 summit meeting between Giscard and Schmidt at Aachen with its plans for joint scientific and technical education and nuclear power development showed the world what all these currency and credit arrangements are intended to accomplish. A new level of efforts to politically prepare the population for the EMS at large has ensued. The French UDF (Union pour la démocratie française), the coalition on which Giscard's presidency is based, has not only proposed a \$100 billion five-year program for continental-scale development projects in Europe and the Third World, but is running its campaign for the Strasbourg European Parliament on this platform

<sup>1</sup>Switzerland is already a de facto EMS member regarding currency stabilization, as expressed in the formal mid-November agreement to peg a cross-rate with the deutschemark. Swiss bankers say with greater or lesser enthusiasm that fuller EMS membership is inevitable. This would increase EMF assets by about one-fifth. The Swiss government has publicly stated its interest in membership.

<sup>2</sup>The London press has for several weeks been urging the Callaghan government to reconsider its rejection of EMS membership when, in December, it did not get the concessions it sought. Nominally this is an effort to obtain credits for the UK without the rigors of a pound parity dictate entailed by full EMS membership. In or out, both the City of London and the UK as a national entity are increasingly subject to the EMS "environment."

<sup>3</sup>U.S. gold reserves, at this valuation, would be worth about \$60 billion.

of "a development plan for employment" — outflanking the demagogic "class struggle" wing of international Social-Democrats and Communists. It will also help educate business, with its plan for half the funds to come from coordinated national reserve deployment, half from borrowing against reserves — the gold-backed bond principle. The UDF's idea of administering the program through the European Community's Council of Ministers means that Schmidt and Giscard would have direct oversight, rather than the European Commission bureaucrats dominated by pro-British, anti-EMS elements.

The EMS governments are meanwhile dealing with the raw-materials question by setting up a transition to the transfer of high technology and nuclear power that will end the Third World's "Third" status. French doubling of aid to uranium-rich Zaire is one specific effort; More broadly, the EMS effort to "globalize" Lomé Agreement income guarantees to commodity producers has been analyzed (see Executive Intelligence Review, Jan. 30-Feb. 5) as a holding action for the industrialization plans Schmidt discussed in December with developing-sector leaders in Jamaica. In terms of mass education along these lines, the most important recent effort is probably the book "La guerre de l'énergie est commencée" ("The Energy War Has Begun") by Electricité de France director Lionel Taccoen, which poses the paradox that the Third World is too poor for any energy form but nuclear power.

In Northern Africa, Technip of France and the Italian ENI will build a third liquefied natural gas complex for the Algerian state firm Sonatrach, raising \$1 billion in capital through the French banks. This shows the U.S. what public-private sector

alliances can do — and contrasts illustratively with the less than \$500 million U.S. commercial banks have been dangling to Turkey with IMF deindustrialization conditions attached.

Other aspects of the EMS-Mediterranean rim and Mideast development plans include:

- A probable interim compromise on the EC's Common Agricultural Pricing and farmer subsidy provisions, which, under Franco-German guidance, will phase out the latter while shelving the British demand for a price freeze. France is working toward extending to southern Europe its own ambitious plans for turning its farmers into advanced agrobusiness exporters to the developing sector, as Spain, Portugal, and Greece join the EC and EMS. The EMS's credit resources will permit a fairly painless abandonment of the current rattletrap CAP and subsidy system. A Franco-German victory in this sphere at the Feb. 5-6 agricultural ministers' meeting will quickly be followed by the full official inauguration of the EMS that was delayed Jan. 1 by British maneuvers around this issue.

- Spain held the first joint Ibero-American Conference on Science and Technology in Madrid Jan. 30-31, with Mexico serving as an EMS "bridge" to Latin America on behalf of industrialization.

- The German-Saudi Arabian Capital and Investment Commission announced an array of agreements, following development ministry and private banking negotiations last month, including a \$16 billion Herms export credit guarantee from West Germany.

— Susan Johnson

# The old spy-in-the-Smithsonian-Institution gag

*Lyndon LaRouche reviews Cannon's "Science in Culture"*

The spy-fiction writer has contributed to exposing the use of foreign-language schools, travel bureaus and such obvious spy-covers. Perhaps not so strangely, those sorts of covers are very much in use to the present date; such arrangements have become more or less a courtesy which one nation tolerates on its premises as a gesture of hospitality to the spies of another. There is less popular awareness of a more important spookery ruse, the use of museums and similar institutions as command centers for espionage and allied networks.

The most celebrated modern case of the spy-in-the-museum gag is the British Museum, often referred to as the "Temple" by insiders to the spook trade. The Ashmolean Museum has earned a very nasty reputation along these lines. The British copied the practice from the ancient priests of Isis and Apollo, among others: the spy-in-the-museum gag is the model of reference for similar uses of universities and what are nowadays termed "think tanks."

The same principles governing the use of the British Museum as a command center for international spookery determine British spies' penetrations of museums, major libraries and related institutions in the United States, in particular. Exemplary is the case of the late, evil Dame Margaret Mead, clumping her preposterous witch-doctor's staff through the corridors of New York City's American Museum of Natural History. The case of Susan Faye Cannon at Washington's Smithsonian Institution falls into the same spectrum.

Really sophisticated political-intelligence operations do include occasional bits of Mata Hari. Sex, bribery and blackmail, plus a sprinkling of assassinations, are the day-to-day stock in trade of most major intelligence and security agencies. The "sleeper" often does signify a person working his or her way from bed to bed within the targeted circles. Real or suspected psychological vulnerabilities are the essence of the lower aspect of spy work. Capitol Hill and other targets are crawling with persons focussed on the "sexual preferences" of congressman, aides, and others. These—sex, bribery, blackmail, thuggery, document-theft and so forth—are the proliferating incidentals of espionage and related crafts.

Susan Faye Cannon,  
*Science in Culture:  
The Early Victorian Period,*  
Science History Publications,  
New York, 1978

Really sophisticated political-intelligence operations have a more ambitious character. Such operations are addressed to the purpose of gaining control over the minds of sections of the populations of targeted nations, or even entire populations. The way in which British intelligence established control of the major radio networks from the beginning, and continues that control of U.S. major radio and television networks, and took over and controls Hollywood, to the present day, is exemplary. Total control or major influence over press wire services, over major

newspapers and wide-circulation weekly magazines are part of the same pattern. Control of the "liberal arts" departments of major universities, control of related professional associations and heavy penetration of physical science departments and professions is also part of the same pattern.

The use of those media of controlling psychological influence depends upon planning and coordination of the indoctrination campaigns funneled through those media. This planning and coordination is coordinated through network centers, centers which function as what are termed "think tanks." These think tanks serve variously as the sources or packaging centers for the myths and fallacies of composition of fact which are distributed as the "in" topics of inquiry and discussion through the universities, public schools, periodicals and entertainment media of targeted nations.

By controlling definitions of "newsworthiness" for news media, "topicality" for entertainment media, "relevance" for educational programs, and "objectivity" and "professional credibility" for opinions and ideas generally, the public mind is subjected to an orchestrated illusion. The central theme of this illusion is the appearance of "accepted opinion," "accepted tastes," or, in other words, "popular opinion" and "popular tastes."

The result of such orchestration appears to be, on the first level, the indoctrination of large sections of a targeted population in particular opinions and tastes. This is significant, but is not the essence of the matter. The essence of the matter is conditioning a population to form its opinion and shape its preferences of taste according to such influences.



## Examples of indoctrination

The classic modern illustration of mass brainwashing of the U.S. population is the deployment of the radio-TV and recording industry around the "Hit Parade" gimmick of the post-war period. The most banal, unmusical refuse, called "popular music," was sold to the U.S. public through repeated radio performances (and TV performances) of such rubbish as "this week's hottest number" or analogous chatter. This paralleled the blatant conditioning of women and lower-key indoctrination of men in the "latest styles." The woman adorned with the "latest style" was informed that she was "chic" and had made a narrow escape from being considered either merely "drab" or downright "ridiculous." The man was encouraged to be variously "sharp," "fashionable," and so forth. These subtle methods of psychological terror were employed to make the most intimate opinions of most of the U.S. population pretty much what British-linked networks of media-influence prescribed.

The use of published "opinion poll" results in the same manner was employed to sell candidates and legislative programs by the same methods of mass brainwashing.

The proverbial Joe and Jane Doaks are not the only victims of this sort of manipulation. The operation which the British Museum's David Urquhart conducted against Karl Marx during the 1850s illustrates the methods used around the "think tanks," which are the home bases for these coordinated, mass brainwashing operations against general populations.

Politically, Karl Marx belonged to a generation behind that of the great Heinrich Heine, and two generations behind Friedrich Schiller, Beethoven, and Mozart. He was a generation behind the great German economist Friedrich List, and more than a generation behind Johann Hugo Wyttenbach, Marx's gymnasium director at Trier. Although Marx's father's opinion was corrupted by softness toward Jean-Jacques Rousseau, young Marx's outlook and secondary school education leaned strongly to the republican Neoplatonism of Franklin-admirer Wyttenbach. Marx's 1835 essay, written for a class of school director Wyttenbach, reflects that strongly Neoplatonic outlook in the adolescent Marx.

The Neoplatonic method predominates in aspects of Marx's 1844 "Paris Manuscripts," and is expressed with brilliance and maturity in two of his 1845 writings, "The Theses on Feuerbach," and the "Feuerbach" section of "The German Ideology." Although Marx's concluding, fragmentary section VII of "Capital," Vol. III, especially its included treatment of "Necessity and Freedom," exemplifies the continuation of the Neoplatonic method into Marx's so-called "mature period," there are major flaws in Marx's work. Marx's knowledge of modern European philosophical, scientific, economic and political history was substantially fraudulent.

Exemplary of Marx's ignorance in the latter topics is his foolish deprecation of the Rothschild problem (under Engels's conspicuously disorienting influence on this point), his refusal to face the 1847 exposure of the fraud of the European "radical" movements, as exposed by Heinrich Heine, his irresponsible attitude toward the work of Friedrich List (for similar reasons), his ignorant acceptance of the British capital-

ist model thesis, and his acceptance of the fraudulent "materialism superseding idealism" hoax.

These problems Marx already carried with him from the continent to London. He had been lured, together with many of his German peers, into the neo-Jacobinism of the Palmerston-coordinated "radical movements" centered around British intelligence's Guiseppe Mazzini project, "Young Italy." In London, Marx was subjected to more intensive manipulation, notably with included coordination by David Urquhart of the British Museum.

Urquhart was a specialist in the Mazzini-linked "radical movements" of the European continent, movements closely linked to Britain's own judo operation, the so-called Chartist movement. To this date, the standard sources on British intelligence control of the "radical movements" of the 1848 period cite Urquhart as a principal authority. Therefore, it is not surprising that so notable a young German "radical republican" as Marx should have received special attention from Urquhart in London.

The role of Urquhart in disorienting Marx is adequately shown in Marx's own writings. Marx's judgment that Palmerston was a Russian agent is explicitly shown to be a result of the influence of Urquhart. Marx's nonsensical, but obsessive views on early United States history — his quarrel with Henry C. Carey on this matter — are also explicitly traced to Urquhart's influence.

This correlates significantly with the fallacy of composition in Marx's accounted sources and assumed facts in his writings. Someone in the British Museum was certainly controlling the selection of materials made available for Marx's studies. Marx's selection of sources would give any thorough scholar a falsified picture of European history. The sources which would have corrected that erroneous picture existed at the British Museum — one has a glimpse into the typical manner in which librarians, as well as university professors, perform brainwashing on their students and scholarly visitors.

The role of the British Museum in Marx's life in London is underlined by the case of Marx's daughter. It was through operations coordinated by that institution that the scoundrel, Dr. Edward Aveling, the lover of Annie Besant, seduced the intellectually talented daughter and ultimately drove her to shame and suicide.

The quaintness, eccentricity of a Dame Margaret Mead or the seeming ineffability of a library or university liberal arts faculty should not obscure the depths of evil which often lurk behind the outer appearance of the essentially charmless, testy, slightly bent old witch. It is exactly such quaint eccentricities, modeled on the faggotry of Oxford and the séance-kookery of Cambridge, which warn one of a person estranged from reality, a person whose adult mental life is centered in the decayed fantasies of a disturbed childhood — like the late Bertrand Russell. These kooks are estranged from love for people; these kooks play out their fantasies as a wicked sort of doll-play with the opinions and circumstances of the human race. The shared, oligarchical, bucolic-biased fantasies of "our crowd" of quaint kooks become the image of "the world as it must become." Anything which discredits the traditions of Oxford and Cambridge is to be destroyed, discredited.

Susan Faye Cannon, a British "mole" penetrating the Smithsonian Institution, is fully assimilated into the evil world-outlook she shares essentially with the late Dame Margaret Mead and the monstrous mind of Barbara W. Tuchman whose daughter shares a privileged role within the U.S. National Security Council. Cannon is dedicated in fact to destroying the technology and economy of the United States, and her book is an exertion contributed to the purpose of winning opinion-setters to arguments against scientific progress.

## Cannon's book

Cannon's book has two principal functions. The overall, primary objective of this fraud is to slander what she identifies, with an hysterical pitch to her voice, as the "Truth-Complex." Listening to her written prose, one hears her thoughts shrieking in the cacophonous squawks of a Phrygian maenad against the idea of science. What fills her with obsessive hatred is the notion of science as man's perfectible mastery of a lawful ordering of our universe. In order to develop her case, she chooses to introduce a second fraud. She attempts to talk her way around Charles Babbage's revelation of the virtual nonexistence of scientific research and education in early nineteenth century Britain.

We turn our attention first to the second topic.

As the influential David Brewster wrote in 1830:

During the last fourteen years of almost uninterrupted tranquility, the poorest as well as the most powerful of the European states have been ardently engaged in the prosecution of the arts of peace. The return of the sword to its scabbard seems to have been the signal for one universal effort to recruit exhausted resources, to revive industry and civilization, and to direct to their proper objects the genius and talent, which war had either exhausted in its service or repressed in its desolations. In this rivalry of skill, England alone has hesitated to take a part...her artisans have quitted her service — her machinery has been exported to distant parts — the inventions of her philosophers, slighted at home, have been eagerly introduced abroad — her scientific institutions have been discouraged and even abolished...

Babbage, Brewster and others documented their case conclusively. Today's reflection on that evidence allows no doubt, for reason of fact, that without measures promoted by the Edinburgh-centered circles to which Babbage was allied, Britain would have collapsed into a third-rate power during the middle of that century.

The product of this Babbage-led intervention was several fold. New channels were developed to plagiarize the leading scientific circles of the United States, as well as the continent of Europe, for basic scientific knowledge. With aid of recruiting European specialists as well as "continental science's" productions, Britain underwent a limited but important industrial development during the middle of the nineteenth century. This effort was accompanied by a bitter conflict between the "fundamentalist," cult-synthesizing Oxford Movement circles, and the Scottish-policy-influences which came to be identified with the Cambridge Society.

The complication of this Oxford-Cambridge feuding, which spilled over into the present century, is that the fundamental agreement between the two institutions was overriding of the differences. Unless the whole issue is taken into account as a whole, one might emphasize either the agreement or the subsumed differences, degrading the importance of the latter for the former, or exaggerating the latter to the point of ignoring the common philosophical setting. Or, as Cannon does, one may perform this following sort of sleight of hand. One may represent the Cambridge faction as dedicated to the fostering of scientific knowledge in the sense of "continental science," on the one hand, and then subordinate this fraudulently argued commitment to the Oxford point of view.

For reasons we shall review here, Cambridge was as hideously antagonistic to "continental science's" world-outlook as Oxford. As Babbage et al. emphasized, the issue was pragmatic, not philosophical. Britain was in the process of sliding into third-rate power status, and only a promotion of technology to a degree essential to prevent this was a sensible way for muddling through the nineteenth century. Although Lord Milner's group did adopt a policy of "Hamiltonian dirigism" at the onset of this present century, that was done tongue-in-cheek, and purely as a matter of preparing for World War I. It is exemplary that as the British succeeded in placing Andrew Jackson into the U.S. Presidency in 1829, Jackson refused to allow the Smithsonian Institution to proceed, sabotaged U.S. national credit, pioneered James R. Schlesinger's efforts to wreck fostering of technological progress, and sought to destroy U.S. industrial development generally. The British leading circles were all antisience. The Scottish promotion of technology was a matter of expedience, a matter of securing Britain's relative power at the expense of other nations.

Cannon is quite informed of these matters. She alludes to features of the Oxford-Cambridge debate extensively — and, predominantly, fraudulently. It is this evidence of her own book's references which proves her not merely mistaken, but a liar.

The function to which Cannon puts her lying on the Babbage issue is that of attempting to make a stronger case than nineteenth century Cambridge attempted to make against the principles of "continental science." Her argument is that there was no break in British scientific activity. In her account, there was an unbroken development, albeit through successive, autochthonous phases of transformation, from Newton through Bertrand Russell. This fraud aids her in insisting that "continental science" was merely a parallel development, primarily a heritage of Newton, and that the "hydrodynamicist" standpoint of Leibniz, Descartes et al. never represented a necessary or even particularly fruitful alternative approach.

Otherwise, she adheres to the Cambridge Society outlook, or, rather the Bertrand Russell variation of it, with a vengeance.

Then, by showing, as is easily done, that there has been no moral content to the main currents of British science since the 1660 Stuart Restoration — she passes over Priestly et al. — she demonstrates that after the turn of this century British science has abandoned all interest in the truth. Hence, the gist of her argument runs, there is no principle of truth in scientific

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*The overall, primary objective of this fraud is to slander what she identifies, with an hysterical pitch to her voice, as the "Truth-Complex"*

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method. Rather, "modern knowledge" is compartmentalized into "n" mutually exclusive branches of opinion and inquiry.

Perhaps the most concentrated summary of Cannon's views on the point is given by the following excerpt:

Our Truth-Complex... specifically excludes one element. One may read about nature, but one must not believe in her. The idea of Nature as a real entity is a pre-Christian and, what is more, a prescientific belief. One should not even speak of the 'laws of Nature': they are God's laws for the world, or they are theories in science. One must not see in the world a self-organizing principle, or in dead corpuscles a plastic power or inherent virtue. To do this is to be a confused thinker. One must not postulate a quite unobservable formative power in organic matter, ... God as a scientist with a bit of buffoonery and magic thrown in: this may have suited the 14th century Catholic imagination, but it could only play a carefully limited role in 18th century Anglican natural theology.

There are people who commit these fallacies, of course. From the 17th through the 19th century, this scientific heresy, this superstition of Nature keeps popping up, under different names and based on different overt philosophies: and each time it is put firmly in its place by the 'proper' scientists. It is denounced as Platonism, as pantheism, as mysticism, as Romanticism, as idealism, as vitalism ...

The gist of her outlook is clear enough, as well as her hysterical refusal to once define the adversary against which she vomits her maenad's acerbities.

This hysterical outburst of hers would not endure the light of nineteenth century British reality.

The American scientist, Joseph Henry, was lured to Britain for a period of months. This occurred because British circles had noticed Henry among the invitations to an impending international scientific conference on the continent. The picking of Henry's brains contributed importantly to providing elements which later turned up as the work of Michael Faraday and others. French sources looted were, like Henry, treated most ungratefully by the British plagiarists.

The British are not to be blamed for appropriating the work of American and continental scientists. They are to be blamed for being the most shameless sort of plagiarists, who not only steal a man's work without honoring that indebtedness, but who compound the plagiarism by organizing hideous libels and slanders and evil personal harassment against those from whom they have appropriated what they represent as their own original accomplishments.

In this latter vein, during the period in question, the British

escalated the libels and slanders they had already launched throughout the European continent against Franklin during the 1780s and 1790s. Although Franklin was in fact, in concert with Priestly, a seminal scientific influence in electricity and in fostering the developing of chemistry, the British expended great effort in the United States as well as elsewhere to represent Franklin as a mere tinkerer.

The Newcomen case is parallel. First, the British established the fraudulent claim that Newcomen had invented a workable steam engine. Next, they fostered the spreading of "Newcomen societies" in the United States itself. The purpose of the "Newcomen societies" was to propagate the view that the acquisition of scientific excellence was unnecessary; mere tinkering, like that of Newcomen, would be adequate.

In fact, the British had no modern scientific knowledge or practice during the period identified by Babbage, Peacock and Brewster. They were obliged to assemble the rudiments of scientific knowledge for themselves by scraping up the productions of such continental-science centers as the heritage of the Ecole Polytechnique and Göttingen. So, the admittedly gifted James Clerk Maxwell pieced together his "Treatise" ... So, Maxwell, like the rest of the Britain crowd, requited continental science by the worst species of plagiaristic practices, by seeking to discredit and personally harm those from whom they appropriated scientific knowledge. So, the Riemann on whose work Maxwell depended so much was only indirectly mentioned by Maxwell, in a sneering allusion to thinkers associated with "other geometries." So, Bertrand Russell made an immortal ass of himself in his attempted slander of not only Riemann, but of the Helmholtz from whom Kelvin appropriated most of the key ingredients of his own reputation.

It is instructive to note the manner in which Cannon treats this aspect of the matter. She professes herself to be a representative of that dismal profession known as the "history of science," and professes, that as editor of a scientific journal, she has had a behind-the-scenes hand in frustrating various scientific careers. Hence, she has adopted a responsibility for knowing the ABCs of her topic: who, at what point, is associated with crucial developments in the advancement of the so-called physical sciences. Since she lies so freely, it is unnecessary to consider how much of her atrocity in the book is to be laid also to the fraudulent character of her professional claims. She appears to be acquainted with much of the relevant literature, and it is sufficiently demonstrated on that account that she is a liar.

Purporting to adduce a case from the principal work of 19th century science and its predecessors, she makes either no mention or no more than mere mention of the most crucial personalities in the actual course of scientific progress. Riemann's name appears only once, and then as merely an apposited mention of his name in one sentence. Such crucial figures as Cantor, Weierstrass, Cauchy, Felix Klein receive no mention at all in the text, although their influences were crucial for British 19th century knowledge as a whole. The name Carnot is mentioned twice, once without specific or even circumstantial indication whether Cannon means Lazare or his son Sadi.

It was from the continental, "hydrodynamicist" faction of science, from the heirs of Cusa, Kepler, Descartes, the English Gilbert, Leibniz, and from the continental collaborators of Franklin, as well as Priestly, that the 19th century notion of **physical function** was imported into Britain. It was British

ignorance of such work in physics, as well as in chemistry, to which Babbage and his collaborators made detailed reference.

### Cannon's point of view

Cannon's point of view is predominantly that associated with Bertrand Russell. She differs from Russell in detail, but concurs in the central practical implications of her argument, and in the proclivity for compulsive, chameleon-like lying for which Russell was so notorious.

Insofar as she accepts an internal ordering for **theoretical** scientific knowledge, she identifies that with the standpoint of "applied mathematics." Then having so misrepresented science, she focuses on the inconsistencies between "applied mathematics" and reality, concluding that "pluralist irrationalism" is the desirable policy.

It is this perversity that marks her moral resemblance to Russell.

A systematic comprehension of the perverted twists and turns of her argument requires knowledge of the pathologies intrinsic to the notion of "pure mathematics," the standpoint which defines "applied mathematics" from the standpoint of "pure mathematics," and then substitutes such a notion of "applied mathematics" for "physics." It is the irreconcilability of the British doctrine of "applied mathematics" to the notion of "physics" underlying the achievements of "continental science" which is crucial here.

The key to the British methodological point of view is that both Oxford and Cambridge are Aristotelian institutions. (There are no Cambridge Platonists; there are only mystical Aristotelians who specialize in frauds against Plato in the name of conducting Platonist studies.)

The essential difference in the conception of physics between Plato and Aristotle is that Platonist physics is based on locating the principle of efficient causality within actions, whereas there is no efficient causality within the form of logic associated with Aristotle.

Logic is a derivative, directly of the varieties of sophistry and rhetoric (a codified sophistry) coordinated by the cult of Apollo at Delphi during the period following the Babylonian conquest of Tyre. In logic, the mere names given to the objects and processes take the place of real objects and processes. For any ostensible consequence of an interval of action, the name of the consequence is placed in conjunction with the names of those objects and processes which are noticed as antecedents and simultaneities of the noted consequences. The notion that one static configuration habitually flows from the preceding appearance of a configuration of antecedents is the basic principle of such a formal logic.

Aristotle, a bitter political adversary of Plato, was significantly indebted to the Academy at Athens. Aristotle adopted the formal ordering of hierarchies of cause-and-effect elaborated by the Academy, and used this information to construct a nominalist model based on hierarchies of fixed categories.

Aristotle eliminated the content of Platonism, and constructed a syncretic nominalist logic and metaphysics by fusing the names of borrowed elements of Platonism with nominalist sophistries. This is massively demonstrated by examining

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*The "self-organizing principle," which the ignorant Cannon brushes out of hand, is the formal reflection of causality we presently require*

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Aristotle's treatment of Platonic works, his extensive "commentaries" on Plato.

There is no **necessary** connection within the Aristotelian system. There is, in fact, only a probabilistic correlation of antecedents, simultaneities and consequences. One must vary the emphasis within the Aristotelian system either by stating that a probabilistic correlation must be a necessary correlation, or one may omit that latter assumption as an alleged extravagance.

The reason for this lies in the nominalist character of a formal logic. In such a logic, one has substituted the relationship among the names of objects and processes for study of the actual, efficient connection in reality. Since a language is a determined collection of objects, with no independently inherent properties as a language, there can be no notion of cause in a formal logic.

When mathematics is considered as a formal logic, the same result develops. Considered from a formal-logical, nominalist standpoint, no mathematical formulation contains a direct reflection of causality. Mathematics is merely a special language, determined by the practice of physics. Divorce mathematics from the physicists practicing physics, and mathematics becomes a form of Aristotelian schizophrenia.

Two successive pathologies develop from the Aristotelian misinterpretation of mathematical physics.

In the extreme case, as in Aristotle, the categories of "pure mathematics" are taken to be a priori, created all at once with the "Big Bang" of First Cause. In the extremely pathological case, we have positivist radicalism of the Viennese varieties. In this obsessive view of the matter, since mathematical logic can be shown to require no notions of causality, "pure mathematics" or radical-positivist varieties of "mathematical logic" "demonstrate" that the notion of causality must be an arbitrary philosophical "extravagance."

In the less extreme case, it is assumed that the question of First Cause can be agnostically avoided, and that the connections of logic can be reduced to matters of probabilistic correlations, with a more or less large margin for sheer, improbable irrationalism.

Cannon advocates the irrationalist view:

True science still recognizes, I believe, the Fourth Law of Thermodynamics, the law of perversity of inanimate objects. Stated in terms of probability theory, this law says you will probably be wrong more often than the laws of probability admit.

No self-respecting mathematician would say such gobbledegook sober. Cannon's is what used to be termed a "Sunday Supplement" sort of gossip about scientific matters. The "Stated in terms of probability theory" grates against the sensibilities of

any disciplined mind. Even so, in her own ignorant manner, the gist of her argument is, by intent, in the direction of the sort of radical, irrationalist form of empiricism to which we just previously referred.

The notion of substituting "applied mathematics" for "physics" assumes that "pure mathematics" is the optimal model of rational knowledge. The axiomatic structure of a given sort of mathematics is traced through theorems, in the way exemplified in the extreme by the Russell-Whitehead *Principia Mathematica*. The theorems elaborated as a lattice structure in this manner are then assumed to include, implicitly, all of the formulations which might be required to formulate a physical process. A "super-computer," based on a system such as Russell's and Whitehead's, should react rather promptly to any set of physical data fed into it with an act of "deja vu!" — "I have found the mathematical construction which fits that one."

The customer said to the storekeeper, "Give me two and a half pounds."

The storekeeper replied, "Two and a half pounds of what?"

"Just two and a half pounds," the customer rejoined.

The storekeeper brightened: "You must be the new mathematician the university just hired."

The customer nodded.

"Applied mathematics" is demonstrated by the case of the "pure mathematician" wandering through New York City's 42nd Street pornography center. He is selecting an X-rated film to match one of his sexual fantasies, a prostitute to aid him in acting out a delusion.

Mathematical instructions are like cook book recipes. On condition that the cook knows his way around a kitchen, and that the recipe is competently stated, the cook will reproduce a worse or better replication of what the recipe prescribes. (A "pure mathematician," were he consistent, would not follow the recipe, but would eat the cookbook.) Mathematical instructions are a form of communication. As such, they reflect an organized practice, but they are not that organized practice.

The standpoint of irrationalist empiricism takes advantage of

the absurdities of "applied mathematics," and joins Cannon in insisting on the probable irrationality of the universe. See, she sneers, "The Truth-Complex is absurd superstition."

By ignoring actual scientific progress, and by limiting the name of rational science to British traditions, Cannon "proves" that British science is filled with irrationalities, and that, "therefore," science in general is inadequate in that way.

The opposite view of physics as physics shows that mathematics is an outgrowth of language, which has been shaped by physics and related aspects of human advancements in practice.

If Riemannian physics is properly comprehended, from the vantage point of the habilitation paper on fundamental hypothesis, the whole matter becomes clear. The axiomatic correlatives of "fundamental particles" and linearized space, mass, time, vanish. What remains, as mathematics, is phase-space descriptions of real physical processes. Among the various domains defined in this way, cause persists as the efficient connection among these domains, but the mathematical-deterministic schema appropriate to one domain do not pass over efficiently to the other. The same point is made from the standpoint of geometry and number (e.g., from the standpoint of point-sets) by Cantor's notion of the ordering of transfinite. All that is required, from a formal standpoint, to develop a new mathematics around this is the abandonment of the scalar notions of measure of mass, space, time, in favor of a world-line principle of **negentropy** as **reflecting** the causality which bridges the distinct domains. The "self-organizing principle," which the ignorant Cannon brushes out of hand, is the formal reflection of causality we presently require — at this present level of the development of physical-scientific and related knowledge.

With the explosion of the H-bomb, the fact to which I have just referred was heavily underscored, if in a perverse way. It is the Riemannian standpoint which, and uniquely so, makes the workings of such infernal machines comprehensible for human practice. One may say that Cannon's argument was blown to dust at Bikini atoll.

# Government crisis in Italy

*Terrorism on the upsurge as Andreotti resigns*

On Jan. 31, Italy's Prime Minister Giulio Andreotti formally submitted his resignation to President of the Republic Sandro Pertini. This marks the end of Andreotti's fourth government and the beginning of another period of political instability in Italy which the French daily *Le Monde* predicts will be characterized by an escalation of terrorist activity.

Pertini will probably entrust Andreotti with putting together another government. However, before Andreotti has even begun the process, spokesmen for the party that led the effort to collapse the government are trying to sabotage his chances. Italian Socialist Party Vice Secretary Claudio Signorile is predicting that all attempts by Andreotti to resolve the differences between his Christian Democrats and the Communist Party will fail, and that Pertini will then appoint as Prime Minister Ugo La Malfa, the head of the tiny Republican Party. The aging La Malfa's credentials as a right-wing British operative in Italy go back to the Mussolini era.

The depth of the rift between the two major parties, the Christian Democracy and the PCI, is shown by the response of the latter's parliamentary leader Di Giulio, who, when asked about the possibility of a La Malfa government, responded "Why not?" Andreotti, however, insists he is optimistic that some sort of arrangement between the two parties can be made.

## **Alessandrini murder:**

### **Indictment of Italian nongovernment**

The collapse of the government is being accompanied by an increase in terrorism. On Monday, Jan. 29, Judge Emilio Alessandrini was assassinated by terrorists as he waited in his car at a red light in Milan. The modus operandi used by the killers is paralleled in military efficiency only by the "massacre of Via Fani" of March 1978, when former Prime Minister Aldo Moro was kidnapped and his five-man escort gunned down by Red Brigade terrorists. Alessandrini's killers knew his habitual morning route, caught him at an intersection where they knew he had to stop, pumped him with five or six machine-gun bullets, then fled, throwing a red smoke bomb to cover their getaway. Half an hour later, a caller to the daily *La Repubblica* claimed responsibility for the murder in the name of *Prima Linea* (Front Line), an offshoot of the Red Brigades.

The brutal murder of Judge Alessandrini brings into sharp focus the failures of the present Italian leadership. Alessandrini had worked closely with the Italian section of the European Labor Party to hunt down and bring to justice precisely those who retaliated by killing him in cold blood. He had investigated the role of sociologist Francesco Alberoni and the "Sociology"

Department of Trento University in creating the Red Brigades. He had looked into the curious coincidence that a high percentage of Italian kidnap victims were insured by Britain's Lloyds of London. He had most recently been involved in an investigation into the connections between Italian terrorism and the former head of the secret service, the Italian nobility-linked General Vito Miceli.

Marcella Andreoli, a journalist from the Socialist Party who had interviewed Alessandrini a few days before he was assassinated, revealed in the party's daily *Avanti* the immediate reason for Alessandrini's murder. Andreoli said that Alessandrini had obtained crucial evidence on the nature of the control of the Italian terrorist apparatus, and was on the point of proceeding against the individuals involved. Andreoli says at the end of the article that the timing of the murder indicates the existence of a spy within the Milan magistracy.

In the *Avanti* interview, Alessandrini had identified the aim of Italian terrorism: "It is not by chance that the actions of the Red Brigades have hit not so much rightists, but progressives. Their objective is self-evident: to arrive at a showdown in the shortest possible time, dividing in two that reformist buffer which in some measure guarantees the survival of this type of society."

Ultimately, the orders to eliminate Alessandrini originated in the same quarters that engineered the collapse of the present governing alliance: the oligarchists inside and outside of Italy, and their kept left and right wings.

## **End of the 'emergenza'**

The end of January announcement by Prime Minister Andreotti of his resignation from office marked the end of the arrangement, formalized in March 1978, between the Communist Party and the Christian Democracy, whereby the two parties agreed to collaborate. The Communist Party would vote in Parliament for DC programs, in exchange for a Christian Democracy promise of prior consultation with the PCI and PCI approval in advance. The Christian Democratic leadership, primarily Aldo Moro and Andreotti, justified this arrangement to their membership by invoking a spirit of national unity in the face of the grave crisis facing the country. Thus it became known as the "emergency policy" — *politica di emergenza*.

Neither of the major objectives this arrangement was designed to accomplish has actually been reached. The economic plan, which was to be debated in Parliament this week, became one of the major areas of DC-PCI falling out. As a result, the country still has no coherent economic program and

is still at the mercy of stagnation, strikes, and health problems such as a mysterious epidemic that is killing dozens of children in the southern city of Naples.

The second major problem facing the country, the daily terrorist warfare, is still rampant and apparently unstoppable — at least by the means presently being brought to bear. Despite a wave of arrests of supposedly high-level Red Brigade members by Special Operations Chief General Dalla Chiesa, the killings, woundings and bombings continue. Guido Rossa, a shop steward in the Communist-dominated CGIL union, last week became the first explicitly PCI-linked terror victim. Rossa paid with his life for his testimony against a Red Brigade infiltrator in his factory.

Several months ago, however, Mauro Brutto, an investigative journalist for the Communist daily *L'Unità*, was killed in an extremely suspicious hit-and-run auto incident as he left the newspaper's Milan office. Brutto had planned to attend a European Labor Party forum on the international drug trade, but missed it to follow up leads in his investigation of the connections between international terrorism, British intelligence, and the Mafia.

### **Jacobinization of the PCI**

Guido Rossa has become a national martyr; he was awarded the Italian Gold Metal posthumously by President Pertini. Events at his funeral demonstrate the frustration of the PCI membership, which is being manipulated to explode. Amid a tremendous outpouring of national outrage, shouts were heard of "Time for a change — PCI to power."

The issue of the PCI's place in the government is the apparent issue that precipitated the present "government crisis." Enraged by the treachery of their DC governing partners, who capitulated to U.S. pressure and pledged to keep the Communists out of the cabinet, PCI leaders such as Enrico Berlinguer have become vulnerable to the machinations of the British faction inside the party. Among these is Giancarlo Pajetta, who is leading the hard-line "class struggle" forces. Under pressure from these types, Berlinguer pulled his party out of the governing coalition. One of the major grievances he cited was Andreotti's decision to bring Italy into the EMS.

One of the most serious consequences of the hegemony of the Pajetta faction is the increased possibility of an Iran-style destabilization of Italy. This scenario was floated last year by the right wing DC leader Massimo De Carolis. It was resurrected this week by Aurelio Peccei, the head of the genocidal Club of Rome, who told a caller, "Yes, the problem of Iran is the industrialization. There is an immediate parallel between Iran and the Italian situation with what we did in the *Mezzogiorno*..." referencing the development of steel and bioprotein plants in southern Italy.

The situation was characterized by U.S. Labor Party Chairman Lyndon H. LaRouche, in a pamphlet aimed at the PCI leadership, as a coup d'etat within the party made possible by Berlinguer's lack of intellectual integrity. Characterizing the PCI's pluralist policy-spectrum as "a minestrone," LaRouche stated that "there is no consistent body of rigorous theoretical practice applicable to defining a PCI programmatic approach to any of the principal issues of current national or international life."

The result, says LaRouche, is that the PCI's constituents are politically "sleeping through your boring performances." He urges Berlinguer to break with the Pajetta faction: "How many industrial employment-places must be filled through high technology investment... for the next two years? How many nuclear-energy plants are required to meet the demand under conditions of expanding production? What should Italy's role be in the international division of labor for development of the developing sector? ... Has the point been reached to conduct surprise 'search and seal' deployments in the vicinity of Genoa, Milan, Rome, Florence and Bologna, to clean out nests of terrorists and terrorist safe-houses? Has not the time come to suspend from membership in the PCI all those who excuse terrorism as a 'sociological phenomenon'?"

The PCI must "rally the constituents to support a consistent drive for an EMS-centered policy of increasing production, investment, employment and exports," LaRouche declared. "That change, that leadership on crucial issues, will begin to awaken the inner potentials of those working people."

—Mary Sonnenblick

# The British faction in the Soviet leadership

It would be technically correct to describe Assistant Secretary of State Warren Christopher as a Soviet "mole" within the U.S. State Department. He, together with another Arthur Goldberg-linked figure, former Attorney General Ramsey Clark, has acted on behalf of a stated Soviet policy for overthrowing the Bakhtiar government of Iran, and replacing it with a Khomeini-centered insurgent regime. Moreover, we are in possession of evidence which shows that Christopher's actions are coordinated with the Soviet circles pushing that insurgency project.

In an earlier report on the conduct of Goldberg-linked elements within the State Department, we cautiously avoided indicating that Christopher was Soviet-linked. At that point, evidence in hand merely proved that he was linked to political-intelligence operatives of Western Communist parties (e.g., the CPUSA and the Pajetta faction of the Communist Party of Italy). Since that earlier report, evidence has developed which shows Christopher to be Soviet-linked as well as linked to political-intelligence operations of Western Communist parties.

Our knowledge of such connections was developed through clumsiness on the part of Christopher, his aide, John Trattner, and State Department Soviet desk official Jim Huff. They committed the blunder of circulating in "I.D. format" a lying slander against the U.S. Labor Party which was initially circulated into high level diplomatic channels by political-intelligence operatives of Western Communist parties. Any spy committing such a blunder must expect to be caught; we caught Trattner and Huff, and subsequently secured reliable information that Christopher himself was implicated in this unlawful activity.

If one knows both the common, Arthur Goldberg-linked pedigrees of Warren Christopher, Huff and Ramsey Clark, and also knows the pedigree of the Soviet faction pushing the pro-Khomeini line, one also knows the nature of the pipelines which have historically connected Christopher's circles to the indicated elements of the Soviet leadership. The pipeline connection, via such channels as G. Arbatov of the Moscow USA-Canada Institute, also includes the same networks as Christopher's circles' connections to both the so-called KGB unit in the Communist Party USA and the Pajetta-centered faction of the Communist Party of Italy. The connection of Warren Christopher's circles to this element of the Soviet leadership is long established.

Therefore, there is nothing new in Christopher's links to the Soviet leadership. What is new is Christopher's clumsy self-exposure of his use of office in collaboration with that Soviet faction.

We know in advance what Christopher's defense would be to relevant U.S. security agencies. Indeed, if one of the con-

taminated elements within the FBI's Counterintelligence unit, or a contaminated element of Naval Intelligence were involved, Christopher would not even be obliged to make a clarification. Christopher would argue, if need be, that the Soviet elements to which he is connected are British agents, and hence, in a manner of speaking, Mr. Christopher's and Mr. Brzezinski's agents, as well as the agents of any relatives of British intelligence's Barbara Tuchman around the precincts of the National Security Council.

The fact that British "triple" Kim Philby's friends in the Soviet Union are technically agents of Mr. Christopher may tend to clear him of the charge of espionage. That fact does not lessen the enormity of Mr. Christopher's activities. The effect of the actions of Mr. Christopher and his putative agents in the Soviet leadership is to set up conditions for a thermonuclear-tinged confrontation between the United States and Soviet Union over Iran.

## The Danger

The Bakhtiar government, whatever its included imperfections, is the only present basis for restoring stability in Iran. This stability would probably prevent the development of conditions for a U.S.-Soviet confrontation in Iran, and provide valuable flanking support to Saudi Arabia against the destabilization

## In this section

U.S. foreign policy in the recent period is quickly bringing the United States face-to-face with the Soviet Union in an all-out confrontation. On Iran, on China, on the European Monetary System, the State Department has not made policy in the interest of the nation, but in the interest of those who profess to be the heirs of Lord Bertrand Russell, this century's leading proponent of a "New Dark Ages" for the globe.

Our report begins with an analysis by LaRouche that starts with Assistant Secretary of State Warren Christopher, a "mole" inside the department with links to a British faction in the Soviet leadership that is pushing a pro-Khomeini line for Iran and links to British nests in Western Communist parties. Next, Konstantin George and Ann-Marie Sawicky present a who's who of State Department foreign policy wreckers whose credentials include being board members of the Aspen Institute and/or the United Nations Association.



which Sir John Glubb Pasha and his wretched accomplices — such as Joseph Malone and some gentleman around Duke University — have projected for that latter nation. The simultaneous destabilization of Iran and the Saudi peninsula means general chaos, and who knows what else besides, for both the industrialized-capitalist and developing economies of the world.

James R. Schlesinger may be obscenely wishing for such developments, but no sane person in North America, Western Europe, or Japan does.

Apart from the consequences of chaos in the industrialized-capitalist nations, Mr. Schlesinger, like the Henry Kissinger whom Fritz Kraemer now regrets to have “invented,” is a six-legged, purple fool in matters of military strategy. Obsessed with his delusions of “limited nuclear war,” or perhaps obsessed with the delusion of a “Pacific-centered-only” thermonuclear war, Mr. Schlesinger has emulated British conduct on the eve of each of the two preceding World Wars of this century: he has grossly miscalculated. Like the late Winston Churchill, Messrs. Schlesinger and Kissinger are ostensibly determined to have their “Gallipoli.” There can be little doubt that Mr. Christopher, if he thinks at all about the military implications of policy, must suffer delusions akin to those of Schlesinger and Kissinger.

None of these gentlemen appear aware that they are playing with total thermonuclear war. What will happen, in the course of any direct confrontation between major elements of the NATO and Soviet forces, is a total strategic ABC lift-off by one side. Any lift-off of ABC strategic weapons by the U.S. side means a total lift-off by the Soviet side. A total lift-off by the Soviet side means that any commander in the Pentagon not on LSD-25, or marijuana, or an overdose of Rand Corporation print-outs, will order a total U.S.-NATO strategic lift-off. Only imbecilic commanders will target “missile-silos”; all missile launching sites will have been emptied before a “counter-missile” could arrive. Between 150 and 180 million U.S. citizens will be dead in consequence of the first hour’s launches, and the survivors on both sides will emerge from the radioactive, bacteriological and chemical contamination and destruction to continue warfighting as well as they can manage.

This is what Mr. Christopher and his accomplices are risking with their folly and evil.

The point, which certain gentlemen around Washington have so far failed to grasp, is that when an event in strategic deployments at the borders of the Soviet Union threatens to weaken substantially the Soviet strategic defense posture, and this event occurs under a U.S. administration which appears recklessly dedicated to Messrs. Kissinger’s and Brzezinski’s outlooks, the threshold represented by “deterrence” drops to the vicinity of “zero.”

There are certain things no U.S. Administration will tolerate unless it either desires a thermonuclear war or it is simply incompetent or insane. The combination of the “China policy,” the London-orchestrated deployment of London’s Israeli puppet, and a general destabilization throughout Mr. Brzezinski’s “Arc of Crisis” brings the world pretty close to the threshold value of “zero deterrence.” Any bold shoving toward the “brink” and the world goes over the “brink.”

On this point, some members of the U.S. Administration

ought to shape their perceptions of the Soviet leadership not on the model of G. Arbatov, but that of commanding Soviet generals. It is those generals, plus the ex-generals of World War II in the Soviet political command, who will make the crucial strategic decisions, not the types like Mr. Arbatov. These command layers, like several governments of NATO and other non-Communist nations, have been fully persuaded that Brzezinski is clinically insane. If Mr. Carter continues to tolerate Brzezinski, Schlesinger and other like influences, then the judgment is formed that the Carter Administration itself is, as a whole, clinically insane.

This perception of insanity among key elements of the Carter Administration is coordinated with a shrewd estimate of current U.S. thermonuclear war-losing potentialities. The USA-NATO capabilities profile overall has been guided, since the days of the unfortunate Mr. “Slickum” McNamara, by a wholly mistaken conception of the order of general warfare, and by the associated, Kissinger-colored lunacy of “Mutually Assured Destruction.” This trend, combined with an “environmentalism” aggravated erosion of U.S. scientific and high-technology industrial capabilities, has given the U.S. the capabilities for losing a general thermonuclear war. This general profile of capabilities is aggravated in many ways, including the drug problem, including the “all-volunteer army” lunacy, and also including the misindoctrination of the officers corps and units.

Although the current strategic capability of the USA does represent a horrifying “deterrent,” it is not a war-winning capability. When this potential war-losing capability is employed in support of bluffs, and those bluffs involve matters which the Soviet strategic self-interest cannot compromise, the “deterrent” is reduced to a zero-threshold. The “deterrent” works only up to the point that decisive strategic issues are not involved. The use of “brinkmanship” to attempt to gain decisive strategic gains at Soviet expense does not function.

In general, it can be fairly stated that in a new thermonuclear eyeballing with the USSR, the U.S. position would be exactly the reverse, at best, of what it was during the 1962 missiles-crisis affair. The British and their Anglophile elements in the U.S. command have duped the Soviet leadership on many things, many times, especially since Nikita Khrushchev’s days, but the one point on which the Soviet command cannot be deceived is strategic-military and immediately related matters of the sort I have emphasized here. Hence, in a “brinkmanship” crisis over vital strategic issues, such as the “Arc of Crisis” business, either the U.S. faces a backdown before a margin of Soviet war-winning advantage, or some lunatic persuades President Carter “not to be bluffed.” If so, within the next hour, between 150 and 180 million citizens can stop worrying about their insurance-policy premiums.

The combination of Mr. Christopher’s antics with the lunatic antics of Brzezinski and the absurdities of Kissinger and Schlesinger adds up to a threat of the most tragic miscalculation in human history. Mr. Christopher and other advocates of “Rube” Goldberg diplomacy may imagine themselves very clever; they are effectively both immoral and insane.

We shall return once again to the subject of Messrs. Christopher and Goldberg. Next, we should consider the lunacy exhibited on the Soviet side of this present mess.

## What Every Congressman Must Know About The Soviets

The Soviet leadership is represented by two distinct political-philosophical currents. One current, typified by the May 1978 Schmidt-Brezhnev agreements, is dedicated to the same Grand Design strategic outlook as Leibniz and Count Sergei Witte: an entente of industrial-development cooperation across the Eurasian continent from the Atlantic to the Pacific coast of Japan. The opposite current, ideologically traceable to Rousseau and Bentham, is perfervidly anti-industrialist in its philosophical bias. The first, like the pro-American V.I. Lenin earlier and Brezhnev today, seeks global detente based on economic-development cooperation among both industrialized and developing nations. The second, in the tradition of Bukharin, Radek et al. is bent toward the perspective of massive chaos and destabilization throughout the capitalist sector, with outlooks which converge on those of the late, evil Bertrand Russell.

The second current, the current to which Christopher is connected with the Iranian situation, is historically linked to British intelligence in the manner exemplified by Alexander Helphand (Parvus's patronage of L.D. Trotsky (1905) and coordination of his sub-agents such as Karl Radek, N. Bukharin, and G. Ryazanov. British "triples" from the 1920s faggot-generation of Oxford University, Maclean and Philby, intersected this Bukharinite-Trotskyist element in the Soviet leadership, building up Imemo and spinning-off the USA-Canada Institute as concentrations of British intelligence penetration of the Soviet party's command. **If this bunch ever succeeds in getting firmly into the saddle in Moscow, war between the United States and USSR becomes virtually inevitable.**

The anti-Giscard, anti-EMS policies of Brzezinski, Kissinger, Christopher et al., plus the "Arc of Crisis" and China-policy operations, have had the effect of enabling the Bukharinite faction, earlier reduced in influence, to significantly recover its position within Soviet policy-making. The destabilization of Iran, led by British and Israeli intelligence services, aided by Chinese Communist foreign intelligence and Brzezinski, has been crucial in this deterioration of the situation in Moscow.

As I have emphasized earlier, it is correct for the United States to pursue a policy of normalization of relations with Peking. This should be a policy of aiding China's successful industrial development, with the long-range goals of bringing China out of the "idiocy of rural life" on the communes, and into a modernized, urban-centered culture, in which the ratio of the labor force employed in rural production is reduced over a pair of decades to the order of five percent of the Chinese population. China cannot continue to feed its growing population without replacement of backward methods of intensive agriculture, with high-technology programs which increase per hectare yields and sharply decrease per hectare labor requirements. China will remain backward as long as the social cost of rural production is in the state of hideous economic backwardness represented by more than two-thirds of the population required to meet agricultural and related rural requirements of the population as a whole.

This, however, means a break with the British, Hong Kong connection to Peking, and an emphasis on industrialized

development of China in cooperation with Japan. To follow a British, Hong Kong-centered China policy, and to tolerate the Peking Chinese Communist (Ch'ao Chou) intelligence service's opium traffic and other evils abroad, is to create conditions leading in the direction of war.

For an extended period, the Soviet Union had maintained correct relations with the government of the Shah of Iran, cooling the activities of the British intelligence-permeated Tudeh Party, and maintaining a policy of stability for Iran. As the British-orchestrated destabilization of the Shah's government proceeded, the Soviets correctly evaluated a crucial aspect of the Iranian situation. Under the influence of certain elements which were in turn influential with the Shah's wife, the Shah had failed to develop political parties in Iran, parties which were developed around his generally correct policies of modernization of that nation. In this way, badly advised, he left the matter of political influence over his people to foreign intelligence agencies which did not fail to exploit that opportunity.

Ayatollah Khomeini is the exemplar of this problem. Khomeini, a sub-agent of Sir John Glubb Pasha, had long practiced the standard British intelligence policy of maintaining certain connections with Communist and Communist-linked elements inside and outside Iran. Khomeini's British-intelligence patrons and advisors did not overlook the matter of using Khomeini's friendly connections to Communists to more thoroughly penetrate those Communist parties. Thus, when the continued deterioration of the Iranian situation approached the point of a possible "Chilean solution" during the early future, and the Soviets sought to develop new options by activating the Tudeh Party, Moscow found itself attached to a British intelligence-controlled Tudeh entity, and subject to British intelligence playback simultaneously from both British agents inside the Tudeh and British intelligence influences inside Soviet party circles. This problem was aggravated by the British intelligence-controlled circles in the Communist Party of Italy (e.g., Pajetta) and by a British Rothschild-controlled penetration of the leadership of the Communist Party of France.

(It can be fairly stated, for purposes of thumbnail description, that the French Rothschild interests control the payroll of the French Communist Party bureaucracy. The key elements in France, most intimately associated with the Khomeini staff there, are from the Emma Rothschild Institute of Paris.)

Under this circumstance Maclean-Philby-connected types within the Soviet party circles managed to shift Soviet policy toward the presently trumpeted, anti-Bakhtiar, pro-Khomeini posture.

Look for a moment at the predicament of Prime Minister Bakhtiar. The gentleman is engaged, unavoidably, in a balancing act. In hope of succor from the U.S. influences, Bakhtiar made a foolish anti-Soviet declaration. This fact was fed promptly and eagerly into Moscow by corrupt persons, and was used as part of the leverage for tilting the Soviets into the pro-Khomeini posture.

I can only imagine how such a piece of folly was sold to the non-agent sorts of the Soviet leadership. The objective circumstances of the situation nonetheless afford us excellent clues as to what had to have been argued to persuade some of the Soviet command into adopting the present pro-Khomeini posture.

The Soviets know that any efforts to build either a CENTO resurrection or a long-term destabilization in Iran means a probable direct military eyeballing with the United States — at least while Brzezinski is at NSC and Kissinger leading the Republican National Committee around on a leash. They desire a quick thrust which establishes either a neutral or friendly regime stably in power in Iran.

Frankly, it is clear that the Soviet command truly does not know what to do with the Iran mess. They know they wish to avoid (a) a CENTO revival on their Islamic borders, and (b) a military confrontation with U.S. forces in that region. Muddled and confused by the situation, they grope. Their uncertainty makes them more readily susceptible to influence, to careless probes and postures.

The threat of a military coup instantly suggests a page from 1917 history, the Kornilov revolt. Khomeini appears to them a suitable rallying-point for a "united front" against such a Kornilov outbreak in Iran. Bakhtiar's gesture of anti-Sovietism feeds into this, especially in view of their blindness as to the nature and authorship of Khomeini's maintenance of his own Communist options.

Under these circumstances, the London-orchestrated collusion between the Moscow Bukharinites and the Arthur Goldberg gang goes into operation, in concert with the Brzezinski-Kissinger effort to destabilize both Andreotti and Berlinguer in Italy.

The overall result is that the Soviets, who were formerly often accused, but never guilty of, fostering the Iranian destabilization, have now stepped, at least up to their ankles, into complicity with a continuing destabilization. This shift in Soviet policy now lends credibility to Brzezinski's, Robert Moss's and other earlier lies: "See," Robert Moss's admirers gloat to credulous congressmen, "we told you the Soviets were responsible all along."

Thus, Moscow's stupidities, fostered by Moscow's perplexities, contribute to an escalation of the potential for an early strategic eyeballing between Soviet and U.S.-British forces. Thus, with aid of Moscow's stupidities, we are that much closer to a Saudi peninsula destabilization, and to the scenario leading into almost virtually certain thermonuclear war.

### **The slander**

There is another aspect to the Goldberg gang's operations which enables us to probe more deeply into the mess. The most extraordinary idiosyncrasy of the concocted lies circulated by the State Department's Huff and Trattner to journalists, business executives and so forth was the included allegation that my associates were collaborating with Trotskyists in the Federal Republic of Germany. The other elements of the lies circulated by Christopher, Trattner and Huff were simply silly assertions of characterization; the allegation of "cooperation with Trotskyists in West Germany" was an allegation of fact, readily verifiable one way or the other. Told within the circles of the leadership of the SPD, CDU or FDP in West Germany, that silly lie in respect to simple fact would cause the teller to be ridiculed as a public fool.

Similarly, that lie has no function in the United States. The idea that the U.S. Labor Party is cooperating with Trotskyists in any part of the world makes a public fool of the teller. Why,

then, did Messrs. Huff and Trattner include this particular lie within the slander they were playing, like a phonograph record, all the extended weekend they were so busily working to wreck my Washington press conference and evening meeting? There is no purpose to including such a lie in slanders retailed to U.S. citizens.

The answer is simple: the lie concerning Trotskyists was intended for Soviet and Italian consumption, predominantly, and also for Arab consumption.

The facts are these. About a fortnight before Trattner and Huff were caught red-handed telling such lies, we picked up the same lie, down to the last included detail, being introduced to Arab and other diplomatic circles by political-intelligence operatives of Western Communist parties. A fortnight after this activity was discovered, the same lie, down to the last details, was pouring, like a tape-recording, out of the mouths of Trattner and Huff.

The reasons are obvious. Everyone who follows matters closely knows that the publications of the U.S. Labor Party are exhaustively studied by elements of many governments and related circles around the world, including the Soviet government, Arab governments, and both leading Christian Democratic and Communist circles in Italy. In all these various circles we have a known, high level of credibility. Our reports and recommendations are not always accepted at face value, but they are taken seriously into account.

The purpose of the "collaboration with Trotskyists in West Germany" aspect of Mr. Trattner's and Mr. Huff's "tape-recorded" lies was to discredit U.S. Labor Party evaluations in the eyes of Soviet, Arab, and the two Italian party circles mentioned.

For example, with aid of undercover collaborators, my associates in Italy traced a lie being widely circulated against me in that country, from the U.S. consulate and U.S. Information Service in Milan to the Israeli embassy in Rome. The U.S. consulate in Milan was citing the Israeli embassy in Rome as the highest authority for its slanders against the Chairman of the U.S. Labor Party! The added explanation was that the U.S. Ambassador to Italy, Mr. Gardner, was extremely angered by my Italian co-thinkers' interference in Mr. Gardner's efforts to topple the Andreotti government. This latter effort is primarily British in origin, but Mr. Zaccagnini of the leadership of the Christian Democratic Party knows, after his meeting with the lunatic Mr. Brzezinski, that the Carter Administration is fully behind the British destabilization of the Andreotti government.

The accompanying, more immediate purpose of the lies circulated by Messrs. Christopher, Trattner and Huff was to simply sabotage my press conference and evening address. On that account, their motive was simple. The Carter Administration is currently committed to wrecking the European Monetary System, and I am the most qualified person in the U.S. to accurately represent the EMS, as distinct from the lying on that matter which has predominated in the U.S. press and official statements since July 1978. When Messrs. Christopher, Trattner, Huff and others assert that I am incompetent to speak on the character and implications of the EMS, those gentlemen are not offering mistaken judgments; they are lying. All the leading officials of the State Department have known since June-July 1978 that I am better informed on the EMS than the Carter Ad-

ministration's so-called experts. The British-loving Carter Administration was afraid that my explanation of the EMS would find receptive minds among most U.S. business and trade union officials, as well as numerous leading political figures.

### **What Is Warren Christopher?**

The subject of the Jones Peoples Temple cult ought to be very, very embarrassing to Mr. Warren Christopher.

The Jones Peoples Temple cult is an outgrowth of the overall drug-and-cult projects typified by the notorious MK-Ultra pilot project of the 1950s. At about 1963, with aid of substantial funding run through the IOS financial conduits of Israeli intelligence (Mossad), the combined drug-cult efforts were unleashed on a relatively mass scale, at about the same time Timothy Leary transferred from the Harvard to the Mossad payroll.

This evil activity was associated with Gregory Bateson and Bateson's former wife, the late Dame Margaret Mead. Margaret Mead, no mean cult-sympathizer herself, was active in promoting "radical" networks among anthropology, sociology and psychology students in the USA — and abroad, most actively intersecting entities deployed by the branch of British intelligence known as the London Tavistock Institute. (Henry A. Kissinger, Zbigniew Brzezinski, and the Trotskyist "Fourth International" are all examples of the patronage of the London Tavistock Institute's "Russian Studies" network. The Rand Corporation is chiefly a clone of the Tavistock Clinic in the USA, like the ISR at Columbia.)

The most significant center for the networks engaged in this combined drug-and-cult building activity of the 1950s and 1960s was the Robert Hutchins gang at the University of Chicago, and a West Coast gang euphemistically known as the "Palo Alto Mafia." Bateson was associated with the latter, and is also a leading figure of the cult-building center in the United States, the Lindisfarne kook-designing center on Long Island. Bateson is also the principal advisor to the Zen-Buddhist Governor of California (or, has it already become the state of Kookifornication?)

Now, follow this closely, if you desire a peek at real dirt on Warren Christopher and Arthur Goldberg.

It should be well known that after the Jones Peoples Temple departed from the kindly aid of ADL-linked Rabbi Maurice Davis in Indianapolis, and the Indianapolis funding-environment of the Lilly Endowment, it moved to California, to join the ranks of the kooky back-to-rural communes cults developed in Ukiah, California. From Ukiah, Jones moved into becoming a part of the Democratic Party political machine in the San Francisco area, picking up numerous recruits from a project created by one Dr. Joel Fort of that city. It remained an element in high-standing with the Brown machine in California, and was a significant part of the 1976 "Operation Big Vote" — as well as, earlier, a leading element of the local Mondale nomination-campaign forces of that area.

You should know that there is a nasty scandal in the State of California, involving the financing of the Pertamina interests of the Brown family, interests acquired not without regard for the existence of Arthur Goldberg.

Warren Christopher was prominent in the campaign of the high-placed Zen Buddhist kook, of that confidant of kook-maker Gregory Bateson, "Jerry" Brown.

In Washington, Warren Christopher is not of indifferent significance in State Department blocking of investigation of the Jones cult. I shall not burden you with the details of what elements of British intelligence, tied to Sussex (Tavistock), were coordinators of the bringing of the Reverend Jones rural marijuana-growers' commune to Guyana. You are, or should be, aware that nine hundred members of the cult were murdered, some by deception-poisoning and others by aid of more forceful means, to cover up the evidence of the activities in which Jonestown figured. You should be aware that highly placed elements of the Administration are ostensibly engaged in massive cover-up in connection with this affair to this date, with the finger pointing to Brzezinski, among others, in this affair. The truth, if aired, would bring great embarrassment to Henry Kissinger and to Warren Christopher, as well as to Brzezinski.

The Warren Christopher, Ramsey Clark, Arthur Goldberg connections are, to put the matter quietly, not nice. Mr. Christopher should therefore take his "not nice" connections to some other location than the State Department.

# Who's who at Aspen/UNA

A State Department network anchored around Warren Christopher, which was caught redhanded in running international black operations against the presidential campaign of Lyndon H. LaRouche, Jr., is the key in-house element of the Carter Administration that is intent on implementing the "New Dark Ages" program of the late Bertrand Russell.

The essential top down control institutions in this operation, nominally functioning "outside" the U.S. government are the Aspen Institute, the United Nations Association (UNA), and the Order of St. John of Jerusalem. All function under the coordinated stewardship of the British Crown, and its operational command and control apparatus, centered in the British intelligence apparatus in British Petroleum (BP) and the Admiralty (British Naval Intelligence).

Every filthy operation, both within and outside of the Anglophile-dominated Carter Administration can be traced to the Aspen-UNA grouping and their London-centered control points.

Who operationally ran the Council on Foreign Relations-directed 1976 election fraud in the U.S. which installed the Carter Administration in the first place? It was the Aspen Institute, with appropriate "sub-contracting" to the League of Women Voters (then headed by Resselite Lucy Wilson Benson), itself an integral part of the United Nations Association command structure.

Who is planning a repeat of the 1976 abomination for 1980? Aspen again, in direct coordination with the Order of St. John, with implementation delegated to Henry Kissinger. Aspen maintains an Orwellian Animal Farm in Salissony, Md. as a policy control center, known as the Wye Plantation.

Who has been documented by Executive Intelligence Review as the top controllers of Iranian insurrectionist Ayatollah Khomeini and related operations in the Middle East? Once more, the British Petroleum-Admiralty group and their Aspen colleagues in the U.S.

What are the Soviet links of Warren Christopher and Arthur Goldberg? The British intelligence run networks of Georgi Arbatov of the USA-Canada Institute and like creatures in the Soviet United Nations Association, IMEMO, and so on. Arbatov himself is in constant and extensive contact with UNA leaders, including the UNA's Honorary Cochairman, Arthur Goldberg.

Who were the key cabinet figures in the Ford Administration who were repeatedly caught redhanded in harassing and slandering the U.S. Labor Party and Lyndon LaRouche's 1976 presidential campaign? Henry Kissinger and former Attorney General Edward Levi, both now trustees of the Aspen Institute.

If one examines, in thumbnail sketch fashion, the foreign policy areas of the Carter Administration, and the evil machinations of Arthur Goldberg's gang at Aspen-UNA, only there can one find a top-level coordinating individual bearing responsibility for Iran, China, the Soviet "handling" question, and operations against the European Monetary System overall. That person is Charles W. Yost, Aspen's coordinator for Iran, China and East-West "activities."

The following grid will provide an excellent starting point for uncovering exactly what lies behind and above the Warren Christopher madness at the State Department.

## Aspen Institute

**Robert O. Anderson** is a member of the board of directors of Aspen and a coordinator of the British-dominated Council on Foreign Relations design for the 1980 presidential race. Anderson also holds director positions at Pan American Airlines and the Columbia Broadcasting System. He has worked with the chairman of CBS, Richard Paley, who was a leading member of the Office of War Information during World War II and is a member of the Order of St. John of Jerusalem, the British oligarchy's semi-secret society.

As well, Anderson is linked to Najeeb Hallaby who until recently was chairman of the board of directors of Pan Am. Hallaby, a Knight of St. John, is the father of the former Lisa Hallaby who wed King Hussein of Jordan last year.

**Thornton Bradshaw** is also a board member of the Aspen Institute. Bradshaw has interlocking ties with various slanderers of U.S. Labor Party Chairman LaRouche. A director of Atlantic Richfield and Atlas Chemical Corporation, Bradshaw sits on the board of Diebold Venture Capital Corporation. That entity is controlled by the Diebold family, of which, William Diebold, a leading CFR member, recently and publicly libeled LaRouche and his collaborators as "connected to European terrorists."

Diebold's slanders bore a close resemblance to those passed on by Warren Christopher and other State Department officials when queried by members of the Washington, D.C. foreign press corps, on the U.S. Labor Party. Diebold is an intimate friend of Arthur Amory Houghton, a commander in the order of St. John, and unofficial "owner" of the Aspen Institute, as well as creator of the Wye Plantation, known as "Aspen East."

**Douglas Cater** shares the leadership of the Wye Plantation with Henry Kissinger, and runs the Anderson-owned **London Observer**. Normally a London resident, Cater has been directed to take up residence in the United States until election day 1980.

As an election wrecker, Cater is indeed experienced. He served as a special advisor to Hubert Humphrey's unsuccessful bid for the presidency in 1968. During World War II, Cater worked for the Office of Strategic Services, the predecessor organization of the CIA. He later became a special assistant to the security division of the Army. Cater was also a special assistant to President Lyndon B. Johnson.

**Arthur Amory Houghton, Jr.**'s political career dates back to the Depression when he served the Treasury Department. Before returning to private life where he became prominent in the operations of the U.S. Steel Corporation and a trustee of the U.S. Trust Co., Houghton was special advisor to President

Hoover, and helped oversee the Depression collapse.

**Arthur Amory Houghton III**, son of Houghton, Jr., is a special assistant to Secretary of State Cyrus Vance. Known as a leading "Arabist," Houghton III has been instrumental in promoting the feudal policies of Shi'ite religious fanatic Ayatollah Khomeini in Iran.

**Edward Levi**, an Aspen Trustee, used his office as Attorney General during the Administrations of Richard Nixon and Gerald Ford to undermine efforts to restrict the United States' special relation to Great Britain. Levi was also responsible for a years-long harassment and intimidation campaign conducted against the U.S. Labor Party, its Chairman LaRouche and its sympathizers.

A member of the Russel Sage Foundation, Levi was active as a special assistant to the Justice Department and the Attorney General during World War II. During his confirmation hearings for Attorney General in 1974, it was disclosed that Levi had been involved in arranging trade pacts between U.S. oil companies and the Nazis, during the war.

**Henry Kissinger** is a trustee of the Aspen Institute and a leader of Aspen East — the Wye Plantation. He began his service to Her Majesty as a protégé of the late William Yandel Elliot. As the head of the National Security Council, a position from which Kissinger began the activities which culminated in the Water-gating of President Nixon, Kissinger coordinated on an international level harassment and black operations against the U.S. Labor Party and LaRouche.

Kissinger's activities as an unofficial advisor to President Carter are well-known for keeping the Administration biased in behalf of Great Britain.

**Joseph Slater** is a member of the Council on Foreign Relations. Slater and **Harland Cleveland** are two key people in the Aspen Institute's dirty operations. A member of the Allied High Commission's post-war government for Germany, Slater has been a delegate to NATO. Moreover, he has been involved in the Ford Foundation's international policy division and the UN Association. Slater is known to be directing the harassment against LaRouche.

**Warren Christopher** is a protégé of George Ball, the elder statesman who has tried to legitimize the plans of William Paddock to close the Mexican border and force the country to implement primitive agricultural technologies.

It is a matter of public record that Christopher is presently committed to the implementation of this triage plan for Mexico, including the "elimination of useless eaters." Warren Christopher's policy address of May 10, 1978, which demands that Mexico "must" be restructured as a "labor intensive economy ... and that this principle be extended to the English-speaking Caribbean," demonstrate Christopher's active, leading role in attempting to force genocidal policies on Mexico, Jamaica, Guyana, and the rest of the "English-speaking Caribbean."

**Ramsey Clark**, sources have intimated, has taken a cue from his father, Thomas Clark, a former Supreme Court Justice who was a 33rd degree member of the Scottish Rite of Free Masonry. This secret society's most notable members were Confederate leaders and traitors to the U.S.

In the 1960s, Clark, with Cyrus Vance and Warren Christopher, was involved in "Operation Garden Plot," a scenario for racial tensions in major urban cities that would erupt into violent riots quelled only by the military. Clark's training in riot provocation proved useful during his recent visit to Iran where the former Attorney General led demonstrations against the government of Prime Minister Shahpur Bakhtiar.

Before traveling to Iran, Clark conferred with Lord Carradon, once colonial governor of Transjordan and closely tied to the mentor of the Ayatollah Khomeini, John Glubb Pasha. Carradon and Clark were among the sponsors for a conference held at Tufts University, Nov. 30 and Dec. 1, 1978, which featured on its agenda the Bernard Lewis Plan for collapsing the rule of the Shah of Iran and balkanizing the country.

### United Nations Association

**Arthur Goldberg**, the honorary chairman of the United Nations Association, has been key in directing Zionist lobby harassment and intimidation campaigns against sympathizers and supporters of LaRouche's presidential candidacy. A self-styled liberal, Goldberg served as counsel to the Congress of Industrial Organization, the United Steelworkers of America, and the industrial union department of the AFL-CIO.

A former president of the American Jewish Committee, Goldberg maintains ties to Chicago Zionist **Phillip Klutznick**, a UNA Governor, who is also active in black operations against LaRouche.

**Lucy Wilson Benson**, the former president of the League of Women Voters, played a key role in orchestrating the 1976 election of James Earl Carter. A devoted environmentalist who is active in several associations for the preservation of wildlife, Benson is now in charge of security assistance for science and technology for the State Department. Benson is also a trustee for indebted Northeast Utilities Company. Benson's credentials paint her as a raving radical-liberal — the Urban League, Urban Coalition, American Civil Liberties Union. She is a confirmed devotee of Bertrand Russell's Dark Age feudal programs.

In another capacity, Benson is a member of the so-called citizens watchdog group, Common Cause. Under the direction of Common Cause leader John Gardner, the group has functioned to control Congress and election officials through the threat of scandal. Benson is repeatedly recommended as the source of information on the U.S. Labor Party by State Department staffers engaged in slandering the LaRouche campaign.

**Ruth J. Heinerfeld** closely collaborates with Benson as a vice-president of the League of Women Voters and UN Association director. She has also been caught slandering the Labor Party.

—Konstantin George and Ann-Marie Sawicky

# A right-wing coup threatens

## *Fall of Turbay will clear the way for massive drug exports*

A barrage of press and media propaganda centered around the cover story in the Jan. 29 Time magazine ("The Colombian Connection") and a CBS "60 Minutes" program last Sunday have left a sizable proportion of the U.S. population with the impression that Colombian marijuana trafficking is so profitable and so corrupting at all levels that nothing will work to stop it.

This is a lie, disseminated by corrupt media outlets at precisely the moment when Colombia's drug-running networks led by Conservative oligarch Alvaro Gomez Hurtado and Defense Minister Camacho Leyva are preparing to completely eliminate constitutional rule in the country in order to legalize and expand marijuana production and export as Colombia's main economic activity. The international press campaign to create a climate favoring legalization of marijuana and other dangerous drugs is backup for Alvaro Gomez's coup plans.

Gomez is not acting alone, nor is the issue limited to events in Colombia. The strategy for the entire region is genocide, designed by U.S. National Security Advisor Zbigniew Brzezinski, already applied in Central America and planned for elsewhere on the continent. If there is a military coup in Colombia as Gomez plans, it will set off civil war, terrorism and total chaos on a **regional basis**; the disruption of productive economic activity, particularly food production, will leave entire populations to starve — and force them into marijuana cultivation.

This will be Alvaro Gomez's contribution to the maintenance of the crumbling world monetary system and the International Monetary Fund: exterminate the regional population, and flood the United States with marijuana to destroy the physical and intellectual capabilities of its skilled population.

Time magazine's six-page spread report on "The Colombian Connection" reports that a network of 70,000 families, most of them novices of smalltime entrepreneurs is responsible for supplying a \$25 billion per year habit in a business that is bringing Colombia more revenue than coffee. Efforts to control it have barely made a dent and, according to Time, do not even worry the Colombian drug mafias.

The truth is that Time correspondent Donald Neff, one of the authors of the article, was present last November at a press conference sponsored by the Andean Labor Party where spokesmen for Colombia's largest agrarian organization FANAL, called for a government crackdown on marijuana pushing to permit peasants to grow food rather than drugs.

Time also knows that Colombian President Julio Cesar Turbay Ayala has stated his commitment to prevent any Colombian marijuana from leaving the nation's shores, and has asked for U.S. technical assistance to this end. A U.S.-assisted paraquat-spraying program carried out in Mexico several years ago succeeded in reducing the Mexican contribution to U.S. marijuana supply from 75 to 85 percent to below 25 percent, and Drug Enforcement Administration chief Peter Bensinger has said such a program would be easier and cheaper to carry out in Colombia. In a press conference in Bogota last week, Turbay reiterated his commitment to stop the drug flow out of the country and stated unequivocally that he would not incorporate revenues accruing from marijuana exports into the formal economy, as some of the country's large financial institutions have requested. If Alvaro Gomez wants to maintain the Colombian franchise of the international drug trade, he will have to establish a military dictatorship in Colombia. He has been preparing for that since Turbay took office in August of 1978.

### **The would-be dictators**

Leading the current assault against constitutional rule under the pretext of "guarding the institutions" from subversive activities are three principle figures: Gomez, Defense Minister Camacho Leyva and Gomez's brother-in-law and Justice Minister Hugo Escobar Sierra. They are the allies of the same British-centered oligarchy which has run the Far Eastern drug trade since the 1820s.

From the pages of his newspaper El Siglo, Alvaro Gomez has openly and repeatedly called for the legalization of the marijuana trade because, as he explains, this is the only way to do away with the "crime and corruption" inspired by the illegal drug trade. He adds that the revenues from a legalized drug trade could constitute a new "bonanza" to replace coffee as the country's main export. Camacho Leyva has repeatedly made known his intention to put the military in power. He is the author of "shoot to kill" orders to deal with public protests and has been characterized by the Colombian Communist Party as "a Colombian Pinochet." Escobar Sierra has overseen the implementation of the Security Statute, the "emergency measure" passed last September which effectively institutionalizes military justice and martial law. Since Turbay's inauguration these three have directed the step-by-step process by which constitutional guarantees have been eliminated.

# Colombia

It is no exaggeration to say that the apparatus for a right-wing military coup is already in place in Colombia. Under the direction of Camacho, Colombia's military is arresting and torturing hundreds of citizens of varying political affiliations, under the pretext of hunting for members of the terrorist grouping, the M-19, which raided an important military installation in Bogota on Jan. 1.

The wave of repression is reminiscent of the worst excesses of the Southern Cone dictatorships. Reliable sources and eyewitnesses report that at the Brigade of Military Institutes (BIM), the center of the military's counterintelligence operations, persons arrested for suspected connections to the M-19 are subjected to electric shock, cigarette burns, and hanging from a "parrots perch" to extract "confessions" of guilt. "Technicians" have reportedly been invited in from Uruguay and Chile to "advise" the military in perfecting their torture techniques.

Arrests have been indiscriminate, with over 2,400 persons reportedly detained since the military began its "antisubversive" sweep three weeks ago. Those seized include prominent Liberal Party political and intellectual figures, members of the clergy, university students and trade union leaders. Victims subjected to jailings at the BIM headquarters report they were blindfolded for days, deprived of food and water, and drugged. Several reported having hallucinations as a result of drugging.

## The targets

The actual target of the repression and torture is Colombia's organized labor movement, united since August 1977 in a National Union Council (CNS) that brings together Liberal, Conservative, Catholic and Communist unions around a program of opposition to austerity and militarization.

A national one-day work stoppage carried out by the CNS in September 1977 terrified the Colombian oligarchy, which feared the alliance of Liberals and Communists embodied in the CNS might evolve into a political force that would challenge the no-growth policies they had succeeded in imposing for two decades through the National Front apparatus set up in 1957.

The ending of the National Front—a system of alternating and hand-picked Liberal and Conservative governments—constituted a serious threat to the Conservative oligarchy. It meant that independent factions of the Liberal Party, generally supported by the majority of the population, could gain control of the government and adopt policies contrary to the goals of the

## Kennedy associate endorses legalized drugs

In the midst of the high-profile international press campaign to create a climate favoring legalization of marijuana and other dangerous drugs, one of Colombia's leading oligarchical figures, Alberto Lleras Camargo, has suggested that the United States adopt the British model of "not fighting" drug trafficking to solve the drug problem it now faces. The "father" of Colombia's Liberal Party, a close associate of the Kennedy family and architect of John Kennedy's Alliance for Progress in Latin America, cited the arguments of writer Gore Vidal in a recent column to explain that the U.S. has a drug problem only because law enforcement officials and stringent laws have made the illegal drug trade too attractive and too profitable. Anyone can be bought off, anyone can be "corrupted." "Where there is no fight," Lleras commented, "as in England, there is no problem."

In what is clearly a cover-up of the role of the British financial oligarchy in controlling the international drug trade, as recently exposed by the U.S. Labor Party, Lleras Camargo asserts that "In any case, England doesn't appear to have a drug problem, nor Mafias, nor fantastic world connections to destroy the morality of the British population..." This Colombian lauds the British policy of legally granting heroin addicts their "fix," and again citing Gore Vidal, remarks on the reduced number of heroin addicts in England, as compared to the U.S.

Lleras' commentary, published in the Liberal daily *El Tiempo* on Jan. 28, is an explicit approval of the health care plans recently elaborated for both the advanced and underdeveloped sectors by Senator Ted Kennedy, and promoted internationally by British policy-makers: hospices in which people "die with dignity" — with the help of heroin or cocaine mixtures — to replace modern health facilities and scientific advances in medical research.

World Bank or International Monetary Fund which have played a major role in Colombian economic planning throughout the postwar period. When Liberal President Lopez Michelsen entered office in 1974, he was subjected to a series of destabilizations to force him into line on matters of economic policy— austerity—and clamping down on the labor movement and population at large.

During Turbay's electoral campaign in 1978, Liberal and Conservative oligarchs joined forces to insure that Turbay would pose no problem to them. A slander and watertight campaign—including charges of drug running—succeeded in forcing Turbay to join with the Conservatives in forming a government, something he had initially vowed he would never do. It is those Conservative oligarchs who have, together with their military allies, brought the country to the brink of fascist dictatorship.

—Laurence Hecht



# Americans back antidrug effort

Amid warnings of the danger of a right-wing coup in Colombia, the U.S. Labor Party this week announced an international mobilization to preserve Colombian democracy.

If Alvaro Gomez Hurtado successfully carries out a coup it will vastly expand the flow of marijuana into the U.S. through legalization of production and export of this mind destroying drug.

The Labor Party has launched a campaign to pressure the Carter Administration to increase its assistance to the

Colombian government's efforts to eradicate the drug plague through increased paraquat spraying.

The Carter Administration will also be urged to apply its human rights policy to condemn Alvaro Gomez Hurtado and the right-wing military which has been carrying out systematic repression and torture against the population.

The Andean Labor Party in Colombia, a fraternal party of the U.S. Labor Party, is participating in an urgent mobilization of secular, political and religious forces to put an end to

To President Carter — White House  
Copy to: Honorable Virgilio Barco —  
Embassy of Colombia  
Washington D.C.

Dear President Carter:

We of the Michigan Anti-Drug Coalition send our greetings to you. You entered the Office of the President with great aspirations for the country and high moral ideals. The Michigan Anti-Drug Coalition commends you for this work.

We of the Coalition are deeply concerned about drugs. Shortly, we will be sending you a progress report on our activities. We have received indications that the present government of Colombia might be in trouble. You and the present government of Colombia have worked jointly in the past to prevent drugs from entering the U.S. We urge you to investigate the present situation and lend your support and protection to those who are against drugs in Colombia.

Our best regards.

**Executive Board  
Michigan Anti-Drug Coalition  
Detroit, Michigan**

To the Colombian Embassy, Washington, D.C.

As a U.S. citizen, I express my concern about drugs, and urge the U.S. government to give aid to antidrug programs or an antidrug government in Colombia, as we have in Mexico.

**Max Dean, Executive Secretary  
National Association for the Advancement  
of Colored Peoples (NAACP)  
Flint, Michigan**

To Colombian Embassy and to President Carter

Honorable Virgilio Barco  
2118 Leroy Place, NW  
Washington, D.C. 20008

We Americans strongly support the efforts of your President Julio Cesar Turbay to eradicate marijuana cultivation and drug trafficking from Colombia. We urge President Carter to increase financing to aid Colombia in paraquat spraying programs and other joint efforts. We condemn the fact that some of the same public figures in Colombia who support legalization of marijuana export are posing a threat to democracy and threatening the human rights of the population.

Buffalo, N.Y., February 1, 1979

**Dr. Ernest Shapiro, New York  
State Non Partisan Anti-Drug Coalition**

**Rev. Theodore Guest, Minister, Pentecostal Church**

**John Kolecki, former educator**

# The man behind the coup danger

military justice and repression and demand a return to constitutional guarantees.

In addition, U.S. and European organizations are being urged to send telegrams to the Colombian government via its embassy in Washington and abroad supporting the government's efforts to shut down the drug traffic and expressing concern that current right-wing brutality and repression against the population be halted. Several telegrams have already been sent, of which the following are representative.

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To President Carter — White House

Copy to: Embassy of Colombia, Washington, D.C.  
Ambassador Virgilio Barco

The democratically elected government of Colombian President Turbay Ayala is now facing the threat of a military coup. Since his election, President Turbay has made efforts to halt the flow of illegal drugs from Colombia and has repeatedly asked for U.S. technical and financial assistance in those efforts. In fact only last week, Turbay reiterated his commitment to stop the outflow of marijuana from that country. The same figures who are now posing a threat to democracy in Colombia are also those supporting the legalization of marijuana as an export crop. We, the undersigned, support President Turbay's efforts to control narcotics traffic and we condemn this threat to democracy and to the human rights of the Colombian population.

Rev. John B. Crowell, D.D.

President — New Jersey Christian Conference

Charles H. Ryan, member

New Jersey Academy of Family Physicians

Abdul Malik Ali — private citizen, Trenton

Organizations are for identification purposes only.

The man behind the current coup danger in Colombia, Alvaro Gomez Hurtado, is one of the oligarchist "black international's" leading members. Among his close associates and cothinkers internationally are Otto von Hapsburg, Franz Joseph Strauss of Germany, and Amintore Fanfani of Italy. His association with such European oligarchs dates back to 1952, the year in which he joined with them and others in founding the European Center for Documentation and Information. The latter organization has brought together in regular meetings some of the world's leading right-wing fascists to coordinate economic and political policy. It also reportedly coordinates terrorist deployments internationally. In the 1960s the Center merged with the Mont Pelerin Society, one of the leading promoters of the fascist "free enterprise" economic policies designed to supplant global industrial and advanced technological development with drug-based, feudal economics. Gomez's affiliated publication *Sintesis Economica* and his newspaper *El Siglo* frequently laud "free enterprise," and have published von Hapsburg's own output on the subject.

The Jesuit-trained Gomez makes no attempt to hide his views. In the months leading up to the meeting of Latin American bishops in Mexico, Gomez lamented editorially that a "humanist" faction of the Church had succeeded in imposing its world view of esteem for the creative powers of the human mind whose reflection in the world was seen in the advancement of science and technology. Coherent with this is *El Siglo's* frank and outspoken campaign to turn Colombia into a marijuana-based economy — to which end Gomez is now attempting to carry out a military coup in Colombia. Exemplary is his August 1977 column which argued that "Colombians must think very seriously about legalizing marijuana immediately . . . . First because it will yield us foreign exchange. And second, because we have proven that to prohibit it, to help a country that is not interested in its prohibition, is damaging to the morals of those charged with enforcing the law." In Gomez's view, the Turbay government's official position against marijuana legalization is a major obstacle to a "booming" Colombian economy based on a "bonanza" from "exports produced through operations difficult to register in their own name" — that is, marijuana production.

The precedent for the chaos which a military coup would provoke in Colombia and regionally is "La Violencia" — the ten-year civil war orchestrated by Alvaro's father, Laureano Gomez. A Falangist in his own right, Laureano waged what he termed "religious" warfare against the Liberal Party leaning population, with the aid of certain Jesuit orders and right-wing death squads which performed brutal tortures and atrocities against their victims. The Colombian population has not fully recuperated politically or psychologically from the horrors of that period — but Alvaro Gomez is committed to unleashing the same destruction on a regional scale to maintain and expand his drug-running franchise.

# Colombian peasants: no to marijuana

*The Colombian National Agrarian Federation (FANAL), representing over 20,000 peasants, issued a statement on Jan. 30 condemning the attempts to impose a drug economy in Colombia and warning of a right-wing coup danger. The following is the text of the statement.*

Aware of the treasonous campaign being carried out by information services to create a climate in Colombia favorable to the legalization of marijuana, the National Agrarian Federation (FANAL) states:

1. In the name of the Colombian peasantry FANAL rejects the dishonest campaign in favor of the legalization of marijuana and declares persona non grata and traitors to the country all those "denationalized" who try to promote the legalization of this harmful drug in the country. These "denationalized ones" are the same who are trying to impose a fascist regime in Colombia modeled on those of the Southern Cone in order to insure their marijuana economy.

2. It is ridiculous and imbecilic to think that marijuana production benefits the peasant sector; it is inconceivable to

think of replacing food production for the nutrition of the Colombian population, especially children, with a drug which is harmful to the health and to the morale of our population.

3. We praise and thank the patriotic attitude of the president of the neighboring country Venezuela, Dr. Carlos Andres Perez, for his collaboration with our government in its energetic rejection of the imperialist policy of using both our countries as the epicenter for the production of drugs. We also confirm our decided support for those measures adopted by President Turbay Ayala to combat drug trafficking.

4. We understand that the only effective way, as a definitive strategy to stop the terrible threat of drug production in our country, other than the military measures already being taken, is to have brute force development of the country through massive industrialization based on the use of advanced technology. Only this way, can we end massive unemployment and increase the standard of living of both workers and peasants and prevent the labor force from being used for unpatriotic ends because our country is underdeveloped.

5. We fervently call on progressive and nationalist forces in the country, such as the Catholic Church, workers, peasants, industrialists, and businessmen, to unite their voices in protest against the tragic possibility that some "denationalized ones" will turn Colombia into the world's drug paradise.

Signed Eli Arambulo, President, FANAL  
Fausto Charis, Secretary

# Colombian prelate warns of coup

*Leading Catholic officials in Colombia have warned that the expansion of repression and military justice — through application of the "Security Statute" and its encroachments on constitutional law — constitutes a grave danger to the continuation of democracy in Colombia. On Jan. 21, Bishop Dario Castrillon of Pereira reported that the Colombian situation will be brought up for discussion at the meeting of Latin American bishops (CELAM) in Puebla, Mexico, and urged that a formal denunciation of growing militarization be issued there. The Bogota daily El Espectador reported Jan. 22 on the Bishop's statements:*

Bishop Castrillon said that "An idea is being created in the country that military justice is more important than civilian justice. This (idea) is opening the road to military regimes, as has already occurred

(elsewhere) in Latin America. This idea was also promoted in these countries in the beginning, and what they did was to place the State step by step in the hand of the military, finally granting them complete control."

Once in Mexico, Bishop Castrillon further declared: "What personally has me concerned is that the Security Statute opens the way to a possible inability of man to defend himself from the great power of the State, which is the first step taken in the violation of rights."

# Venezuela supports war on drugs

*In a major statement this week, President Carlos Andres Perez of Venezuela declared his country would lend full support to the Colombian government in its attempts to halt drug traffickers. His statements — a significant contribution to the international battle against drug trafficking — were reported in the Jan. 28 issue of the Caracas daily El Nacional.*

We face actions which must be fought with all the force at our disposal. We face crimes which are of the most heinous and abominable type, because they threaten not only the individual, but an entire society. We are presently using all the means at our disposal. However, what happens is that these crimes yield such rich bounty that the criminals have immense resources. Yet, you can see that discoveries are constantly being made. A little while ago, a small plane made an emergency landing in Falcon and it turned out that the plane was carrying drugs. And we also discovered that it carried weapons destined for Colombia. There, they were going to exchange the weapons for drugs to carry to the United States.

We have given precise instructions to fight this traffic. We are also constantly vigilant, together with the Colombian government in order to prevent maritime drug traffic. Thus I believe we are doing everything possible in this area. We have magnificent coordination with Colombia, and we already had it with the U.S....we are working on it and having success against the drug traffic....

# The world must act to save Bhutto

It has become absolutely clear that the military regime of Pakistan is preparing to murder imprisoned Premier Zulfikar Ali Bhutto. The junta awaits only the court decision on Bhutto's appeal of the death sentence against him, a decision which is expected any day.

The junta's intentions to kill Bhutto were exposed by the uncovering of a quiet inquiry made by the Pakistani Embassy in Washington to the NBC-TV network for the purchase of 30 minutes of national television time for a Pakistani government statement. The Pakistanis would not reveal to NBC the nature of their planned broadcast, but informed sources have indicated that the government will use the time to tell the world why they have murdered the Prime Minister of Pakistan.

The decision to kill Bhutto would immediately set the stage for political chaos in Pakistan. Combined with the events in neighboring Iran, the unrest is calculated to unleash an expanded wave of regional destabilization from the Persian Gulf into India. While officials in the State Department and the White House's National Security Council have stated their concern over the events in Pakistan, there is no evidence that any action is being taken to stop the murderous military regime of General Ziaul Haq in Pakistan. Will the Carter Administration sit back and watch another Iran crisis unfold?

## Propaganda for murder

The TV caper of the Pakistani Embassy reveals the lies of the government, and its attempts to lull world opinion to sleep on the Bhutto case by proclaiming that they are merely awaiting the independent judgment of the Supreme Court. The court concluded its hearing of Bhutto's appeal of the death sentence from a lower court more than a month ago.

On Jan. 23, Mr. Hussein, an official of the Information Office of the Pakistan Embassy in Washington, talked to Victor Bazani of NBC on the terms of purchase of the air time. Embassy Information Minister Khalid Ali admitted the embassy's activities, but attempted to describe as "routine" this virtually unprecedented purchase by a foreign government of U.S. television time.

According to the NBC official interviewed by this reporter, the embassy official told him that Pakistan wanted the broadcast between now and March, at the network's convenience. When questioned about the nature of the broadcast, Hussein was "circumspect." NBC's Bazani said that when he further questioned Hussein about the contents he was told that the broadcast would present "a point of view" of the Pakistan government.

The State Department and the National Security Council, when informed of Pakistan's efforts to purchase the air time, indicated surprise. However it is not clear that either State or the NSC has done anything in response.

If Bhutto dies, the responsibility for the murder will not lie merely with the stupid thugs in Pakistan who pull the trigger. It will lie with men like Henry Kissinger, who told Bhutto at their

last meeting in 1976 that "we will make a horrible example of you." The Anglo-American imperialists and their Zionist lobby have been the driving force behind the ouster of Bhutto in the July military coup and the subsequent moves to eliminate him completely. Their aim is, despite the illusions of the thugs who think they are doing this for themselves, to spread chaos to Pakistan, to encourage its disintegration as a unitary state, and to unleash the "tribal revolts" of Baluchistan (a part of Pakistan) and the Northwest Frontier Province, which would work in tandem with a tribal breakup of Iran among warring tribal groups like the Kurds.

This is the scenario of Bernard Lewis, the anglophile Islamicist who has worked with Kissinger and Brzezinski to organize the fracturing of Iran using "Islamic" movements of the Khomeini variety. The Islamic fundamentalist thugs who now control the Pakistani junta are part of the same Anglo-American network of the Muslim Brotherhood fascists as Khomeini.

## Junta contemptuous

The Pakistani junta and its fanatical Muslim Brotherhood supporters in the Jamaati Islaami Party have made clear their contempt for world opinion. According to a report several days ago in the London **Daily Telegraph**, a senior official of the junta put it this way: "Carter is always going on about human rights — ad nauseum; but it doesn't matter a damn so far as we're concerned. Persia (Iran) and Saudi Arabia are the only two countries that could have affected things."

The British-authored destabilization of Iran and London's sponsorship of the "fundamentalist Islamic movement" throughout the region has effectively checked the impact of those two governments. The Shah of Iran is a known friend and supporter of Prime Minister Bhutto whose influence on the Pakistani situation has now been destroyed. The official Saudi stand is reportedly unclear, although Muslim Brotherhood elements in the Saudi monarchy are giving backing to General Zia's junta, this including the announcement several days ago of a \$92 million loan to the bankrupt Pakistani nation.

Within Pakistan, the junta is making its preparations for Bhutto's murder. As yet unconfirmed reports from Pakistan indicate that the Supreme Court has made its decision — against Bhutto — and that the regime is only waiting for what it views as a more politically opportune moment. Police and troops are also reported to be deployed throughout Pakistan to deal with the violent demonstrations and riots that are expected. Leaders of the Pakistan Peoples Party — Bhutto's party — are reported going underground to avoid arrest.

Massive propaganda is being carried out to smear Bhutto, including the release of a four-volume **White Paper**, another in a long series which attempts to pin corruption and other charges on Mr. Bhutto.

— Daniel Snider

# If Bhutto dies, Pakistan dies

*A statement by presidential candidate Lyndon LaRouche*

*On Feb. 1, in response to mounting evidence that the Pakistani junta of General Ziaul Haq is prepared to murder Prime Minister Zulfikar Ali Bhutto on behalf of interests outside Pakistan, U.S. Labor Party Chairman Lyndon H. LaRouche, a candidate for the U.S. presidency, issued a statement which is excerpted below.*

I know what London and Sir John Glubb Pasha have omitted to inform the famous 22 Northwest-Frontier oligarchical families of Pakistan. If the provisional government of military dictator General Ziaul Haq proceeds with the killing of the most popular Zulfikar Ali Bhutto, Mr. Bhutto's death will be used to trigger a holocaust within Pakistan and neighboring countries. The hideous, recent genocidal horrors in Bangladesh are only an indication of what the British, Israelis, and Peking foreign-intelligence services have planned for Pakistan.

If Mr. Bhutto dies, Pakistan soon dies in a genocidal "Thirty Years War" across the sweep of Zbigniew Brzezinski's "Arc of Crisis."

There is no reason to doubt that General Ziaul Haq and his military-professional associates conceive themselves as Pakistani patriots. There is evidence that they imagine the question of Mr. Bhutto's death "an internal affair of Pakistan." Now that Shahanshah Reza Pahlevi of Iran is in reduced power and temporary exile, and the Saudi royal family threatened with British-Israeli-orchestrated destabilization of the peninsula, the provisional government of Pakistan deludes itself that there are virtually no influences outside Pakistan's borders for General Ziaul Haq and other military rulers to take into consideration in the Bhutto affair. (...)

## **The gist of the scenario**

If General Zia and his associates will consult a map, and will subsume military-strategic thinking under political-strategic thinking, they will be able to trace out the principal features of Zbigniew Brzezinski's "Arc of Crisis." They have but to ask themselves how the British, with complicity of the Aspen Institute, Sir John Glubb Pasha's networks, and such wretches as Kissinger and Brzezinski, destabilized Iran, essay to destabilize Saudi Arabia, have already made a preliminary effort to destabilize Turkey, and propose to destroy an entire region of the world, from Burma, through the dead nation of Bangladesh, into Turkey and Kenya.

They have but to include knowledge of the nature (and authorship) of the RSS in India, as well as the authorship and financing of Industries Minister George Fernandes of India, to see how ungovernability and holocaust are proposed to be introduced into that bordering nation....

Now, they should turn their eyes to the Baluchistan and Pushtunistan projects embraced by London's Bernard Lewis and Tavistock's Henry Kissinger. Combining this with other

sorts of destabilization in Afghanistan, spilling over Pakistan's borders, and intersecting the desperate moods among sections of Pakistan's population triggered by the martyrdom of Mr. Bhutto, what, then, ensues for Pakistan? (...)

The wisest course of action would be to bring Mr. Bhutto into the government of Pakistan immediately, on condition that Mr. Bhutto refreshes his knowledge of the British Raj's nature and bestial practices. (...)

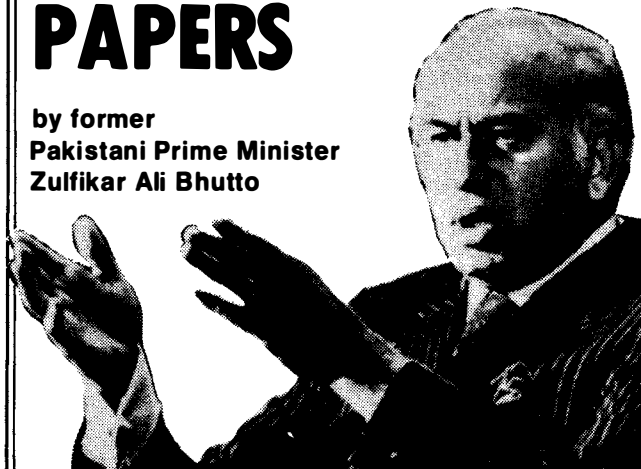
It is necessary to administer a crushing defeat to the British policy Mr. Zbigniew Brzezinski adores as his "Arc of Crisis." Restabilize the nations of this "Arc" through republican governments and governments of humanist princes, and mobilize the urban-centered popular forces of these nations around policies of generalized scientific and technological progress for both industry and agriculture.

Otherwise, a general destabilization of the Islamic borders of the Soviet Union ... means absolute certainty of general thermonuclear war.... Kill Mr. Bhutto, and you have certainly unleashed scenarios which will ... destroy Pakistan itself.

*What Jack Anderson and Katharine Graham Wouldn't Print*

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