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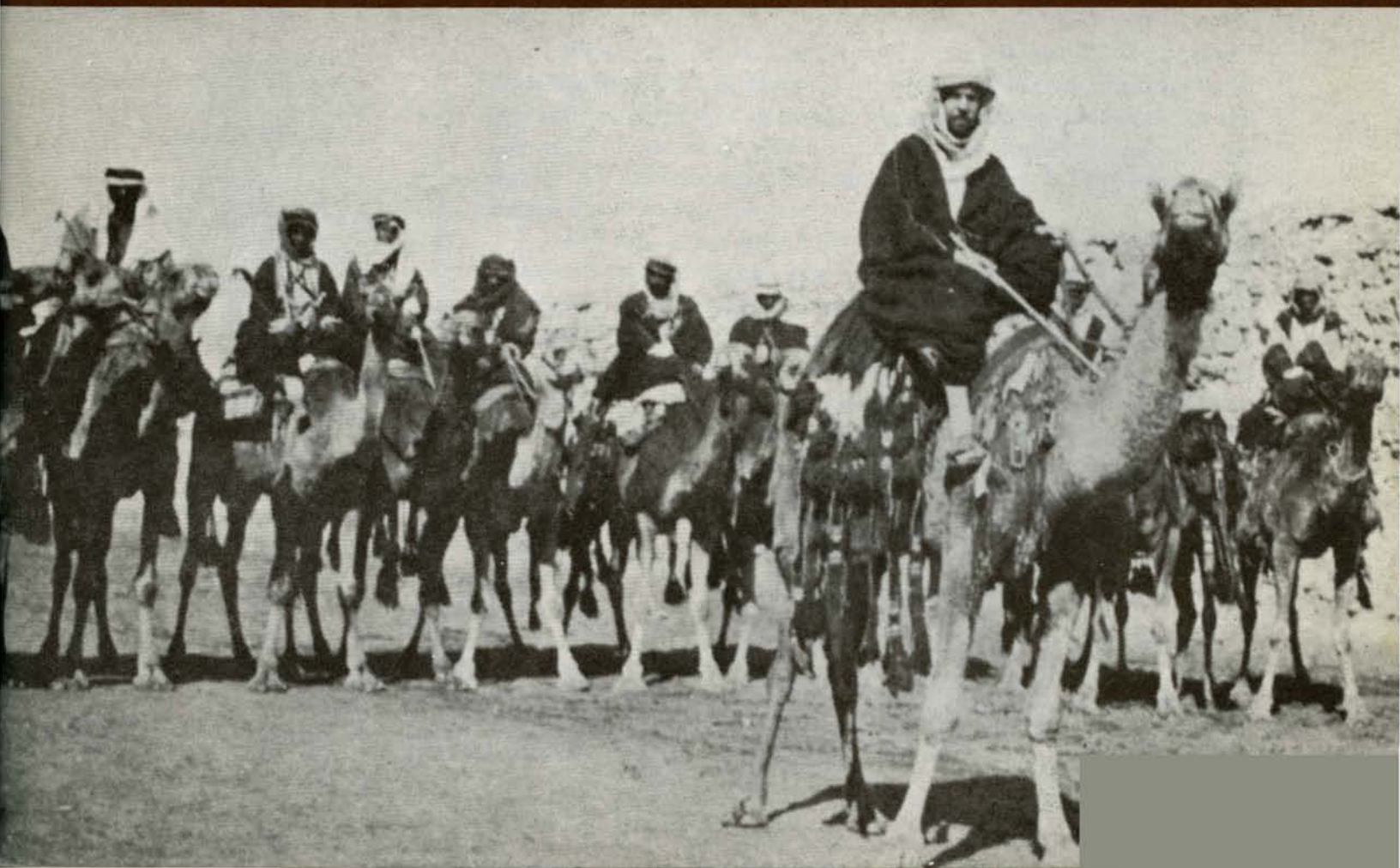
January 8-14, 1980

Afghanistan: A new Sarajevo?

The Brandt Commission's 'Geo-Economic Order'

The media fix of the 1980 elections

**How to stop the
Muslim Brotherhood conspiracy**



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EIR

From the Editor-in-Chief

The 1980s have opened with a bang and so far promises to be a decade when the question of world war or peace will be paramount. The crisis in Iran, the spread of instability in the Middle East and the Islamic world, and now the events in Afghanistan have posed a new crisis in the world in which the Soviet Union for one is delivering a clear message that war will be the result of a sustained threat to its perceived strategic interests.

This special report on the Muslim Brotherhood was prepared before the events in Afghanistan took place. Those events only underscore the strategic importance of this conspiratorial organization, an entity controlled primarily by the British Secret Intelligence Services and the organization responsible for the creation of the Khomeini madness in Iran and its spread throughout the Middle East.

This is the second report we have presented on the Brotherhood; the first was last May. As our title suggests, we are keeping to the tradition of the *EIR* in publishing such exposés not merely for the edification of our readers but to bring about a concrete result—in this case to aid governments and others concerned in eliminating this menace from the body politic.

The report has been directed by our Middle East intelligence director, Robert Dreyfuss, and draws on the research and writing of our Middle East specialists, Thierry Le Marc, who is based in Bonn, and Mark Burdman, based in New York. A section on the South Asian end of this, including the Afghanistan-Soviet aspects, has been contributed by myself, in my capacity as Asia intelligence director. Our readers are encouraged to refer back to our earlier report and the more recent *EIR* special report on "The Secrets Behind the Ayatollah Khomeini" for more on this vital subject, without which events in the region and the world cannot be understood (reprints are available on request).



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Next Week

Afghanistan action by the Soviet military has plunged the world into a strategic crisis the most dangerous since World War II—with thermonuclear war an immediate threat. Next week, *EIR* will take an in-depth look at why the Soviets acted, and examine the economic, political and military realities that lie behind the strategic crisis prompting the Afghan coup d'etat. We will not only report, but prescribe: there are definite measures, available to U.S. and European governments, that can reverse the plunge toward war in the short term; but at issue economic policies pursued in the long term by all powers involved.

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A commission under Willy Brandt's chairmanship and Robert McNamara's control has just come out with its report proposing a "new world order" in which competing currency blocs index their transactions to inflated commodity and raw materials prices, and that all commodity-backed Third World debts then be paid back under the supervision of a "World Development Agency." Dubbed a "new geo-economic order" by its proponents, those with an eye for historical parallels prefer the phrase, "Pax Britannica."

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On the cover: British intelligence officer H. St. John B. Philby, who created the Muslim Brotherhood in the 1920s.

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More than 25 years ago, a British strategist outlined a plan for an Islamic revival that would sweep the Middle East and spread into the Central Asian Republics of the Soviet Union—thus toppling the “Soviet Empire.” Today, the activities of the British intelligence arm called the Muslim Brotherhood, in Iran, Pakistan, Afghanistan, and elsewhere, have proceeded according to the same plan.

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The Soviet Union has plunged militarily into Afghanistan to mop up “Islamic rebels” threatening the friendliness of a nation on its very borders. But the Soviet command has deployed a troop-strength far in excess of the requirements of that task: a signal, a decisive show of force, has been directed at U.S. ally China, concerning what they may expect from the U.S.S.R. in the event of a new Chinese invasion of Vietnam. And now, the world depends on how well, or how badly, the United States “reads” the Soviet signal.

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An arm of British intelligence which conducts brainwashing “executive seminars” and assorted “humanistic studies” in Colorado has won the collaboration of major U.S. news media in a carefully planned project to control who is elected President of the United States, by controlling who gets access to the electorate through the mass media. It's not only scandalous, but given who's involved, it's treason.

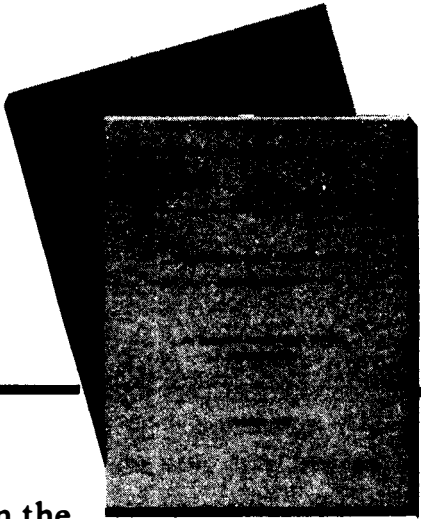
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Editorial Comment

by Nora Hamerman

A cure for a strategic mess

Drastic crises call for drastic solutions. Lyndon H. LaRouche, Jr., a contender for the Democratic Party nomination, has proposed that "out of love for his country" President Carter should accept the resignation of Vice President Walter Mondale and appoint LaRouche vice-presidential nominee. Then, "he should plan to resign himself as soon as my confirmation is effected."

The LaRouche proposal came on Jan. 2, one week after the Soviet coup in Afghanistan. The entire U.S. media was filled with announcements that "detente is dead" and "the Cold War has begun." LaRouche, who has warned since 1976 that the policies of Carter's backers would lead the world into a thermonuclear war, promises that as President he will "cure this mess within 30 days."

"In the meantime," LaRouche has some specific things to say to Moscow and Peking. "As President of the United States, I would inform the present government of Pakistan that I demand they immediately cease-and-desist from all involvement in the internal affairs of Afghanistan. If the Pakistan government agrees to that demand, then I insist that no Soviet military operations against Pakistan are to occur."

But, LaRouche specifies, if Pakistan fails to heed this warning, then he would judge "punishment" in the form of search and destroy operations from Afghanistan as something Pakistan brought upon itself. As for Peking, President LaRouche would advise them to conduct no military operations into Southeast Asia, and warns that the consequences of rejecting that advice would be borne by Peking "without aid from the United States."

The core problem is the Soviet perception, voiced in the Soviet military paper *Red Star* by Col. Ponomarev, that the West is plunging into its "final breakdown crisis." Based on that estimate, Moscow is prepared to challenge U.S. initiatives at any point—from a "war-winning" perspective. The only way to change this is to convince Moscow that

there is no inevitable breakdown crisis in the capitalist sector. The President must take actions to reverse the collapse of the U.S. dollar as the world's principal reserve currency.

LaRouche outlines six necessary steps, starting with the repudiation of the New York Council on Foreign Relations "controlled disintegration" policy for the world economy, for which Jimmy Carter was handpicked as the CFR's presidential candidate.

Working with French President Giscard and West German Chancellor Schmidt, the U.S. President must nullify the "conditionalities" policy of the International Monetary Fund and the "appropriate technologies" of the World Bank; seek the establishment of a new, gold-backed world monetary system; use this system to generate cheap, long-term credit for development; reorganize the debt of the developing sector; and restart the capitalist sector economies through a massive program of high-technology transfers into the Third World.

Then, the United States could lead negotiations with Moscow in concert with the European Monetary System countries, based on the May 1978 accords between Chancellor Schmidt and Soviet President Brezhnev. But the Carter administration has shown itself "unable to take such imperative actions." Therefore, LaRouche urges Carter to make the "patriotic act of resignation" after appointing LaRouche to serve in Mr. Mondale's stead.

In the 1970s, as part of the CFR's preparations to install Jimmy Carter in the White House, a Vice President was replaced by a presidential appointee. That appointed successor took over when the President himself was forced to resign. The alleged misdeeds of Spiro Agnew and Richard Nixon were petty by comparison with the treasonous lunacy of the Carter administration.

If the human race is going to survive, this time the United States urgently requires a President.

The Brandt Commission's new 'geo-economic order'

by David Goldman

Proposals that seemed insane when Zbigniew Brzezinski and C. Fred Bergsten surfaced them first in 1976, for a "raw materials standard" in world economic affairs, are now close to reality. At the policy level, proposals for "indexation" of credit to a combination of raw materials, the stabilization of raw materials prices (including oil) through "buffer stocks," and the re-direction of investment in the LDC's into raw materials production are the centerpiece of the report of the Independent Commission on Development, chaired by former West German Chancellor Willy Brandt. Mechanisms to make such proposals work are now under close study at the American Treasury. What makes this discussion most ominous, however, is the enactment of this scenario on the precious metals and commodities markets.

The world markets are tumbling into the sort of "One World" scenario that the EIR characterized in its Dec. 18 cover story. In the words of Bank of England advisor Sir George Bolton, the catchphrase is "a run from all currencies into commodities." The same phrase was used by Brandt Commission factotum for Asian operations Charles Robinson, Kissinger's old Deputy Secretary of State and the author of the International Resources Bank plan.

As *EIR* emphasized in its Dec. 18 coverage of the Brandt Commission, less interesting than the spectacular rise of the gold price (which closed at \$623 on the New

York market Jan. 3) is the parallel rise of silver, copper, platinum, and, most emphatically oil. (see Futures) This is not a mere panic reaction of investors but a result of a deliberate policy turnaround on the part of the U.S. and other Western governments. According to private industry metals experts who advise the State Department and Treasury on stockpiling policy, the government is not only committed to a commodity price buffer stocks plan on economic grounds, but is accumulating stockpiles of metals it deems strategic.

The perspective determining this action, according to one source, is identical to the content of a recent Center for Defense Information forecast of America's security position in the 1980's: the proliferation of local wars in the developing sector in raw-materials producing regions, which will threaten America's access to vital materials. Among the materials the government intends to stockpile, these sources report, are copper and silver. This explains the stupendous rise in the silver price and the impressive rise of the copper price (to \$1.14 per pound on Jan. 3), in complete variance with so-called market fundamentals.

During the last round of such policy discussion, Robinson and others presented the International Resources Bank, commodity indexation, buffer stocks and similar plans as humanitarian gifts to the developing sector. Not so now, as Robinson stated in an interview

transcript *EIR* obtained and publishes below. Faced with a \$65 billion and up balance of payments deficit on current account, the LDC's, including some of the best-off like Brazil, have been left to forage for themselves. The commodity option presented by the Brandt Commission appears, to the advanced-sector governments, as a mere formality following what is already at work on the markets, and as a last way out to the better endowed LDC's.

Eurocurrency bankers believe that the collapse of the dollar this week—it briefly touched an all-time low of 1.69 to the West German mark in Jan. 3 trading—settles the question of whether the international banks will resume lending to the LDC's after the near-panic following the Iran assets freeze. If this did not, the sudden new rise in oil prices, bringing the OPEC average price to over \$27 a barrel, could well settle the fate of these countries.

Options for financing the LDC's now under discussion include World Bank guarantees related to energy and raw materials development; commodity price-indexed bonds; or oil-linked debt instruments. However, as Charles Robinson emphasized, the short-term prospects for the realization of any of these schemes are extremely bleak, and "Murphy's Law"—what can go wrong, will—will apply in the months ahead. Prof. Robert Triffin of Louvain University told *EIR*, "The crazy rise in the price of gold is a reflection of diffidence concerning all governments' capacity to act."

The near-term implications for both the industrial and developing economies are devastating. Various commentators, including the editors of the London *Times* and the *Wall Street Journal*, have argued that the gold-oil price constitutes a basic sort of historical inflation index. Both prices have doubled in the past year; as other commodities follow them up, this implies an inflation rate far in excess of the current 15 percent dollar inflation rate. If credit is indexed to these prices, as the Brandt Commission and others propose, then "the rate of inflation becomes indeterminate," in the succinct phrase of Princeton University's Peter Kenen.

What will happen to oil prices, which have already undergone a second upward ratchet since the OPEC meeting (see OIL) is now difficult to project. However, the State Department's Office of Fuels and Energy currently expects Iran's oil exports to "go out" entirely due to one form or another of military action. It must be emphasized that the Soviet move into Afghanistan makes most of the State Department's calculations irrelevant. It is sufficient to emphasize that the current glutted state of world oil stockpiles ensures that any such price rise will be hard to put across unless there is a major disruption of supplies, and that this consideration must figure in the actions of the British, the Libyans, and others.

Iran shutdown to aid Brandt plan

Richard Hecklinger, of the State Department's Office of Fuels and Energy, dropped a strong hint in a Dec. 26 interview that a shutdown of Iranian oil exports was being considered as an option by the Carter administration.

According to Hecklinger, the curtailment of Iranian oil supplies would force other industrialized countries to reduce oil imports, as agreed on at the December International Energy Agency (IEA) meeting, and would effect the Brandt Commission's proposals through "less formal means." Hecklinger's statement appears below:

There is no government position yet on these proposals. Part of the problem is that OPEC cannot agree among themselves. But I will tell you this: The Brandt plan could be beneficial. The question is how much more will prices increase and what would happen to prices with a supply shortfall? What if Iran went down?...

We're looking at a number of plans. International oil buffer stocks, for example, which would work like those in other commodity arrangements. But would producers be able to agree on a quantity of oil to produce? There are a lot of ifs....

What we accomplished at the December IEA meeting was quite remarkable. We not only agreed on oil import ceilings but got an agreement to adjust these ceilings of supply conditions should warrant it. This is fairly important since last March, the maximum we got was an agreement to reduce oil imports by two million barrels a day collectively, and it didn't say when this would happen. To go from there to specific import ceilings, which are adjustable, is an important accomplishment.... The IEA will meet again to assess supply conditions in early 1980. If Iran goes down, it will require tough policies....

But it's important to realize that we can achieve the same objectives (as the Brandt Commission) through less formal means. You have most of the world's oil consumption represented in the IEA and EEC. That's 80 percent of free world oil consumption, 38 million barrels a day.

Documentation

What Brandt's commission has proposed

At a Dec. 17 press conference in London, Second International leader Willy Brandt announced that the twenty-member Brandt Commission was issuing a call for a "global economic bargain" to deal with an "impending catastrophe." Its recommendations will be presented to United Nations Secretary General Kurt Waldheim in February and will be published in March. Excerpts from Brandt's press conference follow.

We have unanimously concluded that urgent and drastic steps must be taken to avert impending catastrophe....

In the transition to the "post-oil" economy, the oil-exporting developing countries and the other developing countries have a growing common interest with the industrialized nations in a secure world economic climate....

We have come to understand that, while the countries of the North are deeply concerned about stagnation, inflation and energy supplies, the South faces a threat not just to prosperity but to existence....

Many of our proposals are concerned with the need for long-term, structural reform of the world's economic arrangements. We urge programs of reform in the developing countries, who can do many necessary things only by their own resolve. We urge the need for proper conservation of natural resources. We recommend how producing countries can not only stabilize the prices of raw materials, but also move into processing and marketing them....

We suggest reforms in the world's financial and monetary sys-

tem: in the relationships between transnational corporations and most countries....

Most of the world's richer countries have already promised to give 0.7 percent of their national product as development assistance....

... Furthermore, such additional revenues might come from a modest levy on international trade, seabed minerals, and on armaments, objectively the most wasteful of all forms of spending....

We believe that the present system of financing development fails to meet some urgent needs. The existing international institutions, notably the World Bank, have an impressive record and should be enabled to do more. But many developing countries need broader loans, for programs as well as projects; and the Eastern countries remain outside the Bank's structure. We therefore propose that consideration should be given to the creation of a new universal development institution with broader participation....

We propose an immediate package of inter-related measures which would bring benefits to all the parties—the industrialized countries, the energy producers, the middle-income countries and the truly poor nations. The package has three key elements. They are: a large-scale transfer of funds to the Third World, an agreement on the security of energy supplies and conservation, and a start with key reforms in critical areas including the monetary system and means of financing development.

... The industrial countries, for their part, would undertake to safeguard the producers' earnings and to ensure effective energy conservation.

From such a world deal, we believe, everybody would emerge as winners. But to achieve a global economic bargain calls for global political will. To create that political will, we urge the convening of a new kind of summit conference, involving a limited number of national leaders from the world's main regions....

IRB-author opens up his bag of tricks

The following is an interview with Charles Robinson, who served as Deputy Secretary of State under Henry Kissinger in the Ford administration, specializing in Third World affairs, moved on to become Senior Managing Director on international energy policy with Lehman Brothers Kuhn Loeb and then Vice Chairman of Blyth Eastman Dillon before establishing last year the Energy Transition Corporation, of which he is chairman.

Q: What activities are you now engaged in besides the energy field?

A: I'm acting as an adviser to the State Department and Cy Vance on a number of things, especially on Southeast Asia. I had a major initiating role in the ASEAN Business Council, which was set up in February, 1979 and rapidly becoming a cohesive unit—the Philippines, Indonesia, Singapore, Malaysia and Thailand. I've traveled a lot in the area and met over the years with the various government leaders, with whom we are now cementing closer ties.

Q: The U.S. seemed to take a hard line toward the Third World in the 1974-76 period when there was a big push for a new international economic order (NIEO). Recently, through various moves by OPEC and a recent meeting of the Brandt Commission, this push seems to be rekindled. What are your views about what happened then and what is happening now?

A: Well, I've been working with the Brandt Commission, with people like Katherine Graham and Pete Peterson, along the lines of what the Commission is calling for.... When developing nations talk of NIEO, our job is not to resist

change, but to mold it to the free enterprise system. There will always be some radicals demanding extreme things, but that isn't really the problem. I firmly believe that what we have to talk about today, and then, is a geo-economic order, that is what the world must move toward to stabilize the chaos breaking out all over in every market—currencies, trade, commodities, etc.

Q: You played a prominent role in the North-South dialogue in 1975-76, did you not?

A: Oh, yes, indeed. I was the one who virtually set up the first producers-consumers conference in 1975. Right now I'm working closely with Bob McNamara of the World Bank on this kind of thing, though at the time I didn't work as closely as I would have liked. I chaired the 1976 UNCTAD Nairobi conference which took up the Third World demands for common fund, and I virtually wrote Henry's (Kissinger) Nairobi speech at that meeting. It was there that the idea of an International Resources Bank was brought up, which was largely Bob's idea along with mine. For a lot of bad reasons, the IRB idea has never really gone anywhere, primarily because developing countries have seen it as a threat to the common fund idea and diminishing their returns on raw materials, etc.... But look, as I was saying, we had a hell of a fight in 1975-76 on all this. In 1975, I prepared Kissinger's UN speech on all this kind of thing, especially regarding the producers-consumers conference. That didn't happen because the UN blocked it, essentially, because they feared they wouldn't be able to control it, they had a rather proprietorial notion on these things. That was unfortunate, but as I said, I think this is changing, as the Brandt Commission work underscores.

Q: What is your prognosis for 1980? Do you think the dollar is on its way out, to be replaced by currency blocs and perhaps the SDR or ECU?

A: Well, let me answer that by looking at the long term first. There's

no question about it, the dollar is indeed on its way, it's only a matter of time. I think all kinds of things are going to happen—currency blocs, baskets of currencies, perhaps the SDR replacing the dollar. There's just a growing reluctance these days to accept any currency at all. I think the move to pricing and trading in commodities is irreversible.

But let me be clear on one point. It is not OPEC that is bringing up the price of oil. Rising demand is doing this, and the same thing applies to commodities generally. We don't need a cartel to jack up prices, because the simple fact is that we are doing that ourselves, because we are not making the necessary investment to expand production. There's no reason why copper, for example, which is selling for around \$1 now would not go up to the \$2 mark this year, or \$5 or \$7 a little later.

Q: Do you think the role of private banks and financial institutions is going to decline? They have certainly facilitated the Third World's getting credit and circumventing IMF-type conditionalities.

A: No doubt about it. International financial institutions are just going to have to take on a much more important role. Look, we are running into an inflation problem because we are pressing upon the limits of our resources in energy, minerals, and waste disposal. There is no way to deal with that challenge unless we accept a significant decline in our standards of living, undertake many sacrifices, and endure a loss of national sovereignty—I'm talking about the world as a whole, not just the U.S. The growth rate must be brought down to zero; next year we are only going to have about 2 percent or so. Whether we can reverse this trend to grow is the question, and a crisis seems to be the only thing that can bring this about.

Q: But what about countries not accepting this? And what does that mean for the nation-state?

A: That's what I meant before

about a geo-economic order. You know, in a sense, colonialism was not so bad because at least you had a more-or-less geo-economic order back then. We've never found an adequate substitute for colonialism. But that gets you into the philosophical questions of independence and freedom and the loss of sovereignty of nations. But you must have some form of order in this world, and unfortunately that seems like it can only come about through a sense of crisis.

Q: What does that mean for our system of government?

A: In an expanding pie, you can take from the more affluent and redistribute the wealth. But you can't do this when the pie is shrinking, as is the case now. This situation does threaten our free democratic system. ... But I am not pessimistic.

Q: When you speak of zero growth and stringent credit conditionalities, aren't you implying starvation and sharp population reduction?

A: I'm not a Malthusian, but in fact we are going to face food shortages, though not immediately. This will mean starvation, yes, but I don't foresee major population reduction.

Q: What of 1980 then?

A: I see continuing inflation, economic slowdown, and in short, the universal application of Murphy's Law—everything that could go wrong may in fact go wrong. The Saudis are walking a thin line and face an overthrow, whether through Marxist terrorism or the assassination of King Khalid. Iran faces ten years of turmoil, breaking down into four or five regions, with complete breakdown in 5-10 years. The dollar could be finished off this year. You know, back in 1976, I made sort of a facetious proposal, but it's not so far-fetched now. I mooted the idea of the "propet" as the new international currency. That would be a currency indexed to the two primary energy sources, protein for the body and petroleum for the mechanical energy, that is, 1 bushel of wheat and 1 barrel of oil.

London's golden bargain

The run-up in gold price reflects a decision on Threadneedle Street to strike a bargain with OPEC over petro-dollars...

Citing Soviet military moves in Afghanistan and rising political instability throughout the Middle East, New York traders ended the 1970s by bidding up the price of gold to a new all-time high of \$533 an ounce on New Year's Eve. While Afghanistan provided a convenient excuse for the goldrush, most U.S. analysts failed to grasp the underlying reason for gold's meteoric rise—the decision by top British policy-makers to make gold remonetization a leading feature of their proposed “global economic bargain” between the industrialized countries and OPEC

London is essentially offering the oil producers International Monetary Fund and U.S. gold stocks as collateral in exchange for OPEC's agreement to funnel its petrodollar surplus through the IMF and World Bank. The oil monies will be used to roll-over Third World debts and finance high-priced “alternative energy sources” and extractive industry in the developing sector, a kind of rebirth of the raw materials-based 19th century “Pax Britannica.”

Gold's role in this projected world economic reorganization is highlighted by the Brandt Commission in its forthcoming report “North-South: a program for survival.” The report, which was written by former British Prime Minister Edward Heath and British Commonwealth Secretary General Shridath Ramphal, proposes that the IMF use its remaining gold

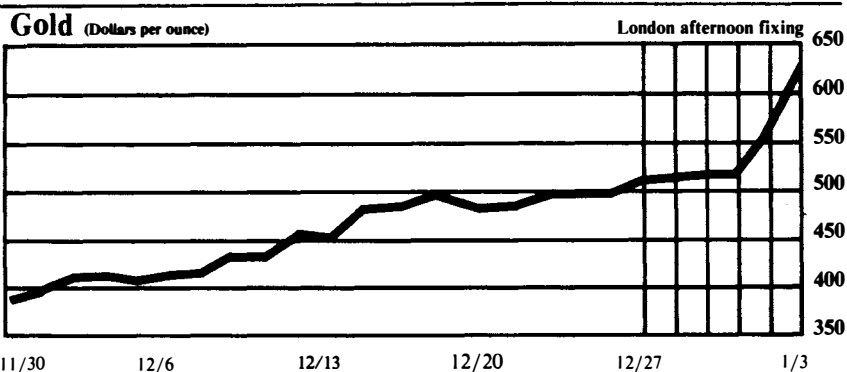
stocks as collateral with which to raise more money to lend to developing countries.

On Dec. 24, the *Financial Times* of London also suggested that gold guarantees be offered to OPEC to win control of the petrodollars. In an Op-Ed feature by David Marsh, entitled “Gold: a ‘myth’ comes back to life,” the *Times* speculated that neither a multi-currency reserve system or one based on the IMF's Special Drawing Right would prove acceptable to Middle East investors. The article concluded that: “If they indeed preferred gold to currencies, this raises the intriguing question whether the industrialized countries and the developing world, rather than talking about SDRs, should be discussing possibilities of directly swapping Western gold for OPEC oil.”

Following Thatcher's triumphant visit to Washington, London policy-makers are clearly banking on

Carter Administration support for their plan to establish a quasi-official gold standard. The U.S. owns the largest government-held gold stock in the world, outside of the Soviet Union, and the U.S., Britain, and the IMF together control about 400 million ounces, approximately equal to the gold stockpile of the European Monetary System members. Led by France's Giscard d'Estaing and West Germany's Helmut Schmidt, the EMS countries took steps to remonetize European gold reserves early in 1979, but had planned to use gold-backed liquidity to fund capital-intensive, high-technology Third World development—just the opposite of what the Brandt Commission now envisions.

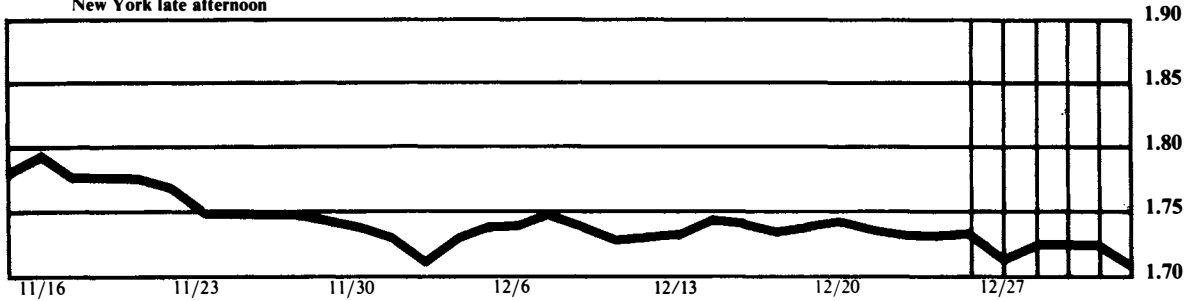
The Europeans have since shrunk back from these bold plans, and the British calculate that the lure of an Anglo-American-backed “gold standard” should be enough to win OPEC over to their side. In the same Op-Ed noted above, the *Times* hinted that the U.S. Treasury is about to drop its nine-year vendetta against gold. The Treasury, meanwhile, has failed to hold a gold auction for two months.



Foreign Exchange

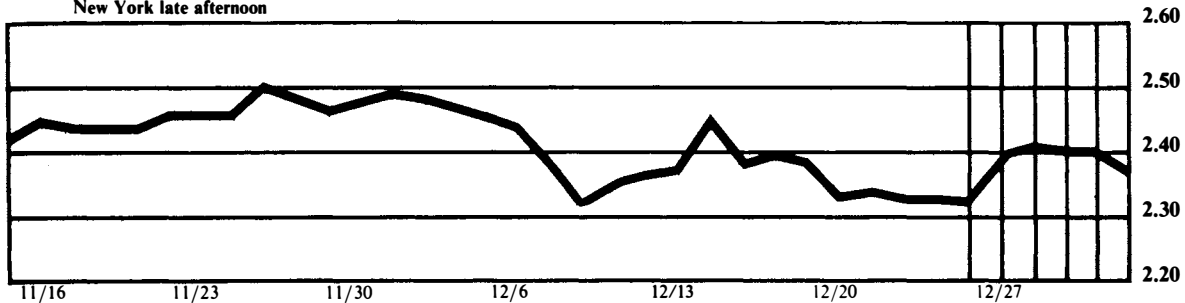
The dollar in deutschmarks

New York late afternoon



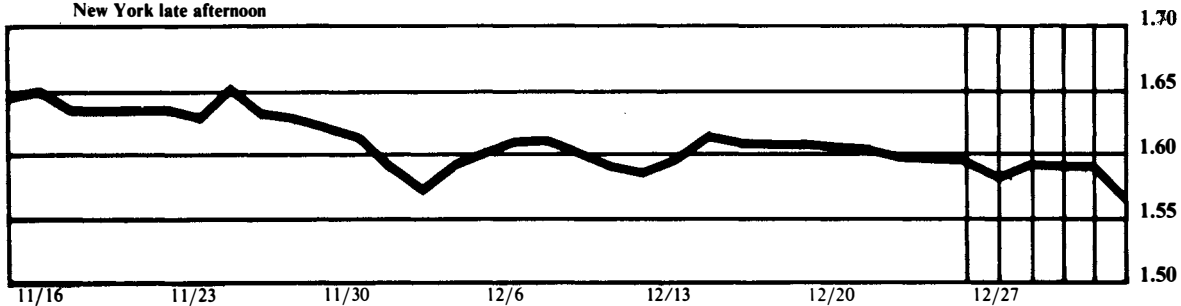
The dollar in yen

New York late afternoon



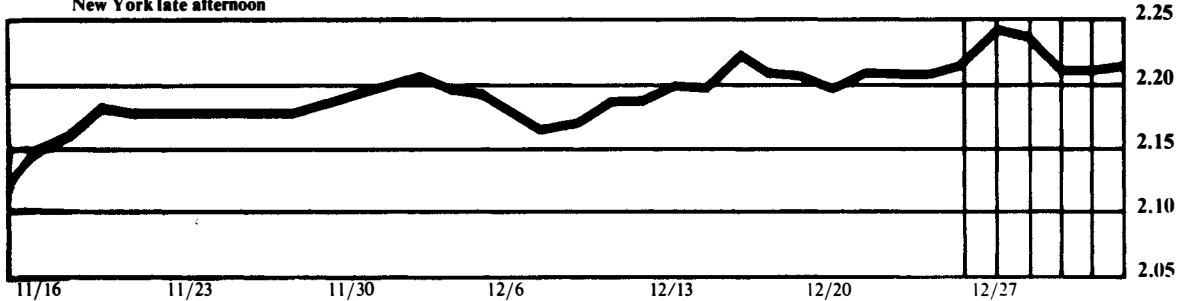
The dollar in Swiss francs

New York late afternoon



The British pound in dollars

New York late afternoon



In acknowledgement of their services

The income of economists may have contributed a record amount to the GNP. Otherwise, they didn't contribute much...

1979 was a record year for the economics industry. More economists and economic predictions were produced than during the previous record year, 1929, and the aggregate income of economists contributed a record amount to Gross National Product. In recognition, the *Executive Intelligence Review* has decided to bestow awards for a number of exceptional performances.

Competition for the first award for the "Most Unsuccessful Effort to Fight Inflation" was fierce. The award is shared by former Federal Reserve Chairman G. William Miller and his successor at the helm of the Fed, Paul "Controlled Disintegration" Volcker. Under their successive direction, the central bank of the United States instituted the policy of jacking up interest rates to bring down inflation—and ended up with a 15 percent rate of producer price inflation by year end. Miller and Volcker will also share the "Positive Feedback" award, given to those individuals who, when a policy is proven an utter disaster, follow it with redoubled effort.

The "Masters and Johnson" award for the economics profession goes to those economists and investment advisors who prematurely predicted the peaking of interest rates. As early as last April, when triple-A rated corporate bonds were carrying yields of 9 percent, top-flight investment houses were advising their clients to lock into long-term investments

fast, before interest rates started to fall. By year end, the bonds of top-rated industrial corporations were trading at over 11 percent. The investment banking profession suffered a blow to its reputation (and sustained untold financial losses, following the imposition of Volcker's "anti-inflation" measures last Oct. 6. Over the month of October the market value of the nation's portfolio of fixed income securities dropped a sheer 10 percent, as the bond market suffered its most disastrous single loss in financial history.

The "Cost Corporate Treasurers the Most Billions" award goes to those same economists who advised corporations to put off long-term borrowing until the fourth quarter, when interest rates were to have peaked. Thus corporate treasurers borrowed short-term at record rates over the first three quarters of the year, on the expectation that they would be able to shift their short-term debt to long-term borrowings later in the year. Long-term interest rates have yet to peak, and corporate treasurers are paying as much as two percentage points more than they would have in early 1979—if they can get into the bond market at all.

The "Consistency" award goes to those economists who have continued to predict a "mild recession" after the economy has entered depression. It is within the powers of these economists to be unwaivering in the face of such indicators as the long-term layoff

of over 125,000 U.S. auto workers; the 23 percent cut in first quarter auto production schedules from last year; the 23 percent drop in machine tool order from October to November, and the across-the-board weakening of new orders, just reported by the National Association of Purchasing Managers.

As for our own 1979 track record, last summer our computerized econometric model predicted a fifteen percent drop in real output over a two year period to be triggered by the Fed's "tight money" policy. The *EIR* also consistently pointed out that high interest rates would fuel, not fight inflation. Higher borrowing costs, passed on by liquidity-strapped corporations, were a major source of inflation over the year. More significantly, the Miller-Volcker high-interest regime aggravated the trend away from productivity-boosting capital investments into high-yielding, fast-buck ventures—betting against the dollar, commodity speculation, and gambling stocks.

The outlook for the credit markets in 1980 is for more inflation and higher interest rates, thanks to

- the U.S. State Department's support for Islamic fundamentalism and higher world oil prices to foster "conservation."

- a related policy to force "diversification" out of the U.S. dollar,

- the commodity price indexation schemes launched by the Brandt commission and other supranational bodies

- a continued weakening of corporate liquidity in the U.S. under the weight of inflation and the build up of unsaleable inventories.

Is this a "bail-out?"

Saving Chrysler is a gesture Carter designed for the 1980 elections. But the contents of the package were designed by Benito Mussolini...

After fierce bargaining into the early hours of Dec. 21, Congress passed a purported financial rescue package for the ailing Chrysler Corporation, which Wall Street sources predict will serve as a model for the reorganization of U.S. industry under depression conditions. Included in the \$3.5 billion financial aid package—the largest in history—are \$1.5 billion in federal loan guarantees and a patchwork of concessions from the automaker's suppliers, dealers, bankers, and workers.

Chrysler's key bank creditors, led by Manufacturers Hanover Trust, have since leaked to the press the possibility that they may not come forward with the \$500 million in unguaranteed short-term "interim" financing Chrysler needs over the next three months to survive. And it is not at all clear that United Auto Worker union president and Chrysler board member Doug Fraser will be able to swing his union behind the \$462.5 million in new wage and benefit concessions that are written into the legislation.

In short, full-scale bankruptcy proceeding could go into effect for the nation's number three automaker before the end of the month. "No one on the Street has any Chrysler stock anymore, and we would really prefer to see the corporation liquidated now, rather than become a 'bottomless hole' like British Leyland," one industry analyst commented.

The only "rescue" package that Wall Street appears willing to support is one which extracts maximum wage concessions from Chrysler's workforce and imposes severe rationalization on the company's overall operations.

"The situation is analogous to the New York City crisis," one source stated. "The banks like the union will hold out for as long as possible to get the best deal for themselves. . . Neither side has any choice in the matter. Labor has no choice, just as it had no choice in New York City. And what are the creditors going to do—repossess unsold cars?"

The bedrock of the \$3.5 billion aid package which Chrysler won on paper last month are the plans to reduce the corporation's employment costs and strip down its capacity. House and Senate conferees settled on \$462.5 million as the amount of wage and benefit concessions that Chrysler workers must give up from their recently negotiated three-year contract—a contract which already fell short of the general industry pact by \$203 million.

Like New York City, Chrysler's basic assets, its plant and equipment, will be drawn and quartered as part of the bargain. Chrysler management is now considering selling the company's 15 percent share in the French automaker Peugeot-Citroen to raise cash to meet its January bills. Chrysler is also negotiating the

sale of its 75 percent interest in Chrysler Credit Australia, Ltd. to an Australian subsidiary of the Barclays group, the British banking empire which is simultaneously making big inroads into the U.S. consumer credit business in the South.

According to one well-placed investment banker, unless there is a spectacular recovery of the U.S. economy by 1981, then Chrysler will soon be on the edge of bankruptcy again.

Then, this source predicted, the little talked about "sore point" of Chrysler's financial problems will emerge: its enormous unfunded pension liability. Not only will there be no one to pay Chrysler's retired workers their pensions, but Congress will start raising a fuss about the fact that many of the major U.S. corporations, especially the "employment intensive ones," haven't adequately funded their pension liabilities.

A full-scale Congressional investigation into the unfunded pension liabilities of U.S. corporations would set the stage for one, two, many Chryslers and a government-banker reorganization of U.S. industry reminiscent of the New Deal's national recovery plan—which in turn was modeled on Mussolini's economic policy. It is more likely that such an investigation would be launched by someone like Sen. Jake Javits, who has been the leading "pension reform" activist in the Congress for a decade, and has worked closely with Lazard Freres, which manages his own funds, on placing corporate and union funds under the control of Lazards and other "professional" pension fund managers.

Cartels break the laws

The U.S.A. may be heading into a depression, collapsing inflated prices, but strategic raw materials continue upward in value ... according to plan.

1980 could be the year that breaks all the so-called economic laws. Despite prospects of a severe U.S. recession or even depression, analysts expect that prices of many primary commodities, particularly copper, silver, and other industrial metals, will rise sharply.

Intensified inflationary pressures are partly to blame, but the reason why commodity prices are likely to soar in 1980 is primarily political. The Brandt Commission has called for increased channeling of advanced sector funds into price-propping commodity buffer stocks in the Third World. The plan has been given an unofficial stamp of approval by the U.S. State Department and is moving toward implementation.

Commodity markets are not awaiting the formal institution of this policy. Silver, which rose from about \$5.50 an ounce at the end of 1978 to an incredible \$34.45 on Dec. 31, 1979, provides the model for how commodity markets can be rigged by a small group of well-financed speculators. Beginning in August 1979, British and Swiss silver bullion dealers, acting in conjunction with U.S. firms like Continental Grain's ContiCommodities, established a "corner" in the silver futures market. This artificially-induced silver squeeze has continued—especially

in the wake of Federal Reserve head Volcker's October package—since rising interest rates have made it increasingly difficult for most investors to maintain a "short" position in the market. The "cartel" has been able to remain "long" on silver, because it obtains its financing from abroad for example, ContiCommodities makes use of an offshore fund it established for Arab investors) and is therefore not subject to the restrictions which the Fed has placed on U.S. bank lending for commodity speculation.

As a result of the "silver cartel's" activities, the gold/silver ratio has dropped from about 21/1 to 15.5/1 in little more than a week. According to ContiCommodities research director Paul Sarnoff, the Hunt family, rumored to have participated in the silver squeeze, expects that the ratio will decline further to 5/1, placing silver at \$106 alongside current gold prices.

During the last week of December, a squeeze in the December copper futures contract, similar to that which occurred earlier in silver, was only narrowly averted. The New York Commodity Exchange earlier in the month ordered "liquidation only" trading

in the contract but in the last few trading days it became clear that enough copper supplies were available from warehouses to meet delivery commitments. The two firms which had established the copper "corner" were Engelhard Minerals' Philip Brothers division (a firm closely linked to Harry Oppenheimer's South Africa-based Anglo American Corp.), and the Chicago broker Ray E. Friedman & Co. ("Refco"). Philip Brothers has also been active in bidding up silver and gold prices and plays an important role in the Rotterdam oil spot market.

This may be only the beginning of the copper squeeze. Phillip's and Refco took delivery on their December copper contracts and are apparently in no rush to resell. The Commodity Research Bureau, a private U.S. research firm, is predicting further increases in copper prices based on evidence of long-term stocking by industrial users and U.S. government plans to buy for its depleted strategic stockpiles.

Although agricultural commodities have been considerably less buoyant than metals, signs of attempted cartelization are also apparent here. Cocoa producers, including Ghana, the Ivory Coast, and Brazil, are reportedly planning to set up their own commodity buffer stock following the breakdown of negotiations for a new International Cocoa Agreement. The producers may use \$200 million left over from the old ICA to finance the buffer stock. The cocoa effort is modeled on the coffee producers' cartel, the so-called "Bogota group," which helped jack up coffee prices during 1979.

A Third World illusion

At the direction of UN agencies, developing countries are withdrawing from a "North-South" in favor of a "South-South" approach. Another word that applies is suicide...

In response to a sharp reduction in lending to the Third World and an expected leap in those countries' deficits due to the increased price of oil, the Group of 77 developing nations have agreed to focus discussion during their January and February meetings on a proposal for increased inter-Third World trade, to the exclusion of the "oppressive" advanced industrialized sector.

The germ proposal for this Third World "new solidarity" was voiced during a series of talks conducted in Geneva under the aegis of the Group of 77, the Non-aligned Nations of the Third World. In December talks, at the prompting of self-styled "radical" leaders, these nations took under consideration recommendations for trade reform on an exclusively South-South basis. This includes tariff reductions, lowering of non-tariff import quotas and favoritism for Third World countries in trade among themselves. This will include ways of pushing advanced capitalist nation trading companies out of the developing sector, or at least greatly reducing their influence.

To help formulate the plan's presentation to the West, the United Nations Institute for Training and Research (UNITAR), a promoter of economic redistributionism, as well as representatives

from the General Agreement on Trade and Tariffs (GATT) will participate in those upcoming talks. Yet, while the Third World is being advised by United Nations agencies to prepare for "anti-Imperialist" economic and trade solidarity, these countries will soon find themselves solidly isolated from advanced technology from the West and further removed from life sustaining industrial development. Without goods from the West, Third World economic survival is non-existent.

The current state of Brazil exemplifies this point. Brazil needs \$15 billion in new foreign loans in 1980, according to a December interview with Sr. Karlos Rischbieter, the Brazilian Finance Minister. This indeed may be a low estimate. Brazil's oil import bill is conservatively expected to hit between \$10 and \$12 billion in 1980. On top of that, according to Brazil's Getulio Vargas Foundation, the country's largest economic think-tank, Brazil will have to pay \$11 billion for other types of imports. The total Brazilian import bill for 1980 is projected to be \$21-\$23 billion.

Against this Brazil's exports can be expected to be \$18 billion and with a 35 percent export growth, the export ledger will read \$20 billion. Thus Brazil's net balance of payments deficit will be between an improbable low of \$1

billion, based on a minimum of imports and maximum of exports, to a much more likely high of \$5 billion. Beyond this, however, Brazil must make approximately \$3 billion in payments for such services as freight charges and insurance and then a further \$15 billion in interest and principal on its \$50 billion debt. This brings the total balance-of-payment and debt financing deficit of Brazil to a staggering \$23 billion in 1980.

Brazil's financing troubles can be expected to be generalized throughout the Third World, especially as the price of a barrel of oil hits \$30 and beyond. Third World deficits are expected to rise an additional \$15 to \$25 billion in 1980. Moreover, at the same time that the Third World needs greater funds to finance deficits, so will the advanced sector.

Under such conditions of competition for funds, and with the advanced sector private banks unable to meet all these needs, the World Bank "brains" who also run the bureaucracy of the Group of 77 have slipped the Third World leaders an "anti-imperialist" placebo: intra-Third World trade.

The problem with this view is twofold: first, Third World goods are no substitute for the technology and high productivity embodied in advanced sector goods. Second, such a demand to significantly decouple from the West, at the moment that the world dips into a worsening depression will guarantee disintegration of Third World economies. In that context, self-sufficiency in trade among the Third World should not be dismissed as a bad joke: it will prove to be a nightmare.

Business Briefs

Commodities

Strategic metals at pre-war levels

International political tensions were the dominant factor behind the spectacular rise in metals prices the first week in January. "Even before World War II" there was not such "panic" buying of metals, the BBC commented.

According to one source, even the sharp rise in the silver price is due to the deteriorating military strategic situation. He said that the U.S. government has abandoned earlier plans to sell off its supplies of silver, which has important military uses, and instead will begin stockpiling as much of the metal as it can get its hands on. Like gold, silver is in extremely tight supply at the moment, which is compounding the upward pressure on the price.

On a lighter note: at least one department store in Philadelphia has sold off its stock of silver flatware to an area refinery. With the price of silver now higher than gold was ten years ago, sterling is a luxury few of the store's customers can afford.

Platinum grabbed the headlines last week, when it soared \$113.90 to \$806.50 an ounce on Jan. 2. Both its take off and the recent rise in the copper price—U.S. producers have now increased their prices to between \$1.10 and \$1.25 a pound—were generally attributed to the worsening U.S.-Soviet relations. Copper, used in electrical machinery, has obvious military use; the leading world supplier of platinum is the Soviet Union. Platinum, which can withstand extremely high temperatures and friction, is used in the production of jet aircraft and synthetic fibers, and it is widely used as a catalyst in jet and automobile engines.

"The issue of raw material supplies have never been higher on the national agenda" is the way one strategic metals specialist summed up the situation. A report issued last August by a special government interagency taskforce on

strategic metals called the rebuilding of the government's three-year stockpiles of strategic raw materials an urgent national priority. The newly formed Federal Emergency Management Agency is charged with rebuilding those stockpiles and is reportedly withholding supplies of materials such as chrome from industry. U.S. corporations would be building up stockpiles of hard to get materials, too, the source added, if it weren't for the 15 percent prime rate.

Banking

German banks dominate gold auction

Three West German banks and their subsidiaries purchased all the gold offered for sale by the International Monetary Fund at its monthly auction held on Jan. 2. The banks paid a record average price of \$562.85 an ounce for a total of 444,000 ounces. The next morning gold opened in Hong Kong at an all-time high of \$648, followed by some profit-taking later in the day.

The spectacular run into gold was anticipated well in advance by *EIR* (see our regular gold column); it reflects the London-engineered disintegration of the existing world monetary system and its projected replacement with a system in which currency values are indexed to the price of gold and strategic raw materials.

Although West German banks do not favor the British scenario, they have adapted their own investment strategies to it in what can only be described as a "siege mentality." One West German characterized the gold markets as "insane" and declared that "gold will decline only with an improvement in the world political situation, which does not seem likely." The gold panic has also afflicted Paris, where the gold market had to be closed temporarily on Jan. 1 due to the absence of sellers.

The three successful bidders at the

IMF auction were: Dresdner Bank (Frankfurt, Luxembourg, and Singapore subsidiaries), Deutsche Bank (Frankfurt), and Deutsche Genossenschaftsbank (Frankfurt).

Trade sources say there is now a severe global shortage of physical gold available for sale; much of the recent buying has been by large investors, including Arabs, who are investing on a long-term basis, with no intention of reselling. Given this supply situation, and continued international political instability, gold might very well reach \$1,000 within the next six months.

Foreign Exchange

Dollar sell-off begins new year

The U.S. dollar fell to near-record lows during the first two trading days of 1980. Despite this poor performance, bankers expressed surprise that the dollar had held up as well as it did—leaving the foreign exchange markets to take "second stage" to the more dramatic developments in precious metals.

One possible explanation for the dollar's failure to fall completely through the floor is that the latest round of oil price hikes has created an increased demand for dollars to meet oil payments. Nevertheless, rumors are circulating that the dollar will again be undermined in the event of a U.S.-Iranian settlement of the hostage question. This could lead to a lifting of the U.S. freeze of Iranian assets, permitting Iran to withdraw its funds from the dollar at the same time that other OPEC nations are coming under severe internal pressure to "diversify" their reserves. (Our regular foreign exchange column will resume next week, with a full analysis.)

On January 3, at mid-day in New York, the dollar was selling for DM 1.7020, FF 3.9960, SF 1.5640, and the British pound sterling was worth \$2.2425.

Technology

New Carter attacks on U.S. technology

The Carter administration has decided to speed the closing-down of advanced technology programs in the United States, according to reports and interviews in the Washington Post and Nucleonics Week, a trade journal. The proposed Federal budget for FY 1981, to be announced in late January, will feature a no-increase stipulation in the funding of the magnetic confinement fusion-energy research program; also featured will be major cutbacks in the leading laser-fusion project in this country, the Shiva-Nova Laser Upgrade effort at Lawrence Livermore Laboratories; and in both the fast-breeder, and high-temperature gas-cooled fission reactor programs.

Accompanying the cuts, which are of a shocking nature from the standpoint of the industrial future of the West, a committee is being formed by the Department of Energy to review the entire U.S. fusion program. This will be the sixth such "review" in two years, Nucleonics Week reports.

Domestic Credit

New Year's message from Volcker

Any expectations that the Federal Reserve might let up on its tight money course in 1980 was dispelled by Chairman Volcker in his address to the National Press Club on Jan. 3. The question Volcker said he gets asked the most is 'will the Fed stick with it.' "My own short and simple answer to that question is: Yes."

Volcker's statement was hardly unexpected. More telling was the emphasis he placed on plans for the coordinated

reduction of oil consumption. Volcker said that while conservation and the development of alternative energy sources might be fine for the long-term, coordinated actions undertaken through the International Energy Agency and other such international forums are needed in the "here and now." The present oil market chaos is an "opportunity" that the oil-consuming nations should seize immediately to mitigate the impact of rising oil prices on inflation, according to Volcker.

In view of Volcker's determined stance on monetary policy, the theory that interest rates have peaked seems sillier than ever. In fact the new catch word in the financial press is "plateau"—interest rates have plateaued for the moment, before renewing their ascent.

International Credit

France tries to cushion oil hikes

The French government adopted a series of measures Jan. 2 to shield industry from the effects of spiralling oil prices. Export-generating industry is to receive an additional \$1.875 billion in credit through specialized lending facilities, while Electricité de France, the state power monopoly, will be ensured expanded financing capacities and increased state aid for the development of nuclear energy, which is regarded as essential for France's future.

In general, however, the sharp increases in energy costs would be passed on to the consumer almost in toto. France's oil import bill is expected to increase 43 percent this year to about \$25 billion, a price rise that virtually nullifies the ability of the government to continue its various subsidy programs that have lowered prices paid by the population. Aid to the elderly, though, is to be increased.

Briefly

● **ALEXANDER HAIG'S** new appointment as president and chief executive officer of the United Technologies Corp. may be less than the presidency of the United States, but it is certainly quite a step up for the five foot two general. Sources indicate, moreover, that as head of the Hartford-based defense contractor, the former NATO Supreme Commander is delighted to have his finger close to the button again.

● **ALBERT WOJINLOWER**, of the First Boston Corp., contradicting the predictions of "mild recession" in 1980, told the annual meeting of the American Economic Association in Atlanta last month that the likelihood of further oil price hikes and "economic warfare" among the industrialized nations could lead to a drop in output of 4 to 5 percent in 1980, followed by a further drop in 1981.

● **ANTI-GOLD** policies on the part of the U.S.A. may soon end. An op-ed in the *Financial Times* last Dec. 24, "Gold: a 'myth' comes back to life," hinted that the U.S. Treasury is about to drop its nine-year vendetta against gold. The *Times* cites recent Congressional testimony by U.S. Treasury Under Secretary for Monetary Affairs Anthony Solomon: "... in a passage devoid of the normal demonetisation diatribes—he stated: 'Gold remains a significant part of the reserves of central banks, available in times of need. This is unlikely to change in the foreseeable future.' A shift towards grudging acceptance of the status quo might lead the U.S. to be rather grateful that its gold stocks, although down by half in volume terms since the war, are now worth over 120 billion."

How to stop the Muslim Brotherhood



* In May 1979 the *Executive Intelligence Review* published its first investigative report on the Muslim Brotherhood. That report, which demonstrated the Muslim Brotherhood to be an asset of British Secret Intelligence Services and the Anglo-American policy in the Middle East, found its way into newspapers and magazines from India and Pakistan, to Western Europe, and even Iran itself. The world knows what the Muslim Brotherhood is.

The question now is how to destroy it. In the intervening months since our first report, the Muslim Brotherhood has done more than hold hostage 50 Americans in an embassy in Teheran. It is holding the United States hostage to a policy of “controlled disintegration” and superpower confrontation as put forward by the Council on Foreign Relations, the New York command post for London policy. With its fingertip control of the world’s oil supplies, it is holding the economies and hence the governments of Western Europe and Japan hostage to the same policy. With its networks of mullahs and kooks distributed throughout the Middle East, it is threatening the Arab world with the hell of more Irans if Arab governments do not play along with the “Islamic card” and cease their aspirations for industrial development. Since May 1979, the Muslim Brotherhood, wielded by London and the stooge government of the United States, has brought the world closer to World War III than the Cuban Missile Crisis of 1962.

For this reason, the *Executive Intelligence Review* is publishing this special report on the Brotherhood, a comprehensive dossier on the Brotherhood and how it is run, from its command centers in Europe to its protectors at the top throughout the Middle East. This is not only meant to inform our general readership, but to provide a kind of handbook for those political professionals and leaders who have the power to begin to dismantle the command structure of the organization.

For at least 150 years, it has been the strategy of the British—and later, the Anglo-Americans—to make use of the religious and tribal backwardness



of the nations of the Near and Middle East and Central Asia in order to control the people of the area and to maintain them in a state of underdevelopment.

It has recently become obvious that U.S. National Security Council Director Zbigniew Brzezinski has been sold on the idea that Muslim fundamentalism, if properly guided, can be useful to Anglo-American strategy as a "bulwark against Communism." Repeated statements to that effect from spokesmen for the Carter administration and, last month, from British Prime Minister Margaret Thatcher during her visit to the United States, leave no doubt that the Muslim Brotherhood is viewed by the Anglo-Americans as an ally in a geopolitical struggle for control of the "heartland" of Asia. In particular, Brzezinski and London are of the opinion that the Soviet Union itself, because of the presence of a substantial Muslim minority concentrated in central Asian provinces, may be subjected to internal revolt and dissension by Muslim fundamentalists among the many Sufi brotherhoods reported to maintain an underground existence in those areas.

It is precisely that policy that is at least partially responsible for provoking the Dec. 27 military invasion of Afghanistan by the Soviet armed forces.

What *EIR* has documented here and in other locations (see, especially, *Executive Intelligence Review*, "Muslim Brotherhood: London's Shock Troops for the New Dark Ages," May 8-14, 1979) is that the ability to manipulate Muslim fanatics at such a distance is the result of a highly organized chain of command. Between

the top level—the boardroom of the Royal Institute of International Affairs in London or the Oriental studies departments at Cambridge and Oxford—and the mobs in the streets of Teheran or Kabul lies an intricate network involving several levels of intermediaries.

Just under the highest, policy-making level of the Anglo-European oligarchy and its American allies, there is the layer of lawyers, Orientalists, and other professionals whose job it is to formulate the implementation of the policy thus decided upon. Beneath them, much larger in number, are the men and women whose job it is to serve as the direct go-between linking Arab-Islamic leading individuals to the inner councils of the Anglo-American elite; it is they who sponsor the seminars and command the institutions, described in detail in this report, that actually deploy the lower-level operatives.

Still lower we find the field commanders of the Muslim Brotherhood, i.e., its general staff. Still organized in concentric circles, they are the ones who have the direct responsibility for organizing the shock troops and the religious leaders to the epistemological principles that unify the Muslim Brotherhood. They always operate with the tacit support and protection of highly placed agents inside the government and military-intelligence establishment of the individual Muslim nations.

Finally, we come to the "street," the mob. They are the mere rabble, poor deluded souls whose only function is to serve as cannon-fodder in the Great Game.

*The word *Ikhwan*, the Brotherhood, written in classic *Kufic* calligraphy.

I. The European command of the Brotherhood

by Mark Burdman



The international apparatus known as the Muslim Brotherhood is not run out of the Middle East or other regions of the Islamic world. It is run out of centers in Western Europe emanating out of a primary London-Geneva axis.

Following the expulsion of the leaders of the Brotherhood from the Middle East in the 1950s and 1960s, several of them relocated primarily to the European continent, where they teamed up with the institutions associated with the European feudal oligarchy. This strategic alliance of Islamic cultists and European feudalists is the commanding force behind the Muslim Brotherhood and is, also self-professedly, a seed-form for a new zero-growth "one world order" projected for the next decade.

Centers for the Muslim Brotherhood in Europe include the United Kingdom's Oxford and Cambridge universities, Belgium's Louvain University, and Paris's École Pratique des Hautes Études. Other relevant institutions have been created more recently, like the Club of Rome and the Stockholm-centered International Federation of Institutes of Advanced Studies (IFIAS).

In the view of these institutions' leading representatives, pseudo-religious cults, like "Islamic fundamentalism," are the vanguard movements in imposing zero growth.

1. Islam and the West (International)

The reality of the Muslim Brotherhood today is best identified by the case of the newly formed group, Islam and the West (International). Conceived three years ago in Cambridge, England, this group is now based in Geneva and has become the coordinating center for all Muslim Brotherhood activities.

The funding for the project came from the

- Islamic Solidarity Fund, a sub-project of the World Muslim Congress;
- The International Federation of Institutions of Advanced Studies, a futurist organization whose founders included the Club of Rome's Aurelio Peccei; Neth-

erland's Prince Bernhard, head of the Bilderberg group; and Atlantic Richfield president Robert O. Anderson, who is also head of the Aspen Institute in the United States.

Islam and the West also finds its origins in the World of Islam Festival Trust, a group created in 1976 by British Arabists and Islamics to organize celebrations for the beginning of the 15th century on the Islamic calendar. (The Muslim calendar is 632 years behind the Christian calendar.) According to press reports from the United Arab Emirates, the founder of the World Festival Trust, Dr. Ezzedin Ibrahim, is also a motivating force behind the creation of Islam and the West. A director of the Trust, Britain's Sir Harold Beeley, was one of the founding members of the organization.

The founding conference for Islam and the West was held at the European Center for Culture in Geneva October 4-6, 1979. At the conference, the ideology of zero-growth was underscored in policy documents.

The organization's secretary-general, Dr. Marcel Boisard, an IFIAS-affiliated vice-director of studies at the Geneva School of Higher International Studies, noted in an interview that the first preparatory meeting for Islam and the West was held in Cambridge in 1976, with follow-ups in Venice in 1977, and Paris in 1978. These preparatory meetings focused on the need for a "new cultural association" willing to discuss the "convergence between Islam and the West" in the context of the "need for a new international order." A \$10 million budget was allotted for a series of projects including "special studies on the impact of science and technology on the cultural and social life of both sides"; "studies on the Muslim conception of human rights"; and "restoration of Islamic institutions and establishment of new Islamic centers."

The man who serves as the Protestant Church liaison to Islam and the West is Father John B. Taylor, a director of the Geneva-based Ecumenical Council of Churches, a subsidiary of the World Council of Churches. Taylor has been at this position since 1972; prior to that time, the Ecumenical Council employed Idries Shah, the purveyor of Sufi mysticism, as its representative in dealing with Islamic matters.

Since 1972, Taylor has been known to maintain contacts with Said Ramadhan, who has operated out of Geneva as a world leader of the Ikhwan, since he was ejected from the Middle East by Egypt's Gamal Abdel Nasser and other Arab leaders in the 1950s.

In an interview in December 1979, Taylor praised the Khomeini revolution in Iran as part of an "Islamic renaissance," and stressed that despite indications that Khomeini could not for long control the situation inside Iran, "other nations will be touched by the Islamic revival." Included in these are Turkey, where "religious clergy will take over"; Egypt; and Algeria, where "the Muslim Brotherhood is very important."

2. Islamic Council of Europe

One of the "observers" at the founding conference of Islam and the West was Salam Azzam, secretary-general of the London-based Islamic Council of Europe. It is not known at this point if Azzam and Dawalibi worked out any joint projects for their two organizations, but it is clear that the Council is the most important institution in implementing the "fundamentalist" policies made by the directorate in Islam and the West.

Salam Azzam and his brother Abdel-Rahman Azzam were both leaders of the Ikhwan, who resettled to London after being expelled from the Middle East. In 1973, Salam Azzam began to put together the Islamic Council, and by 1976 the organization was holding its first major conference.

In 1977 the ICE's premises were laid out in a conference on "The New Muslim World Order." A keynoter at the conference was the resident economist at the University of Louvain in Belgium, Robert Triffin. Triffin called for the creation of an "Islamic dinar," as the basis for an "Islamic dinar currency bloc" which would, in turn, be a central component of a "new world monetary order" based on interconnected regional currency blocs, such as a yen bloc, a deutschemark bloc, and so on. After Triffin spoke at the 1977 ICE meeting, his "Islamic dinar" proposal was enthusiastically endorsed by Saudi Prince Mohammed bin-Faisal.

Since 1977 the Islamic Council has maintained a high profile in Europe. Late in 1979, it organized an international seminar on Jerusalem, in an effort to build up a cult obsession with the city. The Council has also produced several important sub-organizations, including the Islamic Press Union, the Islamic Committee for the Liberation of Muslim Lands (which includes the Islamic Liberation Movement of Iraq), and the International Commission on Muslim Minorities. The last group will, in 1980, hold a series of conferences: one will be jointly held with the UN's UNESCO affiliate; a second will be held in Sarajevo, Yugoslavia, jointly with the Islamic

"The Brotherhood will take over"

Bishara Khader, director of the Center for Research in the Contemporary Arab World at the Jesuit Louvain University in Belgium, gave an interview to EIR. As the quotes show, the Society of Jesus has no qualms in giving comfort to Islamic fundamentalism; the underlying outlook of the two strains is the same. Khader works closely with a number of Muslim Brotherhood support groups across the European continent, including the London-based Council for the Advancement of Arab-British Understanding and Italy's Lelio Basso Foundation.

While I consider the taking of hostages to be a political error, the real problem is right now the anti-Islamic campaign waged by the Western world. All this, if it goes on, will have very bad effects on the Arab-European dialogue. The Islamic countries will lose confidence in Europe.

There is now definitely a renaissance of Islam. It is a militant Islam, and must be accepted. The West must accept it. Up til now, the West has just displayed double-talk and double-dealings, and the Islamic countries are becoming quite suspicious. The entire Muslim world is now striving for autonomy, and is rejecting the so-called Western model. For years, the developing sector was forced to catch up with history because of the principles that the "Western model" had to be applied. That simply doesn't work anymore; the Muslim world and the whole developing sector is striving now for its autonomous development. This is definite.

All this has interesting implications for the question of the Muslim Brotherhood. For years, the Brotherhood has only been a marginal grouping, but now the international economic situation is allowing all groups, even those who were marginal in the past decades, to re-emerge stronger than before. They'll grow and become very powerful. All that depends on the present rulers of the Islamic countries. If they decide to satisfy their masses, to meet the basic needs materially and spiritually, to open up their societies politically, then the change can be made smoothly. But with the general renaissance of Islam, the general re-awakening, if these rulers do not change their policies, then the marginals, the Brotherhood, will take over.

Council of Bosnia, in what is shaping up to be the first organized fundamentalist meeting in Eastern Europe.

Of all the Council subsidiaries, the most significant is the Islamic Institute for Defense Technology, the organizing point for the connection between NATO and Islamic fundamentalism.

3. The European network

The Islam and the West and the Islamic Council have at their command a vast network in Western Europe, spanning several major European cities, which has a capability for organizing, from abroad, throughout the Middle East and other parts of the Arab world.

The United Kingdom. The Islamic Council receives enormous backing from an interlocking directorate of British institutions, including the Royal Institute of International Affairs; the Council for the Advancement of Arab-British Understanding (CAABU) also known as the Arab-British Center; the Anglo-Arab Association; the Arab-British Charitable Trust; the Labour Middle East Council; and, until its recent closing, the Beirut-based but London-run Middle East Center for Arabic Studies.

Of these, the two most important are the CAABU conglomerate and the Anglo-Arab Association. The former has among its leading members Sir Harold Beeley

and many British lords. It is supported by Barclay's Bank, British Aircraft Corporation, British Bank of the Middle East, Lazard Brothers, Lloyd's International, Lonrho, National Westminster Bank, Rolls Royce, and Unilever.

The Anglo-Arab Association is run by Sir John Bagot Glubb, the former commander of the Jordanian Arab Legion and Middle East specialist.

CAABU and the Anglo-Arab Association maintain regular working relations not only with the Islamic Council in London, but with several other organizations, including the Islamic Foundation, located in Leicester, England, and the Federation of Islamic Organizations in Europe. The Islamic Federation is headed up by the Minister of Federal Planning of Pakistan, Khurshid Ahmad; it has recently opened up an affiliate in Geneva.

Switzerland. Supporting the Islam and the West nexus is the Geneva International Institute for Islamic Studies headed by exile Brotherhood leader Said Ramadhan. Also critical is the Geneva Institute for Higher International Studies, locale of Islam and the West secretary-general Boisard and of Swiss banker Krul, who is a personal adviser to the Emir of Dubai.

Switzerland is also home base for one Yusuf Nada, who operates out of the city of Lugano. Nada is a businessman who uses his wealth to fund Muslim Brother-

"Khomeini closest to truth"

In an interview recently in Western Europe, Said Ramadhan, a former leader of the Muslim Brotherhood in Egypt who is now based in Geneva, commented on the rise of Brotherhood influence throughout the Middle East.

Take a look at Saudi Arabia. With all the oil they've got, they have not been able to convince the Bedouins to change their way of life, so there are a lot of troubles in the kingdom. There is no question that the unrest in Mecca was unprecedented; it forced Prince Fahd to cancel a scheduled trip to London, and the level of operations at the mosque implied extensive aid from within the ranks of the army and national guard.

But it's not a question of the Brotherhood organization as such. In some places, like Pakistan, the

Brotherhood does indeed have a name, a structure, in the Jamaat-e-Islami; and similarly in Indonesia it has another name. But without any organization as such, most people who are working for Islam are working for the Brotherhood. For that we do not necessarily need a clergy.

Look, what is happening in Iran is the direct responsibility of the western cultural invasion. We need now a return to the true Islam. King Feisal of Saudi Arabia, Boumedienne of Algeria, Nasser of Egypt, they all talked about the need for certain kinds of changes similar to those in the West, and what good did it do?

What we need is a return to the true theology. For you, the Middle Ages were a dark period, but for us it was the period where Islam was a real community, an "umma." That's what I learned from the founder of the Brotherhood, Hassan el-Banna: Islam is a large club, an *umma*.

In that sense, Khomeini is closer than anybody else to the truth.

The Muslim Brotherhood network in Europe

The leading Muslim Brotherhood agencies and controllers on the European continent include the following:

UNITED KINGDOM

London

Salam Azzam, *Sec'y Gen'l, Islamic Council of Europe**

Sir Harold Beeley, *Council for the Advancement of Arab-British Understanding*

The Federation of Islamic Organizations

Leicester

Kurshid Ahmad, *Director, Islamic Foundation*

SWITZERLAND

Geneva

M. Dawalibi, *Islam and the West International*

Said Ramadhan, *Institute for Islamic Studies*

Lugano

Ghalib Himat
Yusuf Nada

WEST GERMANY

Aachen

Issam Al Attar, *Mosque Bilal*

Bonn

Dr. Chbib, *Islamischen Zentrum*

West Berlin

Dr. Salah Eid

Cologne

Abdul Jawad Falaturi, *Islamic Dept., Islamischen Wissenschaftliche Akademie*

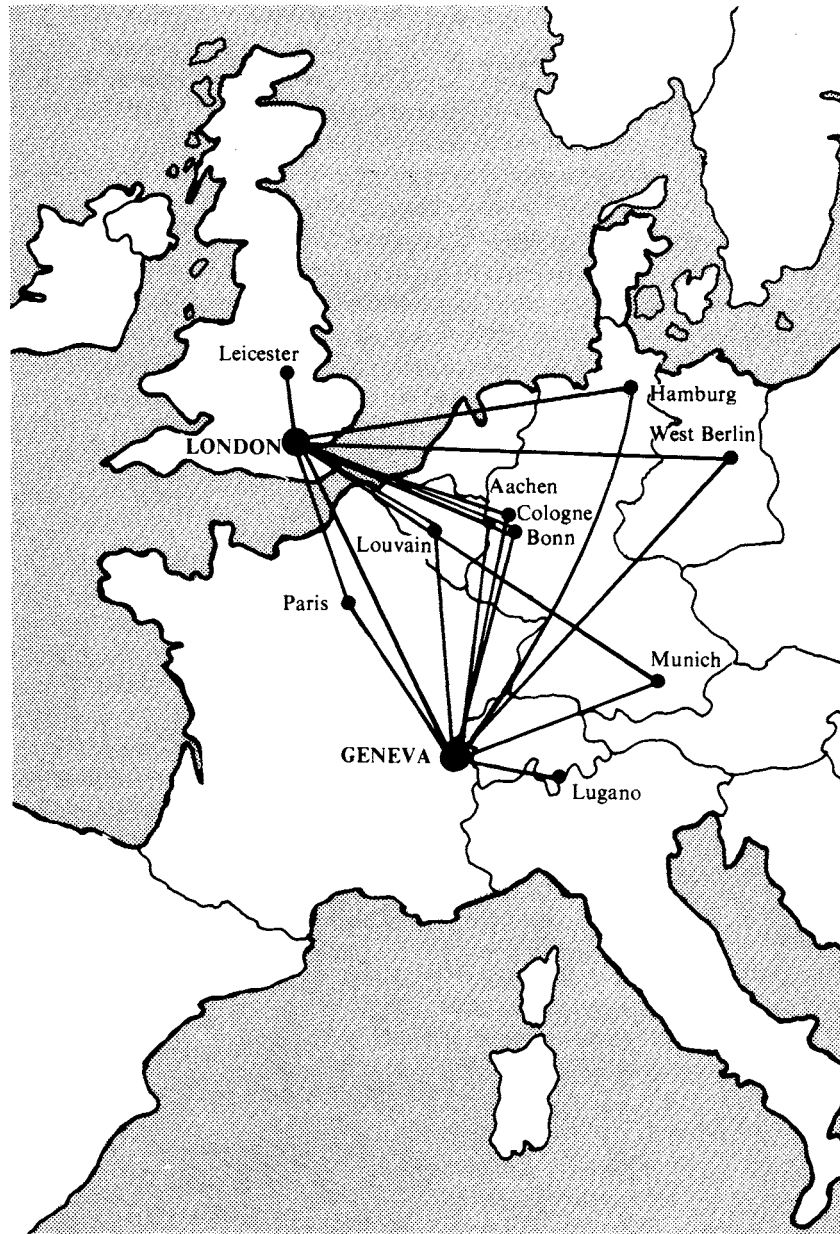
Islamischen Kulturzentrum

Hamburg

Islamischen Zentrum

Deutsche Muslim Liga

Islamic Council for the Liberation of Afghanistan



Munich

Hans Seidel Stiftung

Islamic Center—"The International Organization of the Muslim Brotherhood Association"

Fatima Hereen Sarka, *Gesellschaft fur Auslandkunde*

BELGIUM

Louvain

Bishara Khader, *Director, Center of Contemporary Arab Studies, University of Louvain*

FRANCE

Paris

Division 6, *Ecole Pratique des Hautes Etudes*
French Institute of Iranology

* Subsidiaries of the Islamic Council of Europe include: The Islamic Institute of Defense Technology; The Islamic Committee for the Liberation of Muslim Lands; The International Commission on Muslim Minorities

erhood projects, primarily in Egypt and in the United States, through the Muslim Student Association headquartered in Plainfield, Indiana.

West Germany. From the London-Geneva axis, the next most important base of Brotherhood activities is *Aachen*, West Germany. Located there is Issam al Attar, former head of the Syrian branch of the Ikhwan and a close associate of Dawalibi. In the city, the key foci of activity are the Mosk Bilal and its Islamic Center, the acting director of which is a converted German named Mohammed Siddiq Borgfeldt, who was arrested for espionage in the Sudan in the early 1960s. The Mosk Bilal has served for months as a meeting place for the local Iranian Khomeini Committee.

Second after Aachen in importance in West Germany is *Munich*, home of the Hans Seidel Stiftung, the policy-making institution of Otto von Hapsburg. The Stiftung's representative in Cairo, Rainier Glasgow, has connections with the Muslim Brotherhood there. The Stiftung's Dr. Dieter Schmidt, the director for international affairs, helps coordinate Ikhwan networks among the mullahs in Afghanistan.

Munich also houses the second most important Islamic Center and Mosque in West Germany after Aachen; the Center refers to itself in public literature as the "International Organization of the Muslim Brotherhood Association."

Other Munich organizations include the Committee for the Iranian Islamic Republic, set up in February 1979, and instrumental in running blackmail operations against anti-Khomeini Iranians in Western Europe; and the *Gesellschaft für Auslandskunde*, headed by the daughter of the Nazi Finance Minister Hjalmar Schacht, a man who himself opened up extensive contacts in the Middle East before his death in the mid-1950s.

The leading light of Muslim Brotherhood activities in Munich is one Fatima Hereen Sarka, a converted Czech whose family was involved in the Nazi intelligence service's "eastern division." She now runs a "women in Islam" project for the Islamic Council in Europe.

Four other West German cities key for Brotherhood coordination are: Hamburg, Cologne, Berlin, and Bonn.

The **Hamburg** Islamic Center is a training-site for leaders of the Khomeini movement. The current head of the Iranian Revolutionary Council, Ayatollah Beheshti, was the imam of the Center right up until the February rise to power of Khomeini!

Hamburg is also the center for the Islamic Council for the Liberation of Afghanistan, and for the *Deutsche Muslim Liga* of one Dr. Neuhaus. The Liga is a center for German who converted to Islam after World War II.

Cologne houses several Brotherhood-connected institutions, including the Asian bureau of the *Deutsche*

Welle (Voice of Germany) radio station, which is integrally tied into the *Jamaat-e-Islami* through one Dr. Kukuck. The director of the Law and Islamic Studies departments of the Cologne University, Dr. Abdul Jawad Falaturi, was a founding member of Islam and the West.

In **Berlin** resides the leader of a radical wing of the Brotherhood, the "Al Tahrir" group. This is one Dr. Salah Eid, who is feared among Muslims in Europe, since the Al Tahrir institution has been responsible for many assassinations and bombings in the Mideast.

In **Bonn**, the most important institution is the Islamic Center, headed by a Dr. Chbib, who is a Syrian collaborator of Issam Al-Attar.

Belgium. Belgium is the home of the University of Louvain. The Louvain institution involved in Brotherhood activities is the Contemporary Arab Studies Center, headed by Dr. Bishara Khader. Khader receives much counseling and support from the Brussels-based Belgian Center for the Contemporary Muslim World, headed by Dr. Jacqueline Gilisen, a founding member of the Islam and the West project.

France. Among the North African immigrants in Clichy, a northern suburb of Paris, there is a Mosque Nur, headed by Mohammed Hamidullah, who has written scores of books on Islam. Hamidullah is in close touch with Al-Attar and is a member of the Islamic Council of Europe and of the International Board of Governors of Said Ramadan's Institute of Islamic Studies in Geneva.

Paris is home base for an extensive group of "Islamicists," who have popularized a "mystical" Sufist interpretation of Islam. Two of these, Henri Corbin and Jean François l'Herte, have been leaders of the French Institute of Iranology, which has promoted "an original Iranian identity" and has pioneered studies on Sufism and mysticism.

Corbin, l'Herte, and a third Islamicist, Louis Massignon, cooperate closely with the cultist anthropology and sociology departments of the Paris-based School of Higher Practical Studies and of the Sorbonne, training grounds for Third World "radical" zero-growth ideologues such as Cambodian Khmer Rouge ideologue Khieu Samphan and Iranian Economics Minister Abolhassan Bani-Sadr.

This group, in turn, works with a pro-Khomeini Islamicist circle around the French Communist and Socialist parties, in part through the agency of EPHE director of Islamicist studies, and former CP member Maxime Rodinson. The Islamicist-communist interface historically is the network out of which much of the "radical anti-imperialist" wing of the Ikhwan has been created in this century.

Documentation

The IIDT: Islam meets NATO

This publication has charged, in the face of some skepticism, that the Muslim Brotherhood International works with the NATO command in seeking a common anti-Soviet geopolitical policy. This charge has been borne out in the recently released statements by the Shah of Iran implicating NATO General Robert Huyser in the February installation of the Ayatollah Khomeini in power in Iran. It is also borne out by an investigation of the newly formed Islamic Institute for Defense Technology.

The Islamic Institute was created in late 1978 by the Secretary General of the Islamic Council of Europe, Salam Azzam, who now serves as president on the Institute's board of governors, while Muazzam Ali, head of the Islamic Press Union (an Islamic Council subsidiary) serves as the Institute's secretary general.

The inaugural seminar of the Institute was held in London, from February 5-9, 1979. In attendance were a wide range of military strategists and officers from both the Islamic world, in particular General Zia's Pakistan, and from the NATO-related command, in particular from the United Kingdom.

The organization's statutes committed the Institute to procurement of the most sophisticated weapons systems available. For this reason, observers regard the Institute as the likely coordinating agency for the "Pakistani" or "Islamic" bomb due to be detonated some time during the present year.

The seminar was officially welcomed by Salam Assam, who located the need for technology-procurement: "The presence of so many is a clear manifestation of the Muslim world's firm resolve to re-establish its Islamic identity and to

guard and preserve its territorial and ideological boundaries. ...The world today is witnessing a new kind of political awakening among the Muslims."

Following Azzam, the conference was keynoted by A.K. Brohi, the former Pakistani Supreme Court President who cleared the path for the execution of Zulfikar Ali Bhutto in 1979.

Echoing Azzam, Brohi declared: "Muslim countries occupy a geo-strategic situation on the globe which enhances their importance in terms of defense, since many are situated on some of the world's vital land and sea routes. ...Muslim countries must aim at self-reliance in defense preparedness. This will serve as a deterrent against encroachment upon their territorial integrity and their Islamic way of life which they cherish so dearly. ...A concerted effort has to be made to revive the true Islamic spirit to enable the world of Islam to meet the ideological, economic and military challenges of the present era."

Following Azzam and Brohi, other speakers included: Handel Davies, technical director of British Aerospace; Ahmadou Karim Gaye, General Secretary of the Islamic Secretariat; Necmettin Erbakan, head of the National Salvation Party in Turkey; Air Chief Marshal Zulfikar Ali Khan, former chief of the Air Staff in Pakistan; Kurshid Ahmad, Federal Minister of Planning of Pakistan and head of the Islamic Foundation in Leicester, England; General Syed Ali Nawab of Pakistan; General Michael Davison, Former Commander in Chief of the U.S. Army in Europe; and leading military specialists from Egypt, Morocco, Saudi Arabia, the United Arab Emirates, and Turkey.

Themes of panels included: "Power of Creed in Islam"; "Islamic Concept of Security"; "Military Thought in Islam"; "Recent Development in Aerospace Weapons Systems and Air Defense"; and "Transfer of Technology—Efforts and Programs for the Muslim World."

Islam and the West: technology for a dark age

These are excerpts from a policy proposal made at the October 4-6, 1979, founding conference in Geneva of Islam and the West (International). The proposal is entitled "Science and Technology in the Economic and Cultural Development Process of the Western and the Islamic World." It was prepared by the International Federation of Institutes for Advanced Study.

We have to return to a more spiritual conception of life: the entire world is one, it is only man's blindness which darkens its unity. ...

Will it be possible to reduce in an adequate way the inequalities between nations and inside each nation itself? Will it be possible to maintain at an acceptable level the pressures on the environment and on the natural resources of the world?

These two problems are interdependent. If inequalities should be reduced through an increase of the production and of the consumption per capita in the developing sector, the pressures on the resources and on the ecological system could become too high. Similarly all effort to reduce this pressure could on the other hand prevent the economic development of the Third World and lead to dissatisfaction, and even to serious social and political difficulties.

The traditional argument in the Western world says that the solution to this challenge lies in "science and technology" which would supply the techniques of production capable of answering such material demands of man. Nonetheless it is far from certain that the Western model of development—in which science and technology have a crucial role—is also appropriate for other social and cultural situations.

...Science and technology have to be adapted to the specific environment and not the other way around. They should be used by man, and not the contrary....

The first lesson of Islamic science is its insistence on the notion of a balanced equilibrium for the use of the world's resources, an equilibrium which would not destroy the ecological order of the environment, on which collective survival is finally depending.

Islamic technology is in a symbiosis with man, in a way that is difficult to understand for those who are identifying technology with the notion of a modern machine, ... enslaving the spiritual man....

We in fact notice that in most Western societies the man in the street has more and more difficulty understanding all the information, as well as adapting himself to the rapid changes. This is in fact leading to alienation and a growing frustration against which no western society has found remedy....

With the rapid introduction of automation and of electronics, the Western world has freed itself from a monotonous world that is psychologically degrading. ...But this type of development has led to an increase in leisure, and in unemployment. It would be probably very interesting to analyze, in the Western and Islamic perspectives, the social and spiritual consequences of a production that is always more automated, as well as the concept of work and of the participation of man in a society where he is no longer directly associated with the production of goods....

The proposal ended by calling for a two-year "special symposium" to take place, whose results would be published in 1981, and which would aim to influence leading intellectual circles in the West and in the Islamic world; government institutions; United Nations bodies; and businessmen.

Founders of Islam and the West

This is the list of the board of directors and founding members of Islam and the West (International):

- Dr. Ma'arouf Dawalibi*, President. Currently a Saudi Arabian citizen and president of the World Islamic Congress, Dawalibi was a 1950s Syrian prime minister and chairman of the Syrian People's Party.
- Dr. Everett Clinchy* (U.S.A.), Vice-President. Secretary General of the Institute of Man and Science.
- Lord Caradon* (U.K.), Chairman of the Executive Council and Moderator of the Transitory Committee. Caradon is a veteran British Middle East specialist, with particular experience in Cyprus and Jerusalem.
- Dr. Sayed H. Jafri* (Pak.), Vice-Chairman of the Executive Council. Professor and co-editor of *Hamdard Islamicus*.
- Dr. Marcel Boisard* (Switz.), Secretary-General and Western Commissar. Affiliated with the Geneva International Institute for Higher Studies and the Stockholm-based International Federation of Institutes for Advanced Study.

Prominent among the founding members are:

- Dr. Nadjmoud Dine Bammate* (Afghan.), retired deputy-director of UNESCO.
- Sir Harold Beeley* (U.K.), former British ambassador to Egypt, president of the World of Islam Festival Trust.
- Dr. Abelazi Banabdallah* (Mor.), director of the Permanent Office for the Arabization of the Arab World.
- Dr. Harrison Brown* (U.S.A.), former president of the U.S. Academy of Science, director of the Institute of Human Resource Systems.
- Alistair Duncan* (U.K.), director, World of Islam Festival Trust.
- Dr. Jacqueline Gilissen* (Bel.), secretary-general of the Belgian Center for Studies of the Contemporary Muslim World.
- Dr. Ezzedin Ibrahim* (U.A.E.), cultural adviser to the ruler of the United Arab Emirates, Sheikh Zayed, board of directors of the World of Islam Festival Trust.
- Dr. Nicholas Krul* (Switz.), economist and banker, adviser to the Emir of Dubai.
- Dr. Sam Nilsson* (Swed.), executive director of the International Federation of Institutes for Advanced Studies.
- Dr. Aurelio Peccei* (Italy), president, Club of Rome.
- Dr. Kazem Radjavi* (Iran), lecturer at the Institute for Development Studies; permanent representative of the Islamic Iranian Republic in Geneva.
- Dr. Zia Rizvi* (Pak.), director of the Office of the UN Commission for Refugees in Rome.
- Mr. Henry Schmitt* (Switz.), former president of the government of Geneva.

Among these, Brown, Krul, Peccei, and Schmitt agreed to take up "tasks and responsibilities in the Islam and the West Organization."

Observers at the founding conference included Salam Azzam, Secretary-General of the Islamic Council of Europe; Mr. Yahya Basalamah of the Islamic Foundation of Geneva; and Zafarul Islam, first vice-secretary general of the Organization of the Islamic Solidarity Conference.

II. The Muslim Brotherhood in the Middle East

by Robert Dreyfuss



The rise to power of Ayatollah Khomeini and the Muslim Brotherhood in Iran, backed by the Anglo-American intelligence services, has posed the gravest threat in centuries to the national security of nearly every Muslim nation. Under Khomeini, an entire nation is now ruled by what—until very recently—was an underground terrorist clique committed to violence and subversion. The Iranian regime is committed to use any and all political methods to succeed in what, at least among some of Khomeini's circle, is considered to be a sacred task: the establishment of the *nizam al-islami* (the Islamic order).

Throughout the Mideast, the Muslim Brotherhood is drawing new strength from the Khomeini regime—including, according to sources in the Iranian community, massive financial assistance.

But if the Muslim Brotherhood were simply a problem of small, poorly organized terrorist bands, it would hardly be a problem of major political significance. For any Muslim nation, fundamentalist student mobs, fanatic sects and cults, and extremist cells of medieval kooks would be nothing more than a police problem.

However, the Muslim Brotherhood poses its threat on a far higher level. It is no exaggeration to state that *in every Arab government, Turkey, and many Asian nations, the Muslim Brotherhood enjoys the active protection of ministers, intelligence officials, military officers, and others at the very highest levels.*

Investigators who seek to track down the leadership of the Muslim Brotherhood find their investigation mysteriously killed on orders "from the top." Security officials and law-enforcement agents pursuing Ikhwan terrorists are suddenly assassinated. Top politicians hesitate before opening up the question of the Ikhwan because of direct knowledge or innuendo and rumor that some Mr. Big does not want his toes stepped on. According to Arab sources, the Muslim Brotherhood is greatly assisted by simple corruption. The huge quantities of cash that flow into the coffers of various Persian Gulf rulers have created an entire strata of venal officials. The current

Special Envoy of the Arab League to the United States, Dr. Clovis Maksoud, is the quintessential Arab example of this sort of character. But more typical of the leading Muslim Brotherhood sponsors and controllers in the Middle East is the sort of individual whose family background, probably for generations, places him in the category of the *comprador* elite, with business or intelligence links to the European black nobility and, especially, the British oligarchy.

There is one common misconception concerning the Muslim Brotherhood. It is often asserted that the Muslim Brotherhood is a "Sunni" organization—that is, adhering to the majority, orthodox Muslim tradition—while Ayatollah Khomeini and his movement is "Shi'ite," referring to the faction which emerged as an independent force some years after the death of the Prophet Mohammed. In fact, no such distinction is valid. The members of the Muslim Brotherhood are selected on the basis of an ideological commitment that transcends the otherwise traditional Sunni-Shiite divisions. The Iranian branch of the Muslim Brotherhood, called the Fedayeen-e-Islam headed by Ayatollah Khalkhali, has for years cooperated closely with the official Ikhwan al-Muslimun.

1. Syria: citizens above suspicion

Within the next few weeks and months, the world may witness Syria's surrender to the Anglo-American regional design in committing its national purpose to back Ayatollah Khomeini. Should that occur, the fall of the regime of President Hafez Assad is a near certainty, as Egypt's President Sadat—himself a confirmed ex-terrorist of the Muslim Brotherhood—stated this week.

Historically, as Syrian politicians well know, the Muslim Brotherhood has for decades been one of the tools of British imperialism in combating the influence of France and especially Charles de Gaulle in Syria and Lebanon. As the French had primarily established their allies in the Christian Arab community of Syria and Lebanon, the British used the Sunni Muslim commu-

nity—usually funded from the Gulf states, Jordan, and (in earlier times) Iraq—as a battering ram against France. That British-Saudi influence was based primarily around the triangle of the Syrian cities of Homs, Hama, and Aleppo.

In 1944, when the British began their final push at the close of World War II to oust French influence in the Levant, the so-called Youth of Mohammed was established as a branch of the then-powerful Egyptian Ikhwan al-Muslimun. From that time on, the Syrian Muslim Brotherhood has acted, more or less continuously, as a British intelligence asset. In 1973, for instance, when Assad was assembling the Syrian state constitution, riots and demonstrations by Saudi-funded Muslim Brotherhood networks in Homs and Hama forced the government to compromise by declaring Syria to be a religious state.

During the 1950s, the Muslim Brotherhood in Syria was led by Maruf Dawalibi, Mustafa Sibai, and Muhammad Mubarak. The Muslim Brotherhood controlled the People's Party of Syria, whose strongholds were Homs and Aleppo. Though nominally a strongly anticommunist organization, the Muslim Brotherhood in Syria during this period adopted a forthright position in support of establishing close political-military cooperation with the Soviet Union. Dawalibi, a leader of the People's Party and for a time the Syrian prime minister, declared that Syria ought to sign a nonaggression pact with the Soviet Union, while Mustafa Sibai—of the "Islamic Socialist Front"—declared, "We are resolved to turn to the eastern camp if the Democracies do not give us justice."

Dawalibi was forced into exile from Syria in 1963-64, and he took up residence in Saudi Arabia. At the same time, the current head of the Muslim Brotherhood in Syria, Issam al-Attar, who was then a member of the Syrian parliament, was also forced to leave Syria, first for Beirut and then West Germany, where he presently resides. To this day, Attar and Dawalibi maintain close contact. Dawalibi is a leading political adviser to King Khaled of Saudi Arabia. He also sits on the board of the newly formed organization, Islam and the West.

According to the Syrian press, certain official circles in both Saudi Arabia and Jordan provide logistical and military assistance to the Muslim Brotherhood terrorists in Syria, and there are many reports of paramilitary training camps in Jordan where the Ikhwan thugs are trained. In at least one instance, Syria also charged that the Palestine Liberation Organization—which has close ties with the Muslim Brotherhood—was, in Lebanon, responsible for training Ikhwan terrorists who then assassinated a top Syrian official.

For the past 12 months, the Muslim Brotherhood in Syria has been responsible for dozens, perhaps hundreds of murders of major and minor Syrian officials, including

especially military and intelligence personnel. The most gruesome was the massacre of over 60 Syrian military cadets in Aleppo by the Muslim Brotherhood, on the same day that President Assad left for a crucially important state visit to Iraq, in August 1979. Despite some relatively minor arrests, not a single Muslim Brotherhood leader has been arrested. Among the organizations reported to be behind the wave of assassinations are the *Kataeb al-Haq* (Falangists of the Right), whose leader Sheikh Al Wani has mysteriously escaped arrest for two years; and the *Al Jihad al-Mugadess* (the soldiers of the Holy War).

The reason for the lack of arrests of Syrian Muslim Brotherhood terrorists, according to Syrian sources, is that they enjoy the protection of leading Syrian circles. Syrian sources say that within the leadership of the Syrian Baath Party there are many sympathizers of the Brotherhood, especially among former supporters of the deposed President Salah Jadid. Two important figures stand out as traitors to the Syrian government: Col. Rifaat Assad, the President's brother, who commands a special military brigade; and Deputy Prime Minister Mohammed Haider, the economic czar.

Both Rifaat Assad and Haider are Alawites, a minority sect in Syria that dominates the present regime. Many of the recent assassinations were directed against the Alawite minority, ostensibly by the "pro-Sunni" (orthodox) Muslim Brotherhood. However, Haider and Col. Assad are secretly encouraging the anti-Alawite assassinations in order to strengthen the case for Alawite separatism and to weaken the central government, and thus Col. Assad and Haider—who reportedly has ties to Rumanian intelligence—collaborate with the Ikhwan!

President Assad, who is reportedly at least partially informed of these facts, is unable to act because he depends to a great extent on Col. Rifaat Assad's security forces to protect his regime, and on the Saudi backers of the Ikhwan for financial assistance.

Furthermore, the Muslim Brotherhood is supported from across the Syrian border with Lebanon. Both elements in the fascist Christian Falangist community and among Lebanon's Shiite Al-Amal organization give weapons and financial help to the Muslim Brotherhood. The Al-Amal group, in southern Lebanon, has close ties with the new Khomeini regime. The Muslim Brotherhood is based on the northern Lebanese city of Tripoli.

Through Lebanon, Israeli intelligence lends direct backing to the Muslim Brotherhood.

2. Egypt and North Africa

The alert reader will have already noted the mention of Rumania in the above discussion of the Ikhwan in Syria. The Muslim Brotherhood is involved in close

Arafat: Khomeini is our leader

The following is an extract of a speech delivered on Dec. 7, 1979, in Beirut, Lebanon, by Palestine Liberation Organization Chairman Yasser Arafat. The speech is evidence of the extent to which the Khomeini psychosis has infected the PLO. It is known that Arafat himself was formerly a member of the Muslim Brotherhood in the 1950s.

We and the Iranian revolution are not just in one trench. No. We are one revolution led by one man—Imam Khomeini.

Therefore, tell Imam Khomeini that these Lebanese-Palestinian forces await his military order. He

can move them as he desires. If he wants to move them from this area in southern Lebanon in defense of Arabism in Lebanon in order to fight there alongside these Iranian revolutionaries who are coming tomorrow, we welcome that. If he wants to move them to any place in the world, we are ready....

Tell our imam, the leader of the march, that the soldiers—we are all soldiers—are ready to receive the order and to move, sacrifice, and die. We welcome martyrdom....

Tell Imam Khomeini to give the order, and we will obey and move to strike U.S. imperialism and U.S. imperialist interests at any time and in any place and I mean any place.

The day will come when we will say: Join the *jihad* for Palestine! ... Join the *jihad* to liberate Jerusalem; join the *jihad* to liberate Jerusalem; join the *jihad* to liberate Jerusalem, and make it a revolution until victory!

coordination with the local communist movement, often with the sanction—and even support of certain countries of the Warsaw Pact.

It would be a mistake, however, to consider the Muslim Brotherhood a Soviet “puppet.” The Ikhwan maintains contact with a particular faction of the communist movement: that associated with the British triple agent and now KGB General, Kim Philby. That faction, strongest in Rumania and Yugoslavia as well as within the Communist Party apparatus of Western Europe, is also powerful within the Arab communist movement.

In Iran Khomeini is supported by the Tudeh (Communist) party there; the Iraqi Communist Party is also pro-Khomeini.

In Sudan, which once had a strong communist movement, the Muslim Brotherhood is now a dominant force. According to Israeli scholars, at one time the Central Committee of the Sudan Communist Party was composed primarily of mullahs, or priests, associated with the Muslim Brotherhood! Now, the government of Sudan is itself the Muslim Brotherhood, since the appointment to the cabinet of Sheikh Turabi, the chief of the Ikhwan in the Sudan. Under Turabi's influence, Sudan has backed away from the relationship it had been developing with neighboring Ethiopia, instead renewing its assistance to the Eritrean Liberation Front, a manipulated guerrilla movement seeking independence for the Ethiopian province of Eritrea.

In addition, in Sudan there has been recently a rapid growth of cultlike movements of dervishes and fanatical preachers in the country's more backward areas. Many

of these cults worship goddesses whose origin goes back to pre-Islamic times to Isis and Osiris.

It is in Egypt, the original home of the Ikhwan, that we find the strongest and best organized Muslim Brotherhood outside of Iran and Pakistan.

The Egyptian Muslim Brotherhood is the center of a network that stretches across the entire Arab world. The presence of the Ikhwan in Egypt during the period until the mid-1950s, when it was suppressed by Gamal Abdel Nasser, has provided it with a strong base in the country's major institutions, despite years of repression. With the coming to power of Anwar Sadat—formerly a member of the Muslim Brotherhood—the position of the Ikhwan was reinforced in the country, and gradually Sadat allowed it to surface publicly and to engage in political activities. Thus, recently, the head of the Muslim Brotherhood in Egypt, Sheikh Elmessari of *Al-Dawa* magazine, met President Sadat at a public banquet, where Sadat declared that he has nothing against the Ikhwan and that it should be considered a loyal, nationalistic force.

As during the period of the 1930s and 1940s, when the Muslim Brotherhood collaborated closely with the Egyptian royal palace and its secret police as well as with the British Embassy in Cairo, today Egypt's Ikhwan acts as a de facto arm of the secret police. It is generally believed that control of the Muslim Brotherhood falls under the authority of Hassan al-Tuhami, the president's special adviser, who maintains close contacts with Israeli, British, and American intelligence. Tuhami, for instance, declared last year that Egypt might act to “mobilize 1

million Muslims for a march on Jerusalem.”

A proliferation of Muslim Brotherhood organizations has been in evidence in Egypt over the past several years. Many of the more radical cults have been expelled from the mainstream of the Muslim Brotherhood network in Egypt, led by *Al-Dawa*. But, just as the earlier Ikhwan established its “Secret Apparatus” to carry out terrorism and violence, it should be assumed that the establishment Muslims of *Al-Dawa* serve as the control agents for deploying the mob and the terror. One of these organizations is *Al-Tafkir al-Hijra* (Repentance and Retreat). Derived directly from Hasan al-Banna and Sayyed Qotb of the early Ikhwan, this terrorist underground movement was reportedly involved in supporting the recent attack on the Grand Mosque in Mecca.

Among other groups is the *Al-Gamaa al-Islamiyya* (The Islamic Group), which originated at Cairo’s Al Azhar university and quickly spread throughout the country. Reportedly, the group has amassed a huge quantity of weapons and has received paramilitary training. Within the last several years, the Egyptian police has carried out several arrest sweeps against this group. Thousands of automatic weapons—many of them Uzi submachine guns made in Israel—were confiscated in Upper Egypt near Assiout by police, and according to some reports parts of Egypt are now almost autonomous, in the countryside, led by feudal lords using organizations like *Al-Gamaa*. During Ramadhan, the group undertook to have public displays of its military force, and *Le Monde* of Paris commented that the movement rivals the Egyptian army as a structured and organized force!

Still other organizations include *Al-Itissam*, which means the Refuge, a group claiming to support “Islamic socialism,” led by Abdel-Moneim Abdel-Raouf; and the *Mekafaratiyya* (The Excommunicators), a terrorist band.

3. Khomeini of the Maghreb

In Egypt operates Sheikh Abdel-Hamid Kishk, the blind imam of the most important Cairo mosque after Al Azhar. For years, Sheikh Kishk has been preaching along fundamentalist lines, especially to attack the “Westernization” of Egypt and the corruption of political life. Also, as is standard for the Muslim Brotherhood, Kishk attacks the Egyptian-Israeli peace treaty. But Sadat has not placed him under arrest; he is reported to be the “most popular man throughout Egypt.”

Kishk’s influence extends throughout North Africa from Egypt, especially into Algeria and Tunisia. He has been called “the Khomeini of North Africa.”

Under his leadership, the Egyptian parliament has now passed a series of laws which have begun to Islamize public life, banning alcohol, gambling, and imple-

menting regulations drawn from the *shari’a*, or Muslim law. On university campuses, upwards of 25 percent of the youth have been persuaded to associate with such fundamentalist reform, agitating for special religious law on campus, under the guidance of Sheikh Kishk. And, now, his influence has begun to grow outside of Egypt.

In January 1979, in the Medea region of Algeria south of the capital of Algiers, near the village of Blida, a strange phenomenon was reported: a letter began circulating purporting to be the dreams of an imam in Mecca, announcing the imminent End of the World. The letter asked anyone who received it to make a copy and transmit it to another person. By doing so, the letter stated, the copier would go to heaven when he died; otherwise, if he failed to copy the letter, he would be condemned. The circulation of the letter caused a great panic among the backward peasants of southern Algeria, according to the Algerian *El-Moudjahid*.

According to Algerian sources, the very same letter was circulating in the 1930s. The center of the operation was and is a network in Kasr el-Boukhari in the Medea region. Further, according to *El-Moudjahid*, “foreign teachers” are spreading such nonsense, in conjunction with certain circles at Algiers University and the Mosque of Châteauneuf in Blida. Among the reports concerning these incidents, it was said that the fundamentalists were telling the peasants that to pray on land that is nationalized is a sin!

It was further revealed that circulating among the peasants in that area were thousands of cassette tapes of speeches by Sheikh Kishk. That was precisely the tactic used by Khomeini during his exile in France. In Tunisia, Sheikh Kishk is very popular; in that country the cassettes do not circulate clandestinely but openly.

The center of the Muslim Brotherhood in Tunisia is the Arraya Library, which specializes in selling the works of Hasan el-Banna, Sayyed Qotb, Pakistan’s Mohammed Iqbal, and the tapes of Sheikh Kishk. Their newspaper in Tunisia is *El-Maarifa* (The Knowledge), whose circulation has shot up from 1500 to 5000 since 1977, according to Tunisian sources. Last September, they organized large-scale demonstrations and, in Tunis, riots against the efforts of the government to secularize a religious holiday.

During the 1960s, the movement there was led by Sheikh Mohammed Salah Neifer, who eventually was forced into exile in Algeria. Later, the organization led by people who call themselves *Khouanjias* emerged around the Arraya Library, led by Sheikh Abdel Fateh Moro. Moro is a 30-year-old lawyer, with close ties to Saudi Arabia, who regularly visits that country. Together with Rashed al-Ghanouchi of the Islamic Renaissance Movement and Hussein Ghodbani, Moro cooperates with the Tunisian opposition movement, especially with its radical “human rights” and labor constituency.

Ghodbani, also a lawyer and radical who works with a former justice minister of Tunisia, has connections to Ramsey Clark, the former U.S. attorney general, who led demonstrations for Khomeini in Iran in February 1979.

The Muslim Brotherhood in Tunisia and Algeria acts as a single entity. In Algeria, for years the Brotherhood has demanded "Arabization" of the educational system and the language of the government, where French is heavily used. During the recent national debate over the National Charter, the fundamentalists used their influence to swing the Charter toward a more religious orientation and away from its original secular bent. The base of the Muslim Brotherhood—especially strong among students—is the host of Sufi sects and movements that can be found all over North Africa. Reportedly, the movement in Algeria gets support from the Tunisian branch, and vice versa.

Recently, Tunisia has begun a crackdown on the Muslim Brotherhood. The weekly publication *Al-Moujtamaa* put out by Ghanouchi—which had endorsed Khomeini and the seizure of the U.S. embassy in Teheran—was closed down by the police, and Ghanouchi was briefly arrested. Although the ruling Destour Party has mobilized its forces against what it calls "the new obscurantism," the movement has continued to grow. Reportedly it draws its support partly from the opposition "Marxist" elements around former Tunisia leader Ben Salah, whose base is largely in France. According to some European reports, Mohammed Masmoudi—once Tunisia's foreign minister—is working closely with the Ikhwan in Tunisia, using his extensive contacts in the Persian Gulf.

Finally, we come to the secretive Senussi Brotherhood of Libya. This is an old Sufi movement, which was utilized by the British for at least 100 years in eastern Libya, in Cyrenaica. During the monarchy, King Idris and the old Senussi family were simply representatives of the Senussi Brotherhood in power, and following Col. Qaddafi's 1969 coup, they still managed to retain much of their former power and influence, though more secretly. In July 1979 the Senussi Brotherhood was responsible for the formation of an Islamic Legion comprised of Egyptian, Libyan, and Tunisian cadre to fight in Uganda in support of Idi Amin.

The Senussi Brotherhood is extremely secretive, and inquiring journalists are told firmly that it no longer is in existence and that no one "has never heard of it." But in July 1977, a Lebanese newspaper reported that Anwar Sadat was making a plan to strike a deal with the Senussi Brothers, based at a spiritual center called Kufra in the middle of Libya's eastern desert, which for years served as a military base. In conjunction with the Egyptian invasion of Libya at that time, Sadat wanted to annex eastern Libya to Egypt by winning the support of the

Senussi Brotherhood. Many of the leading families in Cyrenaica are still members of the Senussi.

4. Saudi Arabia and the Gulf

In Wahhabi-fundamentalist Saudi Arabia, the Muslim Brotherhood takes a different form than in other countries of the Arab world. In Saudi Arabia, the main supporters of the Muslim Brotherhood are clustered around Prince Abdullah ibn Abdel Aziz, the No. 3 man in Saudi Arabia and the commander of the National Guard. Throughout the Arab world, Abdullah is known to be very close to British intelligence.

Abdullah—who exercises great influence over King Khaled—draws his strength in the Royal Family from the Guard itself, and from dissident tribal members of the Saudi elite. The National Guard was formed out of the remnants of the old Saudi Ikhwan, or "Brotherhood," that served as the paramilitary force behind the takeover of Arabia by King Abdel Aziz. During this period, the Saudi elite was guided and advised by Harry St. John Bridger Philby, the father of Kim Philby. To this day, the various tribes of Saudi Arabia—though no longer wielding their former influence—operate as a set of mafias, and dissidents tend to cluster around Prince Abdullah.

Thus protected by a powerful faction of the family of Saud, the Muslim Brotherhood flourishes in Arabia. Many military and intelligence personnel, especially those with British connections, also serve as protectors of the Muslim Brotherhood. An important nexus in that regard is that around Kamal Adham, former head of Saudi intelligence, and the family of royal adviser Rashid Pharaon and Ghaith Pharaon, his businessman son, who has a partnership with Adham. It is this group that reportedly had some responsibility for the bloody incidents in Mecca at the Grand Mosque last month. Adham in particular has strong Egyptian connections.

Also important in this regard is Prince Muhammad bin Faisal, formerly Saudi Minister of Mineral Resources and Water. Prince Muhammad, in New York last month, issued a ringing endorsement of Ayatollah Khomeini and the mullahs of Iran, especially stressing the role they are playing to bring about an "Islamic renaissance." Prince Muhammad is at the center of a mini-empire he has built, consisting of the Union of Islamic Banks in Jidda, with branches in at least six other Muslim countries. He has sponsored, in conjunction with European aristocrats, talks on founding a "New Muslim World Order," based on the so-called Islamic dinar currency.

Prince Muhammad is also the chairman of the Islamic Environmental Research Council, established in August 1979. Among other things, the Council is heavily involved in researching the uses of solar energy.

South Asia

Jamaat-e-Islami

When the U.S. Embassy in Islamabad, Pakistan, burned to the ground at the end of November, leaving two Americans dead, a surprising silence followed from the State Department. A gesture of sorrow from Pakistani President General Ziaul Haq was magnanimously accepted. Initial expressions of outrage from embassy officials over the inexplicable delay in the dispatch of Pakistan army forces to the scene, and clear signs of the pre-organized character of the "mobs" who stormed the embassy were quietly swept under the carpet.

What was the State Department so anxious to hide? Why were they protecting General Zia's regime so obviously? The answer is simple—the burning of the embassy was organized in advance by the conspiratorial and tightly run militia of the Muslim Brotherhood's arm in Pakistan and throughout South Asia, the Jamaat-e-Islami. The Jamaat-e-Islami is the power behind General Zia's regime, the force behind the murder of Ali Bhutto, the authors of Pakistan's anti-Afghan policy of aid to Muslim tribal rebels, and the organization most likely responsible for the "Islamic Bomb."

When the U.S. embassy burned in Pakistan, Muslims also rioted against the United States in India and in Bangladesh. In both places again it was the Jamaat-e-Islami which organized and led the demonstrations. In neither country though does the Jamaat-e-Islami hold the power it does in Pakistan, which after independence became the stronghold of this little known organization. The current head of the Jamaat is Mian Tufail Mohammed, who succeeded only a couple of months ago to the leadership following the death of the founder, Sayid Abdul A'la Maududi. Mian Tufail, among his other qualifications, is the uncle of General Zia.

The Jamaat was founded in August 1941 by Maududi, who had earlier established himself as a reactionary Islamic theologian specializing in "The Political Theory of Islam," the title of a paper he delivered to the "Inter-Collegiate Muslim Brotherhood" in October 1939. A follower of Al-Ghazali, Maududi's writings are well known through the Brotherhood's circles and are reported to be the basis in part of Khomeini's conception of the Islamic state.

Maududi counterposed the Islamic state to Western republics and Communism both. The sovereignty of the Islamic state, he said, could not be "popular sovereignty" of the republic because that interposed the state, and "the dominion of man over man," between man and God. Instead he had a concept of the permanent sovereignty of Allah, as embodied in the unchanging adherence to the Islamic law, the *shariat*, with the state ruled by an Amir who only carried out the rule of Islam.

The hatred of the nation state is Maududi's constant theme right into the current period. Although he opposed the creation of Pakistan, he later reversed that stand when it made the Jamaat extremely unpopular. The Jamaat then organized a tight, semi-underground militia within Pakistan and what is now Bangladesh (formerly East Pakistan), with another wing maintained in India. The Jamaat also spread its operations into places like Malaysia where the Muslim population is in the majority. Within Pakistan, however, the Jamaat, which organized itself as a political party, never received more than a few percentage points of any free election.

With Zia, now in control

The rise of the Jamaat came with General Zia's coup when it joined the government as part of the anti-Bhutto Pakistan National Alliance. The Jamaat today, despite a formal ban on all parties, enjoys complete freedom of organization and has spread its strength particularly in the universities, where it only is free to operate of all groups. It was out of one such college, the Quaid-i-Azam university, that the youth wing of the Jamaat loaded the "students" onto trucks and buses this past Nov. 21, drove them to the isolated U.S. embassy, and attacked it, while army bases only 20 minutes drive from the site were unable to send troops until five hours after the attack began.

The highly secretive Jamaat is well-known in the region. When Bhutto was hanged by the military junta, pro-Bhutto Muslims in India attacked the offices of the Jamaat throughout the country. In India the Jamaat works closely with its alleged enemy, the rabid Hindu chauvinist Rastriyo Sevak Singh (RSS), and the two organizations have been responsible for a vast upsurge in communal tension and violence over the past two years.

Maududi and the Jamaat have had close ties with Khomeini in Iran, despite the alleged differences between the Sunni Jamaat and the Shias of Iran. After coming to power, Khomeini's first delegation abroad went to Pakistan to pay respects to Maududi, while Mian Tufail Mohammed returned the visit to see Khomeini. The Jamaat supports the Khomeini revolution and sees its own efforts, through Zia, to place Pakistan solely on the basis of the *shariat* as part of the same process.

III. The roots of the Muslim Brotherhood

by Robert Dreyfuss



The Muslim Brotherhood was created by London as the standard-bearer of an ancient, antireligious (pagan) heresy that has plagued Islam since the establishment of the Islamic community (*umma*) by the prophet Mohammed in the 7th century. Representing organized Islamic fundamentalism, the organization called the “Muslim Brotherhood” (*Ikhwan al-Muslimun* in Arabic) founded in 1929 by the British agent Hasan al-Banna, a Sufi mystic, today provides the umbrella under which a host of fundamentalist Sufi and Sunni—as well as radical Shiite—brotherhoods and societies flourish. Taken together, the generic Muslim Brotherhood does not really belong to Islam, but to the pre-Islamic barbarian cults of mother-goddess worship that prevailed in ancient Arabia.

However, as much as the peddlers of mythology might want us to believe that the Muslim Brotherhood—and even the existence of the Ayatollah Khomeini himself—represents a legitimate expression of a deeply rooted “sociological phenomenon,” this is assuredly not the case. The Muslim Brotherhood could not exist today were it not for the fact that the more backward and epistemologically reactionary elements of Muslim culture were carefully cultivated by Orientalists of the British Oxford and Cambridge tradition. Far from being a real expression of Muslim history and culture, the parasitic *Ikhwan* is the result of patient organizing by London’s Islamic-world intelligence agents typified by Arnold Toynbee, H. St.-J. B. Philby, T.E. Lawrence, E.G. Browne, and many, many others.

The deliberate cultivation of backwardness by an established oligarchy is nothing new. Within Islamic history, the great proponents of antiscientific doctrines, mysticism, and nominalism, such as the 9th century Al-Ashari and the 11th-century Al-Ghazali, were mere paid agents for the aristocrats of the caliphate and later kingdoms, who sought to quash the emerging rationalist tendency and its later magnificent expression in the work of the humanist geniuses Al-Farabi, Ibn Sina, and Hasan ibn al-Sabbah. The irrationalist tendency within Islam was simply revived, during the 19th century and after, by the British. It was the British who sponsored the higher

education system in the Muslim world; the British who funded the publication of Islam’s obscurantists; and the British who held learned conferences to proclaim the worth of a specifically “non-Western” type of “Muslim science.” The British goal was to convince the Muslim world that its “true” culture was essentially backward and irrational. Key to this process was a century-long, British project to explain the decline of Islam; according to the London view, the decline and fall—and eventual domination of the Muslim world by the imperialist powers—was the result of an inherent weakness, or defect, within the “Muslim psyche.”

As this article reveals, such premises were drummed into the heads of modern Muslim intellectuals by London’s mafia of pseudo-Orientalists. To accomplish that, the British allied themselves with the region’s remnants of the pre-Islamic cults.

These cults themselves are rooted in an even older tradition, that of the pagan cults of Greece, Persia, and the Roman Empire. The pre-Islamic Arabian cults of Allat, Uzza, and Manat are but copies of the more ancient cults of Isis and Osiris, Apollo, and the Magna Mater. As such, the Muslim Brotherhood properly belongs not to the world of religion but to the domain of evil mysticism, alchemy, black magic, sorcery, and witchcraft.

In more recent times, British Orientalists and Anglo-Jesuit intelligence specialists have seen fit to utilize the “black” traditions of Islam—its cults and mystery religions—as a vehicle for imposing backwardness at the time that the British empire began spreading into the Islamic world. Making use of alliances between Islamic obscurantists and mystical cults, on the one hand, and the European oligarchy’s own Black Nobility that dated back centuries, the British Orientalists of the 19th century encouraged the growth and development of a succession of institutional cults that provided the basis for the establishment of the *Ikhwan* and its offspring. Great Britain and Europe’s feudal orders and freemasonic societies had long maintained close links to antihumanist cults in the Muslim world. For London, the establishment of the Muslim Brotherhood as an arm of British Secret Intelligence Service was merely the result of taking

direct political command of the loose federation of cults and mystery religions in Islam that had lingered since the days of the early Sufis and Al-Ghazali.

Today, those cult networks are kept in place by the power of British and American intelligence, NATO, and the military power behind them. For instance, Iran: the Ayatollah Khomeini and thousands of mullahs that he commands—as many as 200,000, according to Iranian sources—represent an administrative command network that can mobilize a mass of chanting cultists at a moment's notice. But, standing behind Khomeini is the powerful apparatus of the former SAVAK, the Shah's secret police, many of whose top officials still command the secret police of Khomeini. Though apparently Islamic on the surface—which is a useful myth to mobilize the masses—underneath the Khomeini regime is a highly sophisticated, computerized military command center with direct lines to London and Washington.

The heresy of Sufism

The foundation for the Muslim Brotherhood is the cult of Sufism.

At the beginning, Islam was founded as a city-building, world historical force that emerged in response to a profound collapse of civilization in the Near East. Following the unification of the Arabian tribes in the 7th century by the Prophet Mohammed, a renaissance of trade and commerce flourished and entire cities rose up out of the rubble of the decadent Byzantine and Persian empires. Whole sciences were developed by Islamic scholars, and major contributions that revolutionized music, mathematics, and technology were made in the centuries that followed. Under the leadership of Mohammed, and then a series of political-philosophical movements such as the Mutasilites, the Ismailis, and others, a Neoplatonic humanist movement emerged to build one of the world's most magnificent civilizations. The enemy of that achievement was the land-owning oligarchy and their paid agents within the priesthood, who constantly sought to mobilize the backward peasantry against the city-builders.

The anti-urban, mystical cultists were called Sufis.

According even to Sufi sources, Sufism dates back to pre-Islamic times. According to Professor Margaret Smith of Cambridge University, in her *The Way of the Mystics: The Early Christian Mystics and the Rise of the Sufis*, published in 1978 by Oxford University Press, there is a "relationship between the rise and development of a mystical element in Islam—that which we know as Sufism—and the mysticism which was already to be found within the Christian Church of the Near and the Middle East at the time when the Arab power established itself." Professor Smith, until her death a leading British cult specialist, explains that Sufism is the direct heir not only

of Christian mysticism or "the true Gnostic," but also of the "mystery-cults of the Greeks."

Other scholars have shown conclusively that Christian gnosticism—as a cult heresy within the early Church—is itself derived directly from the Oriental cults and mystery religions of the ancient East. The definitive work on this subject is *The Gnostic Religion* by Hans Jonas, who asserts that when the humanist armies of Alexander the Great swept through the Near East and Persia the devil-worshipping cults were ruthlessly suppressed and forced "underground." They sought outlets in the Hellenistic world in the form of Delphic eruptions of pseudo-Platonic movements that were merely disguised cults. "For the East, it is a time of preparation for its reemergence, comparable to a period of incubation," writes Jonas. "The spiritual monopoly of Greece caused the growth of an invisible East whose secret life formed an antagonistic undercurrent beneath the surface of the public Hellenistic civilization."

Eventually, reports Jonas, the "Eastern underground" emerged in the form of the gnostic cult that

Jesuits praise 'Cult of Islam'

The following extracts are taken from Social Compass, the quarterly publication of Belgium's Louvain University. The university itself, run by the Society of Jesus, maintains a Center for Contemporary Arab Studies headed by Bishara Khader, whose brother is the PLO representative in Brussels. The extracts printed below are taken from Vol. 25, No. 3-4, 1978, a special issue of Social Compass devoted to Islam and Society.

The article quoted is by Jacques Waardenburg of Holland, entitled "Official and Popular Religion in Islam." In the article, Waardenburg describes how the influence of pre-Islamic cult rituals has affected the Muslim religion by giving rise to "mystical brotherhoods and Muslim 'brotherhoods' and societies." He asserts explicitly that it was al-Ghazali who legitimized such cultism, and he crows that the lack of an official institutional organization—like the Papacy—has made Islam easy to subvert. That, he hints, was accomplished by the "fundamentalist reforms" of the 19th and 20th century; that is, by Jamal ad-Din al-Afghani.

Ibn Taimiya (1263-1328 A.D.) combats what may be called "popular religion" among Muslims in his

“compounded everything—oriental mythologies, astrological doctrines, Iranian theology, elements of Jewish tradition, whether Biblical, rabbinical, or occult, Christian salvation-eschatology, Platonic terms and concepts.”

It is this eclectic religious tradition embodied in gnosticism that, after the foundation of Islam, resurfaced again in the form of Sufism. Modern Sufis pride themselves in the fact that many naive scholars have failed to identify the current out of which Sufism developed. In *The Sufis*, written by the Sufi Idris Shah, the author playfully cites the allegedly “undefinable” nature of Sufism:

According to one Persian scholar, Sufism is a Christian aberration. A professor at Oxford thinks that it is influenced by the Hindu Vedanta... An Arab-American professor speaks of it as a reaction against intellectualism in Islam. A professor of Semitic literature claims traces of Central Asian Shamanism.

And so on. How does Idris Shah define a Sufi? “A Sufi is a Sufi,” he writes.

But Idris Shah—himself a well-publicized fraud of some magnitude who is presently involved with the Muslim Brotherhood cult—cites Ishan Naiser, a Sufi, who then proceeds to identify the cult-like nature of Sufism as it spans all major religions:

I am the pagan; I worship at the altar of the Jew; I am the idol of the Yemenite, the actual temple of the fire-worshipper; the priest of the Magian; the inner reality of the cross-legged Brahmin meditating; the brush and the color of the artist; the suppressed, powerful personality of the scoffer. One does not supersede the other—when a flame is thrown into another flame they join at the point of “flameness.”

More to the point, Idris Shah elsewhere pinpoints the real nature of the Sufi cult. It is, he says correctly, a real synthesis of the mystical antirationalism of Al-Ghazali and the nominalist “realism” of the leading Muslim

time. He treats such popular religion as a kind of *id* (festival) in the widest sense of the word, at a time, in a place, or with a ritual which cannot be considered lawful according to the *shari'a* (religious law).

Like others before him, Ibn Taimiya explains the occurrence of such popular religion as borrowings from other religions than Islam, in particular from paganism as it existed before Islam in Arabia and elsewhere, and from Eastern Christianity with its rituals, feasts, and veneration of the saints... He is particularly vehement in his attacks on ideas and practices which had developed in Islam in connection with the belief in the intercession of one human being for another.

It is possible to classify the most striking *forms* of popular religion in the following way:

1. celebrations of *rites de passage*;
2. celebrations of the sequence of the seasons of nature and of the weeks, months, and years; ...
7. ways of life and ideas in explicitly religious groups (*tariqa's* or mystical brotherhoods, Muslim ‘brotherhoods’ and ‘societies.’); ...

Although such forms of popular Islam may sometimes constitute a sort of “underground” religion, in nearly all cases they have an important cultural and social structural function within the total life of the societies concerned...

The development of mysticism and the place of Sufi piety in Islam put the problem of popular Islam

in a wider framework. The origin of Sufism was quite “orthodox.” It started as the consistent application of religious norms contained in the Koran and the early *sunna*. By the end of the 12th century A.D., however, through the influence of al-Ghazali (1058-1111), it was incorporated, apart from the extreme mystical portions which were explicitly contradictory to official doctrine, within the mainstream of Islam...

We can even go further. From the point of view of history of religions it can be argued that historical Islam, as based on the specific faith of predicament of Mohammed and taking this as its ultimate norm, is largely a “popular” variant of more general religious notions which were current in the Near East in the sixth and seventh centuries A.D. ...

Many different kinds of popular Islam can grow and sometimes even proliferate... It was apparently the fundamentalist reforms, and in particular the reform movements of the 19th and 20th century, which intensified and rationalized, within the Islamic religion itself, the permanent tension between normative and popular Islam... It would seem that the interplay between the more or less fundamentalist reform movements, often supported by some *ulema*, on the one hand, with their call “back to true Islam!”, and the recapturing in due time by popular religion of its lost terrain on the others, with its appeal to satisfy certain religious needs, is one of the fundamental structures of this religion.

follower of Aristotle, Averroes. "Taken together, Ghazali's fragments and Averroes' Aristotelianism constituted a double Sufic current (action and reaction) which nurtured a Christendom wholly ignorant (as far as scholastics were concerned) of the initiating cause of both Ghazalism and Averrosim."

Idris Shah is an operative for British intelligence, presently living in London, where he is in the inside of a number of British projects to subvert the Islamic world, and he passes himself off as a serious student of Sufism and Islamic religion. The author of several kooky works—including the famous *Book of the Book*, a 250-page volume of blank pages—Shah is otherwise involved now in the Club of Rome.

But Idris Shah's identification of Al-Ghazali as the originator of the formal Sufi cult is quite precise. Though Al-Ghazali did not invent Sufism, it was Al-Ghazali who, in the 11th century, codified the various strands of mysticism and antirationalism that had sprouted within the Islamic world until his time. As a political agent for allied cult factions in Europe and with the Mongol army, Al-Ghazali fought against the philosophical genius of ibn-Sina and his heir, Hasan ibn al-Sabbah of the so-called Assassins.

Al-Ghazali is the author of the famous *Tababut al-Malasifah (Destruction of the Philosophers)*. Al-Ghazali argued that the world was essentially irrational, and that human reason could not be applied to understand the universe and to shape its development. Al-Ghazali's notion of God pictured Him not as a positive, creative force accessible to humanity, but as a remote, capricious—even arbitrary—master. Because Al-Ghazali declared that everything that occurs takes place at the specific command of an arbitrary God, he denied the existence of causality. Fire does not burn, said Al-Ghazali, but it is merely a coincidence that when one places one's hand in a flame God makes one's hand feel pain. Like Al-Ashari, the founder of the irrationalist school of Islam, Al-Ghazali believed that the universe is composed of innumerable atoms, each of which owes its very existence to the whim of God, who constantly destroyed and then recreated—at every moment—each atom in the entire universe.

In such a universe which is governed by no rules or natural law, then man's reason is useless, and the intellect becomes a dangerous faculty. For Al-Ghazali, like Aristotle, man is a creature of sense-perception alone, and man is a beastlike, grasping infantile creature incapable of divine reason.

Between the 11th and 14th centuries, the cult of Sufism grew alongside the influence of Al-Ghazali. During this period the vast majority of the Muslim humanist movement was crushed by the tide of reaction and orthodox theology. This was the period that is generally

referred to as the period of the "decline of Islamic civilization." More than any other single factor, it was the philosophy of Al-Ghazali and the Sufis that led to that collapse. The relationship between Al-Ghazali and the Sufis is said to be reflected even in etymological terms: The word *sufi* is derived from the Arabic *suf*, which means "wool," while the name Al-Ghazali means "the spinner," or one who works with wool.

The Freemasonry connection

Although rooted in the early development of Sufi mysticism, the modern Muslim Brotherhood has its immediate antecedents in the 19th-century pan-Islamic movement and the secret societies and cult religions that were spawned beginning in the 1830s by Orientalists of Oxford and Cambridge.

For centuries, the European black nobility and the old British oligarchy has had a special perverse fascination with the "Orient." Because the ancient cults and mystery-religions first flourished there, in Egypt, Persia, and Babylon, the European oligarchy has eagerly sought to trace its roots to the Eastern "underground." As a result, a hundred different myths and cultist traditions concerning the Orient have come to obsess London's aristocrats, whose own secret societies have modeled their passwords, symbols, rites, and languages on the Zoroastrian, Manichaen, Isis-Osiris, occult Jewish, gnostic, and Hermetic traditions. At least three Oriental obsessions of this sort can be identified:

1. The dualist, Persian mythology originally associated with Zoroaster and the Manichaens, which, in the minds of the racist British elite has come to be synonymous with the Aryan racial-purity cult as the source of "pure" civilization that in the 19th century merged with the synthetic German Romantic tradition to forge the basis for the Nazi party ideology of Adolf Hitler.

2. The cultist identification with Jerusalem and with the Jerusalem temple as the symbol for the freemasonic cult, typified by the Scottish Rite of Freemasonry, which served as a primary vehicle for the extension of British influences into the Middle East in the period after the Oxford Movement and the so-called Apostles.

3. The various Egyptian mythologies associated with the cults of Isis (and Apollo). This category includes the ancient mystical lore of Hermeticism. The demi-god Hermes, according to legend, was Hermes Trismegistus ("Thrice-Great"), who had three reincarnations—one in Egypt, one in Persia, and one in India—and thus came to embody the collected secret knowledge of forbidden technologies and science that had been the exclusive possession of each of those cultures.

Coming soon: How the British created the Muslim Brotherhood.

IV. Capt. Setoudeh and the U.S. Office of Naval Research

by Robert Greenberg



Until a few days ago, at the Washington offices of the U.S. Office of Naval Research (ONR), under the direction of the Office of Naval Intelligence and under the supervision of U.S. military personnel, the current defense attaché of the Iranian Embassy conducted his business on a daily basis, assisted by a 16-man team of Iranian terrorist controllers and gun-runners.

With the full knowledge of the Carter administration, the military attaché, Captain Siavash Setoudeh and his staff conducted their affairs at the ONR building at 800 North Quincy Street in Arlington, Virginia. Within this highly sensitive facility, accessible only to individuals with top security clearance, Captain Setoudeh, Captain Mansour, a recently arrived Iranian admiral, and a dozen other military agents of Ayatollah Khomeini's Islamic Republic of Iran all operate in coordination with U.S. naval intelligence and with the approval of Zbigniew Brzezinski's National Security Council.

Within this U.S. military facility, until they were expelled in late December, the officers displayed portraits of the Ayatollah Khomeini and various slogans of the Iranian Islamic Revolution, in full view of the American military personnel in the building.

According to the results of an intensive investigation by the *Executive Intelligence Review*, Capt. Setoudeh is part of the network that carried out the assassination in Paris last month of Mustafa Chafik, the nephew of the former Shah of Iran.

Further, this Iranian unit is involved in coordinating the activities of Iranian students in at least 40 American colleges and universities with which the Iranian military attaché has liaison. Setoudeh and his colleagues are engaged in arms smuggling, gun-running, and conduiting weapons to terrorist units now deployed in the United States by Ayatollah Khalkhali, the head of Iran's Muslim Brotherhood, the Fedayeen-e Islam.

Last week, Khalkhali claimed that he has sent killer squads into the United States to assassinate President Carter, other U.S. political figures, and "enemies of the revolution," including a specified list of Iranian figures of the former regime. According to Washington sources,

in the last six weeks at least 300 armed and well-trained personnel have entered the United States on false passports with phony visas that were obtained from a visa stamp stolen from the U.S. embassy occupied in Iran by Iran's secret police, the SAVAMA. In an interview with the Paris-based magazine *Liberation*—which has close ties to Western Europe's terrorist movement, such as the Baader-Meinhof gang—Khalkhali boasted that his teams have been trained "in the Middle East and inside the United States itself."

Following an exposé by NSIPS and the *Executive Intelligence Review* of the fact of Setoudeh's presence in a "secure" U.S. facility and his activities in Washington, the U.S. Department of Defense on Christmas Day quietly and without publicity asked Captain Setoudeh to vacate the offices at 800 North Quincy Street, and to move his operation to the premises of the Iranian embassy on Massachusetts Avenue in Washington. But no investigation is underway into Setoudeh's activities or why he was thus allowed to maintain offices there. He has not been asked to leave the country despite an order from the White House in early December expelling the bulk of Iranian diplomatic personnel, and reporters who have sought to inquire about the case are being turned away with a wall of official silence about the matter.

Further, the *EIR* has ascertained that Captain Setoudeh is a close friend and confidant of Admiral Habib Elahi, the former commander-in-chief of the Iranian Navy. Iranian sources report that it was Admiral Habib Elahi who was a chief contact man for Air Force General Robert Huyser of NATO who traveled to Iran in January-February 1979, on orders from Zbigniew Brzezinski and NATO Commander Alexander Haig. At the time, Huyser's mission was to compel the Iranian armed forces not to intervene to prevent the takeover of Iran by the Ayatollah Khomeini. It is now believed that the White House and the Pentagon are afraid that any investigation into the matter of Capt. Setoudeh would expose the secret collaboration between Brzezinski, Haig, and the Muslim Brotherhood in Iran beginning in 1978.

Already, Democratic candidate for the presidential nomination Lyndon H. LaRouche has called for an

immediate congressional investigation into the Huysen mission.

Rather than investigate the Setoudeh scandal—which is far more scandalous than the Watergate affair—the White House is putting pressure on the FBI and local police to hush up the fact that Iranian terrorists, disguised as “students,” have entered the United States. According to high-level sources in the Department of Justice, “at least fifty” such terrorists have already been tracked into the United States and there have been several arrests—but they have been covered up.

Uncovering a scandal

The investigation by NSIPS began on Wednesday, Dec. 19, when the New York offices of the news agency picked up rumors of direct collusion between the Iranian embassy and the Pentagon. According to Iranian sources opposed to the Khomeini regime, Capt. Setoudeh—who was described as a “naval liaison officer who is the defense attaché of the Iranian embassy”—could be located at 800 N. Quincy Street.

On Dec. 20, the NSIPS Washington bureau confirmed that the building in question is wholly owned and operated by the Office of Naval Research. An ONR spokesman, who refused to be identified, said that the building is entirely occupied by offices containing U.S. military personnel “except for a few foreigners who have reason for being there.” When asked to elaborate, he refused, offering as his excuse “the situation we’re having.”

That same day, an NSIPS investigative reporter called the offices of Capt. Setoudeh, identifying herself as a representative of a “Hong Kong arms dealer.” Setoudeh immediately came to the phone. When the caller said that “her boss” had instructed her to get in touch with him to arrange a meeting for him “when he arrives in the country next week,” Setoudeh readily agreed. He was told that a “massive” arms shipment was coming into the United States “outside normal channels.”

Replied Setoudeh—whose conversation was taped—“That would be a good suggestion, to have a meeting together and discuss these things and then if we can do any help to this problem (sic), by all means. Otherwise, then we’ll ship it to someone else in the country, or maybe in the embassy.”

Setoudeh confirmed, twice, that he is the “proper person” to handle such matters, and he asked only, “Could you tell me only which force is your company dealing with? Is it the air force? The navy? Which one?” He also said that he would be happy to clear his entire schedule for the next week—“even Christmas Day”—to meet the “arms dealer.”

Earlier, Iranian sources had revealed that despite the

order from President Carter expelling 183 Iranian diplomats on Dec. 12, until that time not a single Iranian had left the country, and Iran’s embassies and consulates continue to operate normally. When asked about the expulsion order, Setoudeh laughed it off and asserted, “That doesn’t apply to me.”

Next, NSIPS contacted the Islamic Republic of Iran’s embassy in Washington D.C., a magnificent building left over from the Shah’s era on Massachusetts Avenue. There, a spokesman for the office of Charge d’Affaires Ali Agha confirmed matter-of-factly that Capt. Setoudeh was indeed the defense attaché of the embassy.

A visit to Capt. Setoudeh

That afternoon, a pair of reporters from NSIPS paid an unannounced visit to Capt. Setoudeh’s office to see what they might discover. At the entrance to the building, the only identification sign read: “Office of Naval Research.” Inside, a sleepy, Christmas-minded guard waved the reporters on.

Upstairs, the two reporters found a bustling office filled with Iranians. The walls were covered with portraits of Ayatollah Khomeini, revolutionary slogans, and other signs and symbols confirming that the office was indeed loyal to the insane mullahs that now control Iran. After questioning those present, and the taking of several photographs of the office and its decor, pandemonium broke loose.

“You can’t do that!” shouted an Iranian officer, who later identified himself as Capt. Mansour, an admiral. Amid the ensuing chaos and confusion, the office did admit that it was occupying U.S. government space. For a period of 15 minutes, the two reporters were physically detained, by force, by the Iranian military officers and aides. Their film was confiscated, and they were threatened. Soon afterward, two U.S. naval security personnel arrived—to assist the Iranians!

Immediately afterward, the NSIPS correspondents went to the ongoing press briefing by Jody Powell, President Carter’s spokesman, at the White House. “I was just held hostage by the Iranian military attaché,” the NSIPS correspondent told the press and Mr. Powell, laying out the preliminary results of the investigation. But Powell—like the State Department earlier—had no explanation for the presence of Capt. Setoudeh. Nor would either the White House or the State Department comment on why the Iranian diplomats had not left the country in the face of the order from the President that they be ousted.

At the State Department briefing, Hodding Carter III was equally uncommunicative, promising to answer the questions after checking in with Secretary of State Cyrus Vance. After the briefing, however, State’s Near East Affairs Public Information chief George Sherman

Who controls Iranian terrorism



sided up to NSIPS to say that he “might be able to help you a little more on that if you tell me why you are asking that question.”

Meanwhile, a dozen offices at the Pentagon refused all comment.

By the following day, reporters in Washington, including the White House correspondents for several major national networks and leading Washington dailies, were now looking into the story. That day, Dec. 21, NSIPS called Capt. Setoudeh from New York for a

telephone interview. He was asked his function.

“This is the office dealing with students in American universities,” he said, after some hesitation. “I deal with both military students and civilians, especially those in engineering courses.” According to Setoudeh, at each such university in the country where Iranian students are present—and he claimed over 40—“there is a military liaison officer.”

Repeatedly, Setoudeh denied being the defense attaché, although the embassy assured NSIPS that he is.

The terrorism connection

Setoudeh's admission that he coordinates student activities touched off another line of investigation. Quickly, NSIPS established that Setoudeh is a close and regular associate of Abolfazl Nahidian. Nahidian, who purports to be a Washington rug merchant with offices on Wisconsin Avenue, is in fact one of the top coordinators of SAVAMA, Khomeini's secret police, in the United States. In his business, Nahidian travels back and forth between Washington and Teheran, and he is an outspoken supporter of Ayatollah Khomeini.

Reportedly, Nahidian has been involved in laundering as much as \$2 million in the last month alone to finance student activities by Iranians, including violence and terrorism, in the United States. Nahidian is the real power behind the Iranian embassy in Washington, D.C., and several of his relatives and friends staff the embassy, including serving as the personal secretary to Ali Agha, the charge d'affaires.

Nahidian's son, Abdullah Nahidian, is the head of the Muslim Student Association in Washington, D.C. It is the MSA—whose Iranian branch, the MSA-PSG (Persian-Speaking Group) was founded in the United States by former Iranian Foreign Minister Ibrahim Yazdi—which conduits most of the terrorists who enter the United States to safehouses around the country.

Meanwhile, following the murder of Chafik in Paris, police in England, on the recommendation of French security officials, arrested a young Iranian for the murder. As it turned out, it is reported that the alleged assassin came to Paris from the United States. So far, it has not been established who his contacts were while in the United States. But, in the last several weeks there have been several reported (and other unreported) cases of arrests of Iranian terrorists here, including one case that received initial publicity in which eight Iranians were arrested in the Baltimore-Washington area with explosives and weapons; immediately, a national security clampdown was imposed on the case.

The extent to which U.S. official circles are implicated in the above-described events is not entirely clear. What is known is that Admiral Habib Elahi is reportedly still a leading personality in providing intelligence and information to the Khomeini regime, and that he was a sponsor of Capt. Setoudeh for years. Presently, the admiral is reportedly under the protection of U.S. military personnel at a U.S. naval installation in Norfolk, Virginia. According to Iranian sources, Habib Elahi was allowed to leave Iran—unlike other military commanders—when the Khomeini regime assumed power. He was also allowed to smuggle as much as \$3 million out of Iran with him.

Iranian sources report that Habib Elahi was critical in bringing Khomeini to power.

In addition, it is reported that several branches of U.S. military intelligence, especially Naval and Air Force intelligence, have been deeply involved in helping to consolidate the new Khomeini regime in Iran, including to build up its own intelligence and secret police capacity. To accomplish that, the Anglo-American intelligence services have made use of deep-penetration networks within the old SAVVAK organization in coordination with commanders like Admiral Habib Elahi. For instance, in the assassination of Mustafa Chafik, Generals Fardoust, Farouziyan, and Kaveh were named as responsible for planning the operation, and it was those three, among others, who collaborated with Khomeini and Admiral Habib Elahi and Gen. Huyser last year.

Ikhwan and the Muslim Students Organization

On the U.S. side, the critical organization to look at is the Muslim Students Association and its offspring. The MSA and its allies are directly front organizations for the Muslim Brotherhood. Although based in London and Geneva, the Brotherhood was early on unable to function there effectively because it was illegal and suppressed in every Arab state. After the 1950s, however, when the governments of the Muslim countries began sending thousands of students to the United States for higher education, the Muslim Brotherhood saw its opportunity.

The effectiveness of the Ikhwan-MSA apparatus is shown by the fact that the destabilization of Iran was run largely out of the United States and France by Ikhwan-MSA agents like Ibrahim Yazdi and Sadegh Ghotbzadeh.

The Indiana complex of the MSA and the Cultural Society, another front group, is the center of the U.S. arm of the Ikhwan. In Indianapolis, and in nearby Plainfield, an interlocked network includes: the Cultural Society, the MSA, the North American Islamic Trust, the Research Center, the Islamic Teaching Center, a network of Brotherhood-owned businesses including the Salam Agriculture Corporation in Missouri, a publishing company, and the mysterious Documentation Center.

The Documentation Center revolves around a \$2 million computer with a 100-telephone-line hookup. Although few people are willing to discuss the purpose of this center, ostensibly meant to catalogue Muslim history, it reportedly serves as an intelligence center for the worldwide Ikhwan.

Nearly all of the businesses and fronts that have been set up by the Brotherhood in the United States serve, in part, as conduits for enormous flows of cash. Last year, according to a source close to the MSA, the Association received \$8 million from the state of Qatar in the Persian Gulf!

V. The Brotherhood in Britain's great game

by Daniel Snieder

"Surely it is within the Central Asian regions of Russia and the Central Asian borders of Russia, that the real problems of the immediate future are going to develop."

—Chester Wilmot, 1952, *Soviet Empire*
by Sir Olaf Caroe

"About the middle of the 19th century the shadow of Russia in Central Asia began to fall across the vision of a Britain which had just succeeded to the Sikhs in the Panjab and was occupied in the consolidation of territories which became known as the North-West Frontier. From that date the external policy of the British government in India was directed mainly to the stabilization of Middle Eastern frontiers and to safeguarding the continued existence of Persia and Afghanistan against the forces of Russian expansionism. As a result of that policy the Russian advance was halted, where it still stands, on the Oxus (river) and along the fringe of the Turkmen mountains."

—Sir Olaf, Caroe, 1953 from
Soviet Empire



With these words the British architect of the CENTO military pact, Sir Olaf Caroe, began his book, a call for the "liberation" of the Soviet Central Asian republics entitled: *Soviet Empire: The Turks of Central Asia and Stalinism*. The strategy Caroe put forward is the strategy being pursued today in Iran and Afghanistan—which is fast bringing the world to the brink of thermo-nuclear war.

The British strategy, as expressed by Caroe more than 25 years ago, was to launch an Islamic revival, a wave of fundamentalist irrationalism that would sweep into the Muslim regions of Soviet Central Asia and bring about a breakup of the "Soviet Empire" from within.

The doctrine of the "Islamic Card" aimed at the southern flank of the Soviet Union is a later development in a two-centuries-old British geopolitical doctrine. The roots of this doctrine are known in the lexicon of the British Empire and of Rudyard Kipling as The Great Game.

Caroe himself was the Governor-General of the Northwest Frontier province of the British raj, an expert in the control and handling of the Pathan tribes of that region (and Afghanistan), and a "Pakistan hand." Caroe's strategic doctrine rests, like that of all British Orientalists, in a mystic version of the power of Islamic backwardness, which he counterposes as a virile force compared to the decadence of the Hindus.

Before he wrote *Soviet Empire*, Caroe earlier wrote a book in 1951, which states more broadly the postwar conception of the Great Game. *The Wells of Power: The Oil Fields of Southwest Asia* proposes that control over Persian Gulf oil is the key to Anglo-American strategy and that the South Asian subcontinent of Afghanistan, India, and Pakistan be looked at only from this aim. Caroe concludes that India will not be controllable by the Anglo-Americans, but that Pakistan, which guards the outer edge of the Persian Gulf, must be built up as an Anglo-American bastion.

From this view emerged CENTO, the Central Treaty Organization which linked Turkey, Iran, Pakistan, and

Great Britain, with the United States as an Observer. CENTO was aimed to the north, as NATO's arm on the southern borders of the Soviet Union. As the United States embarked on a Pakistan-centered policy, India developed closer relations with the Soviet Union. India also advanced its traditionally pro-Afghan policy, as Washington built a triangular alliance from the early 1960s onward with Pakistan and Peking.

The shift to an Islamic CENTO

The present Iran-Afghanistan situation is aimed at the transformation of Caroe's obsolete CENTO into a new Islamic version of the same. This is the significance of the elimination of the Shah of Iran, who had his own ideas about regional pacts, and the overthrow and legal assassination of Pakistani President Zulfikar Ali Bhutto. Bhutto was committed to a policy of economic cooperation with India, the Soviet Union, and others, as well as departure from CENTO and all such pacts.

Bhutto's overthrow in mid-1977 brought to power a military junta headed up by General Ziaul Haq, whose only distinguishing characteristic is that he is the nephew of the present head of the Muslim Brotherhood's South Asian and Pakistan affiliate, the Jamaat-e-Islami. Haq's declaration of an "Islamic Republic of Pakistan" is a military version of Iran, which has almost no popular base but is in power by virtue of its repressive powers.

President Daud of Afghanistan, who had come to power himself in a 1973 coup against the king, was in early 1978 moving to join General Zia in a renewed CENTO arrangement, including allying himself with Sadat's Egypt. In April of 1978 Daud was killed in a brief but bloody army coup led by young left-wing officers who had brought him to power in 1973, but were in fact loyal to the country's tiny but apparently well-organized pro-Soviet People's Democratic Party. This development undoubtedly threw a spanner into the Islamic works—it is interesting to note that the rise of activity against the Shah in Iran occurs after this time.

The roots of the Great Game

A reading of Caroe's *Soviet Empire* in light of Khomeini's Iran today gives a glimpse into the years of preparation of the "Islamic Revolution" by its British sponsors. Caroe "predicts" the Islamic revival. The bulk of this book is a description of the Soviet absorption and industrialization of the Central Asian republics—in the tone of a diatribe against Stalinism and the destruction of the "free peoples of the steppe." Caroe asks if these

The Islamic card against the Soviets

In mid-April 1979 in Teheran an interview was broadcast with the Ayatollah Kazem Shariatmadari, who was then the acknowledged No. 2 religious leader in Iran. The Soviet journalists who conducted the interview never reported this part of his interview:

We hope that you will pay more respect to the religion of your 45 million Muslims and believe in more freedom for them.

The Soviet government should not allow the Afghanistan regime to continue its harsh treatment of Muslims, including the clergymen and intellectuals. It would be best for the Soviet Union to allow Afghans to live peacefully and follow their Islamic religion.

peoples are really lost forever to the Soviet machine, whether Soviet modernization has succeeded in "forcing the nomadic population off the steppe to be merged with the static sedentary population of the cities."

Caroe's answer is that the spirit will win out over materialism. Like the followers of Mohammed, he says, "their Turkish successors may free themselves from the Russian proletarian chains, marching under a new banner." Caroe continues: "And in these days it may even come to pass that this will be decided on what is now known as the cold war front." Central Asian Islam, he states, will be "reanimated" by the "encounter with Communism" and will be "roused to a new height of spiritual reaction."

In the romantic language of a Lawrence of Arabia Caroe proclaims: "A new urban proletariat descended from the virile free-born pastoralists has been created, and the fresh mixture may supply the very element required to leaven the lump, the spark to set the whole fabric alight."

At this point Caroe draws his "prediction" to a close with a remarkable declaration of homage to the model for his revival—the antirationalist Islamic ideologue Al-Ghazali:

Such a spiritual renaissance might spring from within the body of the faith, as it has done before. One of the greatest and most original thinkers and

theologians that Islam has produced was Al-Ghazali.... In the throes of this conversion [to Islam] Al-Ghazali broke down both physically and mentally, and went into retreat.

When he emerged, he thought that a purely philosophical structure had no base.... Even ultimate truths could not be founded on intellectual certainty, but only proved by the direct knowledge with which God floods the heart of the believer.... Only a great emotional experience could break the fetters of tradition and give the force needed to turn the current of the age.... Many said that indirectly Al-Ghazali's thought had an influence on the West, and flowed through Thomas Aquinas to affect Pascal....

In this age of spiritual hunger, it may be that in the line of Al-Ghazali another inspired *mujaddid* (renewer) will arise, and point the way to all believers.... There is good reason of recent showing for the belief that the older inspirations of the Central Asian peoples have not yet failed; there are also grounds for supposing that the impact of the new has not been wholly destructive, but by a process of catalysis may even bring about some renewal of life.... It is for the free world to forecast the delivery and nurse it when it comes.

Read against the existence of Khomeini in Iran this can hardly be understood as mere insight on the part of Caroe.

The Afghanistan Lynchpin

The pinpoint control of the Great Game by the British Secret Intelligence Services needs only the further illustration, in brief, of the preview of the present situation in Afghanistan which occurred earlier in this century.

In 1919, the Afghan Amir (king), a paid puppet of the British, was assassinated and his younger brother took the throne. The new ruler, Amir Amanullah, was strongly anti-British and embued through advisers with ideas of reform and modernization of his backward country. Amanullah first went to war against Britain, raising the Pathan tribes in a revolt which, although short, resulted in a British concession of full independence to Afghanistan. Amanullah was one of the first recipients, along with Kemal Ataturk of Turkey, of the hand of friendship from Lenin and Soviet Russia. In 1921 Russia signed a friendship treaty with Afghanistan.

The British response to these developments had begun immediately after the Russian Revolution, with an

ill-fated attempt to set up independent Islamic republics out of Russian Central Asia in the midst of the chaos of the Russian Civil War. A British colonel attempted to run an armed force into Russia from Meshed in Iran, in support of the proclaimed Bukhara Republic. With the aid of Pan-Islamic Turkish renegade Enver Pasha, tribal chiefs and their followers attempted a resistance which failed, and the British were forced to give up that effort at breaking up Russia.

In Afghanistan the period of the 1920s was a Great Game for influence in the court of Amanullah, with the Soviets gradually gaining as the Amir sought to emulate Ataturk in introducing reforms of law, getting rid of backward Islamic practices (like the woman's *purdah*), and introducing a modern army. These measures were met with British intrigues in the form of bought-and-paid-for mullahs, who engaged in spreading slanders of Amir as un-Islamic. Phony photos of his wife, who had appeared once in Western dress, were circulated, showing her naked surrounded by Western men. The British operations were run out of the territory that Caroe ran, the Northwest Frontier, and included the purchase of Pathan tribes to oppose Amanullah.

In 1928-29 a "rebellion" was launched, first involving a bandit named Bacho Sacco, who had been released from a British prison in the Northwest province and sent back into Afghanistan to lead a gang of tribes against Amanullah. Meanwhile, Amanullah's relative and former chief of the Afghan Army, Nadir Shah, had slipped back from exile in France where the British Ambassador ran him, into India. After Amanullah had been unable to defeat the tribes, he abdicated, leaving a vacuum temporarily filled by the bandit Sacco. Nadir Shah shortly after entered Afghanistan with a force of Pathan tribesmen from the Indian side of the border and took the capital, proclaiming himself king.

The ruling family, Nadir and his son, Zadir Shah, ruled to 1973 when Zahir was overthrown by Daud, his brother-in-law who proclaimed a republic ending the monarchy in name but not in fact. The April 1978 Revolution ended it in fact. It is not surprising that the communist-led new regime immediately identified itself with Amanullah and his tradition, and proceeded to introduce similar reforms, only going much further than the king was ever able.

The tribal rebellion now against the Afghan regime comes from the bands in Pakistan, the same areas of the old Northwest Frontier province, and is led by the sons of the men and the mullahs who were in the pay of the British the last time around. The Game is the same, it has not changed from the British side in the least. The same, perhaps, cannot be said for the Russian side.

Afghanistan: Is it the new Sarajevo?

by Daniel Snieder

Some days after the coup in Kabul and the massive flow of Soviet troops into Afghanistan, a British journalist reported the following story from Teheran where the Soviet embassy was briefly stormed by Iranian and Afghani exile protestors. A Soviet embassy official was asked what they would do if *their* embassy was occupied in Iran. The official removed the wristwatch on his arm and placed it on the table. "It is now 3:00 o'clock," he said. "By 3:45, there would be no Iran."

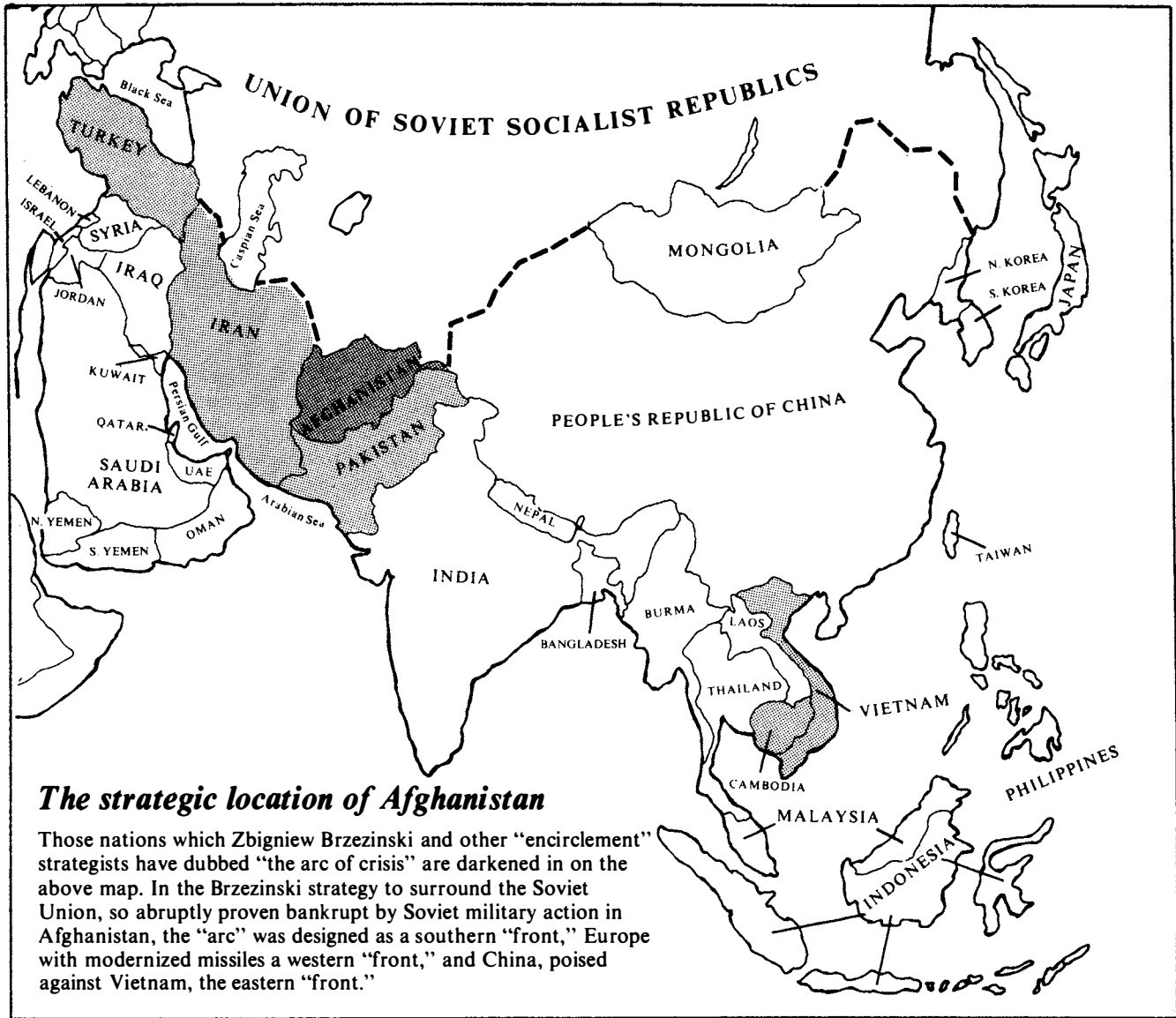
This perhaps neatly sums up the meaning of the Soviet move—that superpower is prepared to act when it feels its vital strategic interests and national security are threatened. The question of *why* the Soviet Union did what it did in Kabul remains, but it is not so mysterious a puzzle to solve as people have been led to believe in the past days.

It is not the events within Afghanistan which brought Soviet troops into action for the first time since 1945 outside the boundaries of the Warsaw Pact. Rather it was the conclusion drawn by the Soviet leadership, and in particular the Soviet military which is now evidently in command of the situation, that the United States administration, allied with that of London, has committed itself to a policy of ending detente in favor of an arms buildup, confrontation in Europe, and an alliance with the Peking regime in China. The Soviet move was carefully prepared and chosen to deliver an unmistakable signal to both NATO and China that a threat to perceived vital Soviet interests would be met, not with diplomatic protest, but with every weapon in the Soviet arsenal, including *total* thermonuclear war.

The defining characteristic of the present situation is not the Soviet move but the severe miscalculation—and in the case of National Security Adviser Zbigniew Brzezinski, madness—in the response coming from Washington. Brzezinski's stated intention to play the "Islamic card" against the Soviet Union, including a clearly signaled effort to effect an alliance with the Islamic kooks in Iran and Pakistan against their "new enemy," is merely one aspect of that miscalculation. More dangerous is the dispatch of Defense Secretary Harold Brown to China, a previously scheduled visit now described as taking place "in a new dimension."

The buildup of events in Europe

The most crucial development leading up to the present situation was the NATO December decision to place the new Pershing II tactical nuclear missiles in Western Europe, a decision brought about by the capitulation of West Germany and Italy to heavy pressure from Washington and Bonn. The Soviet Union had made it clear beforehand that such a decision would be viewed as bringing to an end further arms control talks. The Soviets rejected the formulation put forward by the pressured government of Chancellor Helmut Schmidt that the decision for production could still be followed by arms control talks, before actual deployment of the missiles took place. Soviet Foreign Minister Gromyko stated that the decision "destroyed the basis" for further negotiations, and a Soviet source is cited in the *New York*



Times this past week saying that after all, he "meant it."

That this is the Soviet view is even reported in the *New York Times* and *Washington Post* of Jan. 3, which both carry summaries of the view of a top Soviet source, obviously the same one. As the *Times* puts it: "The sources said the Kremlin had decided to move only after a review of what it regarded as setbacks to detente with Western Europe and the United States, meaning the decision by the Atlantic alliance to deploy more modern nuclear-armed American missiles in Western Europe and the likelihood the Senate would reject the arms treaty."

The *Washington Post* had earlier reported that Soviet Ambassador to the United States Dobrynin was recalled to Moscow about three weeks before the Afghan move. Just before he left he had a long meeting with State Secretary Cyrus Vance in which he asked detailed questions on the administration's policy, toward SALT, arms

budget, and similar issues. The *Post* concludes that this was the last phase of a Soviet policy review before the final decision was made.

The collapse of Soviet detente endeavors was keyed most of all to their entente with Paris and Bonn, based on the economic cooperation outlook expressed in the May 1978 Schmidt-Brezhnev accords and the 25-year economic cooperation pact the two leaders signed. The collapse of Bonn under Anglo-American pressure, in the context of U.S. intervention threats in Iran, creation of the so-called mobile strike force, and the Euromissiles decision dealt a death blow to the Soviet-Brezhnev strategy, forcing a shift from a basic war-avoidance posture to a war-fighting posture.

This can be easily confirmed in the pages of *Red Star*, the Red Army's daily, where article after article appears now talking of the "arms race" and the "end of detente."

Most pointed was the appearance of an article by Major-General Simonyon the day before the Soviet-backed coup in Kabul. Simonyon declared that the adoption of the limited nuclear war doctrine implied in the Euromissile decision was highly dangerous and was based on the illusion that any conflict in Europe could be contained below the level of full-scale warfare. Such a move he said would require Soviet response.

The degree of Red Army command is also illustrated in the Kabul move itself. General Igor Pavlovsky, the Soviet Deputy Minister of Defense and commander of the Soviet ground forces was present in Afghanistan from mid-August onward for two months. He is reportedly in command from a position in Soviet Central Asia of the present Soviet troop deployments. More momentous perhaps is the reported ongoing visit of the commander of the Soviet fleet, Admiral Gorshkov, to Vietnam, supposedly to attend the 35th anniversary celebrations of the Vietnamese army.

The Carter administration itself seems to regard the key point as Europe in sending Assistant Secretary of State Warren Christopher there for consultations. A first meeting was held in London, followed by a NATO council meeting in Brussels. While Christopher claimed assent by all in London—representatives from France, Britain, Germany, Italy and Canada—to a complete review of bilateral relations with Moscow, the reality was otherwise. The French foreign ministry immediately issued a disclaimer on the truth of that statement, and the latest reports from Bonn, where the initial reaction was somewhat in line with Washington, is that the German foreign ministry is unhappy with talk of U.S. military aid to Pakistan because of fears this “might broaden the conflict into a general East-West conflict.” This report, from the *Frankfurter Allgemeine Zeitung*, also cites those sources saying that SALT II must be ratified and muttering that the “public debate” about “sanctions against the U.S.S.R. was inappropriate.”

France and President Giscard d'Estaing have been far more direct in resisting the direction coming from Washington. Giscard went on French TV on New Year's Eve to declare that the question before the French people was one of “war or peace.” In a sober tone he declared that “the war danger is real,” while expressing hopes for cool-headedness among world leaders. Later that week Giscard reportedly told a diplomatic gathering in Paris that “detente is irreversible” and that new conceptions would now be necessary to strengthen detente. No mention was reported to have been made of Afghanistan.

Kabul, Pakistan and the Islamic card

Despite this dose of reality, the Carter Administration, joined by Great Britain's Margaret Thatcher, is rushing headlong into not only the China Card game but

also Brzezinski's Islamic card. The talk is now of a new NATO-axis in the Middle East, an Islamic pact which would include Egypt, Turkey, Saudi Arabia, Oman—and all linked to Israel in a new “Middle East Treaty Organization.” This scheme is linked with establishment of a permanent U.S. military base or bases in the area, with Egypt's Sadat seconding Israel in making that formal offer. Pakistan, of course, is seen as a crucial part of this military pact. The aim is a new Islamic Central Treaty Organization, which could include Iran, in the view of many in Washington, provided Khomeini would recognize that Moscow is a bigger threat than “U.S. imperialism.”

Such talk of an Islamic pact against the Soviet Union brings us back to the Afghan situation, which must be properly treated as a relative side affair. The speculation surrounding both the military move and the coup rests on an alleged fear from Moscow that the Islamic guerrillas based in Pakistan who had been battling the Kabul government were about to win, and that the dispatch of the Soviet troops and the removal of President Amin in favor of the more conciliatory Babrak Karmal was a response to this situation.

The evidence at hand does not bear this explanation out. One clear sign that Moscow is not worried about Islamic fundamentalism infecting its own Muslim population is the fact that much of the Soviet force is composed of soldiers from Soviet Tadjik and Uzbek populations, who can speak the Darsi dialect spoken by many Afghans from similar stock.

More important in the Soviet view is the organized effort being mounted from Pakistan (and Iran) by groups run by the Muslim Brotherhood and linked to British, U.S., Chinese, and Egyptian intelligence. The Pakistani government has been none too careful in concealing its role in upsetting Afghanistan—providing base camps, conduiting arms from China and elsewhere, giving training and allowing the Pathan tribes of the Northwest Frontier province to be freely used as the main forces of the guerrilla raids into Afghanistan. One could say this is Soviet propaganda, but that is simply not the case.

At this point an effort to reinforce the Pakistani regime flies in the face of that reality. With the likely victory of Indira Gandhi in the Indian elections, Pakistan ruled by a narrowly based Islamic fanatic-run military junta (which sat by while the U.S. embassy was burned in Islamabad) loses out to Bolivia in the political stability category. That leaves Peking, which is contemplating a new invasion of Vietnam, as the Carter administration's line of response. This, too, is hardly impressive. The problem for Brzezinski comes at this crucial juncture—the point at which his paranoid fantasies of breaking up the Soviet Union between the force of Khomeini and Mao Tse-tung followers meets the cold steel reality of the barrel of a T-72 tank.

The truth behind the Soviet Afghan coup

by Lyndon H. LaRouche, Jr.

This past week, the Soviet military command did what I have been warning they would do in the event of a new Peking threat to Vietnam. I warned that in case of an imminent Peking invasion of Southeast Asia, or threat of a great-power confrontation in the Middle East, the Soviet military command would choose to launch a massive Soviet military deployment into Afghanistan.

Although the past week's massive Soviet military deployment occurred in the context of a coup d'etat most probably conducted by the Soviet KGB, the military operation was not under the command of the KGB. It was the reaction which I have expected for months from the top levels of the Soviet military command. The two developments should be studied separately for purposes of formulating United States policy toward them.

All leading Western military and intelligence commands have copies of my earlier report on a probable Soviet military "Afghanistan scenario" in their possession. This should have been brought to President Carter's attention immediately once the predicted operation went into effect this past week. Apparently, that was not done. Instead, the Carter administration is acting on the basis of an incompetent estimate attributed to crazy Zbigniew Brzezinski.

President Carter's reaction to the past week's Afghanistan developments is about 180 degrees off-target. Carter's reaction was ignorant and dangerously incompetent.

The LaRouche Afghan-scenario analysis

My discovery of the "Afghan scenario" response of the Soviet military command developed as a by-product of a summary warning I circulated in relevant channels, in an effort to induce the Carter administration to halt U.S. operations in support of the overthrow of the Iran government of Prime Minister Shahpour Bakhtiar, operations in favor of the establishment of the Khomeini-led dictatorship.

In the course of outlining the chain-reactions a Khomeini coup d'etat would set into motion throughout the region, I included focus on the implications for Afghan-

istan. The securing of the Muslim Brotherhood's dictatorship over Iran meant a hardening of the Muslim Brotherhood's dictatorial control over Pakistan, and the launching of massive destabilization operations against Afghanistan involved use of Iranian and Pakistan bases for such operations. I underlined the point that Moscow would not tolerate such an operation against its southern flank. Either it would deploy Soviet military capabilities to deliver heavy penalties against Iran and Pakistan by way of Afghanistan, or it would defer such Soviet military involvement no longer than the continuing destabilization of Afghanistan brought that nation to the verge of collapse. This latter qualification I made in a later memorandum on the situation in that area.

All this has occurred as I have outlined during the spring and summer of 1979.

The present Soviet Afghanistan scenario I discovered this past summer, while examining the strategic situation on the Soviet southern flank in broader terms.

The most deadly feature of the present global strategic situation is Carter administration adoption of a lunatic thesis usually associated with the name of Henry A. Kissinger. This doctrine insists that an actual thermonuclear war can not occur, since both superpowers know the extent of the devastation such a war would mean. Therefore, the doctrine continues, Moscow will accept warfare at a lower-than-thermonuclear threshold, limited to one or two theaters of conflict, each theater's warfare confined to the boundaries of warfare defined by "flexible response" doctrines.

That is the Kissinger-associated doctrine denounced earlier this year by the late Lord Louis Mountbatten and others as an insane plunge into thermonuclear war by gross strategic miscalculation.

This past autumn, two leading Soviet spokesmen issued an extended interview to the West German press in which they identified such a Kissinger-like doctrine with a Carter administration secret resolution of Aug. 25, 1977. Close study of patterns of statements from relevant Soviet and Warsaw Pact sources during the same period showed that that reference to a Carter administration secret document of Aug. 25, 1977 was an official reflection of the policies of the Soviet command.

The Soviets are determined (A) to counteract each and every U.S./NATO development they view as consistent with the implications of such a Kissinger policy, and (B) to display an indisputable signal demonstrating their unwillingness to discount a total thermonuclear response to a decisive effort at exploiting what Kissinger et al. view as the advantageous potentialities of the Kissingerian doctrine of "only flexible response."

The hottest of the hot-spots, with respect to such a Soviet response is Southeast Asia. The following scenario shows why.

1. Peking launches its now-prepared invasion of Southeast Asia.

2. This invasion brings an assured military action by Soviet forces against China itself.

3. If the United States honors its secret agreements with Peking, World War III probably occurs right then and there.

Since Soviet military action against China is "locked in" in Moscow for such a case, the principal concern of the Soviet military command is to avoid war with the United States by giving a strategic signal which makes clear that Moscow will not act according to the Kissingerian doctrine. My views on this point coincide with the arguments of the late Lord Mountbatten, who correctly identified the "China option" as the most probable trigger for imminent eruption of general thermonuclear war by strategic miscalculation.

Examining the overall strategic situation in that light, it becomes clear that a Soviet military deployment into Afghanistan was the uniquely defined Soviet response to the imminence of a Peking invasion of Southeast Asia.

The reasons are summarily as follows:

1. Afghanistan is indisputably a matter of Soviet strategic interest, of no proper strategic interest to the United States or NATO. A U.S. adoption of Afghanistan as a sphere of U.S. or NATO interest would, in fact, be viewed by Moscow as tantamount to a U.S. commitment to thermonuclear war. Only a lunatic in Washington or Brussels would argue against this thesis.

2. Therefore, beyond making threatening diplomatic faces at Moscow in event of such a Soviet military operation in Afghanistan, only a lunatic administration in Washington would go beyond the mere making of faces.

3. Similarly, limited military penalties delivered in Iranian and Pakistani border areas by Afghanistan-based Soviet military forces would not be of strategic interest to the United States, provided these were thrust-and-withdrawal operations of a "hot pursuit" variety, limited to destruction of military concentrations and logistical support capabilities. While a U.S. administration would make faces and some unpleasant noises about such developments, private judgment would be that the Iranians and Pakistanis have brought such punishment upon themselves.

4. If the Soviet command wished to deliver a clear signal of rejection of the Kissingerian thesis to NATO and Washington, Soviet military action in Afghanistan would be escalated way beyond actual requirements of the Afghan operation itself. This would involve a show of Soviet deployment capabilities; however, the display of capabilities would be of secondary

significance. It is the show of strategic determination that would be crucial.

5. The uniqueness of this Soviet option is determined by the fact that Afghanistan is the only available place in the world in which the Soviet command could effect such a massive show of determination to such effect without risking some degree of direct actual confrontation with the interests of the U.S. and NATO.

This past week, that signal was delivered.

The Afghan coup

The past week's coup d'etat in Afghanistan is to be judged an almost coincidental feature of the military display as such.

The limited information my intelligence organization has so far developed concerning the coup d'etat itself is as follows.

Moscow finds detente 'at a standstill'

The Soviet military daily *Krasnaya Zvezda*, in a Dec. 30 commentary headlined "The Wind of History," declared that "detente has come to a standstill." Strategic commentator Col. M. Ponomarev wrote that the U.S. has shifted increasingly toward "politics from a position of strength," due to the deepening economic crisis in the capitalist world and the "breakdown" of American domination in the West. "This breakdown is final and irreversible," he said.

Ponomarev described NATO's Dec. 12 decision to begin production of new medium-range nuclear missiles for deployment in Western Europe as a reflection of this U.S. policy. He went on to warn that playing "hazardous games" with China will have unpleasant results for those who do so.

The Soviet colonel ridiculed NATO's claims that arms buildup and an offer for arms control negotiations can proceed in parallel. "The Atlanticist gentlemen have a very strange understanding of geometry. Back in the time of Euclid it was already known that parallel lines never come closer to one another and never cross. ...The NATO bloc has destroyed the basis for negotiations on medium-range missiles with its decision."

1. The official Soviet line on the coup d'etat centers around the allegation that the deposed, and now deceased former ruler, Amin, was "an American agent." I have no reliable information concerning that allegation itself.

2. Search of the pedigree of the newly installed ruler so far shows him to have a Philby family dossier as far back as searches have gone. This probable evaluation of the newly installed ruler coincides with the position of H. "Kim" Philby as a recently appointed general of the KGB.

Therefore, the coup d'etat itself is most probably an operation of the Soviet KGB, or an operation of the KGB in cooperation with the Soviet military-intelligence agency, the GRU.

However, the military operation itself is not a KGB operation. It is entirely an operation of the Soviet military command. According to best highly placed Western

intelligence sources consulted so far, the operation of the Soviet military command was ordered through the highest levels of the overall Soviet command, at a much higher level than either the KGB or the military itself.

The proper evaluation of this admittedly limited information focuses on the gross dissymmetry between the requirements of a KGB-directed coup d'etat and the extent of Soviet military forces deployed in the context of that coup d'etat. The implications of that dissymmetry are conclusive. The coup d'etat is merely an incidental correlative of the principal operation.

Iranian implications

It is an "open secret" in most best-informed Western European and other relevant circles that the Carter administration has established a secret agreement with Moscow for the present Iranian crisis. In part, this secret agreement involves exercise of old treaty agreements under which the Soviet Union occupies the northern portion of Iran and the United States takes control of the southern portion.

It is also generally held opinion that this Moscow-Washington secret agreement will go into operation at about the point combined U.S., British, and Australian task forces commence military operations against Iran.

For this reason, some experts speculate that Soviet deployment into Afghanistan is a preparation for Soviet occupation of the northern section of Iran—according to the secret Washington-Moscow agreement. The fact that the Soviet deployment coincides with President Carter's press for United Nations sanctions gives credibility to such speculations. It is true that a Soviet thrust into northern Iran would impel Iranian military forces toward Afghanistan, and that Soviet Afghan forces would therefore be preemplaced for greeting that deployment.

However, against this, there is the dissymmetry of the scale of the present Soviet Afghan deployment with the required operations for such a preparation. The imminent Soviet thrust into northern Iran is a secondary implication of the Afghan deployment, but just that.

This is no Soviet bluff. They mean exactly what they imply by this demonstrative deployment. Now is the time for the Carter administration to sit down hard on Ramsey Clark and his friends who have been manipulating this Iranian hostage situation from the beginning. It is time to cease tolerating the virtual treason of Brzezinski, Vance, and such Kennedy-machine types as Clark and his friends. There are penalties against the Muslim Brotherhood internationally which would bring this crisis back under control. It is time for Carter to drop his affection for that terrorist cult he foolishly terms "Islamic fundamentalism," and to deal with Clark and other virtual traitors who led us into this mess. Put out this fire now, before it runs completely out of anyone's control.

'Euro-strategic war' a miscalculation

Red Star carried the following statement by military commentator, Major-General Simonyan.

(NATO's decision on stationing missiles in Europe) qualitatively changes the strategic situation in Europe and destabilizes the situation in the whole world. It is fully natural that the Soviet Union and her allies could not remain indifferent to this fact and would be forced to take responsive measures. . . .

The calculations of the advocates of a "Euro-strategic war," that it would be possible to keep it within predetermined borders, are without any substance. An aggressor attacks because he wants to destroy the victim of his aggression or force him to his knees. Therefore he is ready to launch every means at his disposal. Under these conditions, the victim of the aggression will not sit idly by. He will defend himself and his allies and give a resolute rebuff to the aggressor. Realistically thinking circles in the West understand this. The magazine Stern warns: "Unlike military spots in Africa, Asia or the Middle East, a limited military conflict in Europe . . . would quickly and automatically be transformed into a world nuclear confrontation, especially if the arms of Western Europe were received from the U.S.A."

The world reacts to Soviet action

Carter: Brezhnev lies

President Jimmy Carter made the following statement to the Washington press corps immediately following the Soviet coup d'etat in Afghanistan.

Such gross interferences in the internal affairs of Afghanistan is in blatant violation of accepted international rules of behavior. This is the third occasion since World War II that the Soviet Union has moved militarily to assert control over one of its neighbors, and this is the first such venture into a Moslem country by the Soviet Union since the Soviet occupation of Iranian Azerbaijan in the 1940s....

Soviet efforts to justify this action on the basis of the United Nations Charter are a perversion of the United Nations. They should be rejected immediately by all its members. I have discussed this serious matter personally today with several other heads of government, all of whom agree that the Soviet action is a grave threat to peace. I will be sending the Deputy Secretary of State to Europe this weekend to meet with representatives of several other nations to discuss how the world community might respond to this unwarranted Soviet behavior.

Soviet military action beyond its own borders gives rise to the most fundamental questions pertaining to international stability, and such close and extensive consultation between ourselves and with our allies are urgently needed.

In answer to questions about the reply of Leonid Brezhnev to Mr. Carter's protest over Soviet action in Afghanistan, the President told ABC-TV interviewer Frank Reynolds the following:

He responded in what I consider to be an inadequate way. He claimed

that he had been invited by the Afghan Government to come in and protect Afghanistan from some outside third nation threat. This was obviously false because the person that he claimed invited him in, President Amin, was murdered or assassinated after the Soviets pulled their coup. He also claimed that they would remove their forces from Afghanistan as soon as the situation should be stabilized and the outside threat to Afghanistan was eliminated. So that was the tone of his message to me which as I say, was completely inadequate and completely misleading....

He is not telling the facts accurately....

My opinion of the Russians has changed most drastically in the last week than even the previous two and a half years... And I think its imperative... that the leaders of the world make it clear to the Soviets that they cannot have taken this action to violate world peace not only in that region but throughout the world without paying severe political consequences.

Soviet Union

Soviet President Leonid Brezhnev sent the following telegram to Babrak Karmal, the head of the new government in Afghanistan.

I warmly congratulate you upon your election to the post of General Secretary of the Central Committee of the People's Democratic Party of Afghanistan and to the highest state posts in the Democratic Republic of Afghanistan.

On behalf of the Soviet leadership and on my own behalf, I wish you great success in all your multifaceted activities, for the good of the friendly Afghan people. I am confident that, in the current circumstances, the Afghan people will be able to defend the gains of the April revolu-

tion and the sovereignty, independence and national dignity of the new Afghanistan.

The Vatican

In both his homily for New Year's Day and his speech before blessing a crowd in St. Peter's Square, Pope John Paul II noted that international tensions have dangerously worsened during recent days, "particularly on the Asian continent," and asked the faithful to pray for peace, to prevent the "terrible nightmare" which would result from an international nuclear conflict.

The Pope said he had received scientific information in a report detailing the extent of damage to life and civilization that would result from such a conflict. In an apparent reference to the recent NATO decision to modernize its nuclear arsenal, he said, "topics that have impressed European public opinion during the last weeks of the year that has just ended require us to think with concern about the future... We are thinking of the cities in the West and also in the East that... could be completely reduced to heaps of rubble."

The principal findings of the report mentioned by the Pope were that between 50 and 200 million people would die from the immediate or indirect effects of nuclear explosions if even 200 of the existing 50,000 nuclear bombs were detonated. Food resources would be drastically reduced due to radioactive contamination of farmland; dangerous genetic changes would occur in humans and in plant and animal life; and changes in the atmosphere would bring further, as yet unknown dangers.

France

In sharp contrast to his usually optimistic year-end messages to the nation, French President Giscard d'Estaing posed the question, "Will 1980 bring us peace or war?" While it can be assumed that good use is being made of the hot line between Paris and Moscow set up during Giscard's trip to the Soviet Union, there is no official public statement on Afghanistan.

The danger of war exists. We are

living in one of those periods when the balance of the world hangs on the ability of a few men to be cool-headed. I hope that the wisdom of leaders will prevail.

France is working for peace. It is doing so immediately through its firm and realistic diplomacy which has contributed to eliminating the threats of destabilization from the African continent; it is doing so for the future through initiatives such as the North-South dialogue in order to eliminate the causes of inequalities and tensions in the world.

The crisis? It does indeed threaten us.

We are going to feel a new shock, as a result of the oil price increases recently confirmed in Caracas... But France is not the same as it was in 1973... It is better armed to resist the shock. Of all the industrialized countries, ours is the one which has endowed itself with the most complete energy policy. Our nuclear plants... are progressively entering line. They have already permitted the creation of 100,000 jobs. In the ten years between 1975 and 1985 they will represent a capacity equivalent to 45 million tons of oil per year. This is a little as though the French had built with their own hands an oil field capable of producing annually more than half of what our British neighbors draw from the North Sea, and a field which will not run out...

Great Britain

In a 200-word note to President Brezhnev, the full contents of which were not disclosed, British Prime Minister Margaret Thatcher said she was "profoundly disturbed" by the Soviet Union's thrust into Afghanistan. Thatcher told Brezhnev that Britain was "frankly puzzled" by the assertion that the intervention had been at the invitation of the new Afghan government. She further criticized the Soviet Union for interfering into the internal affairs of its neighbor.

The Foreign Office issued a statement, Dec. 28: "The British Government condemns the Soviet action in Afghanistan. We believe the people in Afghanistan have a right to

choose their own government without outside interference."

Geoffrey Rippon, Tory backbencher, and Chairman of the Committee on Foreign Affairs, stated: "NATO powers must realize that their interests do not stop at an arbitrary line in the Atlantic." He urged an effective NATO presence in the region, adding that the Afghanistan events showed that Britain had withdrawn prematurely from the Gulf in the late 1960s.

Labour Member of Parliament Neville Sandelson stated: "Soviet expansionism is a major threat to Western survival. Britain must wake up to the dangers. Moscow simply exploits detente to its own advantage. We should resolve in the new year to halt hypocrisy and strengthen our own defenses."

West Germany

Chancellor Helmut Schmidt's official spokesman, Klaus Boelling, issued the following statement Dec. 28:

The Federal Government has noted the events in Afghanistan with great concern. It sees in the entry and engagement of foreign troops in Afghanistan an exceptionally serious situation, which raises basic questions of international relations. The Federal Government will examine these questions with its allies and friends and also will contact countries from the region whose vital interests are affected by the events. The consultations have begun.

The Ambassador of the Soviet Union in the Federal Republic of Germany, Mr. Semyonov, this morning handed over a note from his government to the Federal Republic of Germany in which the Soviet action is explained. On this occasion, the Ambassador was told that the note must be considered as exceedingly momentous and grave. The Soviet note will be carefully examined.

Two days later, West German Foreign Minister Hans Dietrich Genscher gave a more strongly-worded statement in an interview with the newspaper Welt am Sonntag.

The Federal Government and its allies have watched with great con-

cern the dangers for the independence of Afghanistan, which resulted from the coup in 1978 and the Soviet activities. The marching in and deployment of Soviet troops into this country create an extremely serious problem, raising questions not only of the international order, but also of the principle of the indivisibility of detente and trust-building. ... The recent imperialistic policy of interventionism and establishing of spheres of influence has no future. ... It is profoundly reactionary.

China

The Chinese government delivered the following note to the Soviet ambassador in Peking on the Soviet action in Afghanistan:

The Chinese government demands that the Soviet authorities immediately stop their aggression and intervention in Afghanistan and withdraw all their armed forces from that country.... Afghanistan is China's neighbor and therefore the Soviet armed invasion of that country poses a threat to China's security.

Iran

The Iranian government issued the following statement on Soviet action in Afghanistan:

We announce to the Soviet government that now that we are struggling against U.S. imperialism, the occupation of the neighboring country by the Soviet army is in fact weakening our struggle against the United States and is regarded as hostile action against the Iranian nation.

This Islamic government of Iran cannot agree with military intervention by any country in another country, especially military intervention by a superpower in a small country.

Because Afghanistan is a Muslim country and a neighbor of Iran, the military intervention of the government of the Soviet Union in the neighboring country of our coreligionists is considered a hostile measure, not only against the people of that country but against all the Muslims of the world.

International Intelligence

EUROPE

Giscard sidetracked by red tape?

A new parliamentary crisis threatens to erupt in France when the National Assembly is again convened on Jan. 7 to take up the government's proposed 1980 budget. An emergency session was called Dec. 27 after the Constitutional Council, France's highest level of jurisdiction, ruled that it was unconstitutional for the government to have the National Assembly consider the second section of its 1980 budget without having voted in favor of the first.

The crisis began after the Gaullist party ended its parliamentary ceasefire with President Giscard's government over a month ago, forcing Prime Minister Barre to rule by decree, declaring a vote of confidence each time a bill had to be passed. The first section of the budget was therefore passed by a parliamentary minority, with the Gaullist party abstaining, and the Socialist and Communist parties voting against.

The crisis threatens to undermine President Giscard's ability to function effectively on the urgent international policy issues before him, at a time when his effective action is indispensable for world peace.

Elkridge meet plots war strategy

A group of 30 military "experts" led by leading NATO critic Paul Nitze, former U.S. Secretary of the Navy, met in Elkridge, Maryland December 19-21 to plot a "long range" military strategy that would prepare the United States for a "two-to-three-front" war to replace current war deterrence strategy. The meeting, sponsored by the San Francisco-based Institute for Contemporary Studies, announced preparation for a book on "national security in the '80s," which the institute is scheduled to publish next

year. In the keynote speech, one of the book's co-authors, Adm. Elmo Zumwalt, Jr. (USN, ret.), claimed that in the new decade "the shift in military power toward the Soviet Union threatens to weaken our alliances with Western Europe and Japan."

Zumwalt and other co-authors of the book outlined a plan for matching increased U.S. defense spending—possibly exceeding \$1 trillion by 1990—with a strategy for a two to three front war capability in Europe, Asia, and the Indian Ocean. Zumwalt is being joined in his efforts by W. Scott Thompson of the Fletcher School of Law and Diplomacy, William Van Cleave of the University of Southern California, and Richard Burt of the *New York Times*.

Arguing for the new strategy, Leonard Sullivan, Jr. of the Systems Planning Corporation, stated that "considerations for actually fighting" the "war and a half" supported by current U.S. policy are "seriously incomplete" and "probably no longer appropriate or adequate."

ASIA

Brown prepares Chinese arms axis

In preparation for U.S. Defense Secretary Harold Brown's trip to China, scheduled for the second week of January, the Rand Corporation released a report on Dec. 27 commissioned by the department entitled "Asian Security in the 1980s." The report gives credence to widespread discussion that Brown's China visit will result in agreements for U.S. sale of military and military-related technology to the Chinese.

The report concludes that the threat to Asian security will come only from the Soviet Union, requiring a security alliance of the United States, Japan, Europe, and China. The report states that "should the Soviet Union continue its efforts to encircle China with political allies and military bases, countries such as Japan, the U.S., and the states of

Western Europe will come under great pressure to ally themselves with the People's Republic of China to counter Moscow's increasingly assertive foreign policy."

Rand further cites threats to the stability of the region from Korea and from "the impact of Islamic fundamentalism on such multi-ethnic states as Malaysia, Indonesia and the Philippines."

Mrs. Gandhi on verge of election victory

With the first day of Indian voting completed on Jan. 3 and the final polling to take place on Jan. 6, EIR correspondents in New Delhi report that former Prime Minister Indira Gandhi is the frontrunner to become India's next prime minister. No returns will be available until the voting is completed, but they report a heavy voter turnout in most areas (a good sign for Mrs. Gandhi) and predict that she will achieve a working majority to form the new government.

The impending victory of Mrs. Gandhi has already sent shock waves throughout the West, particularly in light of the Soviet moves in Afghanistan. India's response to the events in Afghanistan was extremely cautious on the official level with no hint of any condemnation of the Soviets.

On the campaign trail, Jagjivan Ram, leading the Janata party, which is mainly composed of the Jan Sangh party, called for Soviet withdrawal from Afghanistan. *The Organizer*, organ of the Jan Sangh, went one step further and called for abrogation of the Indo-Soviet Friendship Treaty.

Mrs. Gandhi, however, had a more relaxed view of the situation, telling voters that she was opposed to interference in the internal affairs of nations. However, she noted that "this has not been one-sided (in Afghanistan). Others have been doing so there as well." Asked by relentless Indian reporters just who she meant, Mrs. Gandhi lightly replied:

"All kinds of people. Who do you want me to name?" More concretely the former prime minister stated that she saw "nothing inappropriate in a country seeking military assistance from a friendly power to meet the threat posed by external interference in its internal affairs."

As a final note, Mrs. Gandhi was asked what would happen now with the "special relationship" bridges built by the Janata and Charan Singh governments to the United States. She replied: "Actually, these bridges were not of cement but of straw."

MIDDLE EAST

Waldheim supporting Khomeini in Teheran

United Nations Secretary General Kurt Waldheim announced before leaving Teheran today that he was "deeply moved" by the Iranian feeling against the former Shah and the United States, and he said that he would support the convening of a special UN task force to investigate the rule of the Shah.

Iranian sources report that Waldheim's visit is considered to be a total capitulation to the regime of the Ayatollah Khomeini.

According to the *New York Times*, in Teheran the Austrian UN secretary general told Foreign Minister Sadegh Ghotbzadeh that, after the invasion of Afghanistan by the U.S.S.R., Iran's greater enemy is Moscow and not Washington. Waldheim's position is considered highly unusual in light of his position as a neutral leader of the world body.

After a meeting with Waldheim, Ghotbzadeh announced that the issue of the American hostages held at the U.S. embassy "was not discussed at all," and he said that he was satisfied with his talks with Waldheim.

Meanwhile, from the UN it is report-

ed that the United States plans to convene a meeting of the UN Security Council to condemn the Soviet move into Afghanistan. Said one Western diplomat, "This is a chance to bring the ayatollah back to the West." Recently, there have been hints that Washington is seeking to establish normalized relations with Teheran to rally that country against the U.S.S.R. in the area, as part of a coalition of Muslim nations.

Turkish military hits Muslim fundamentalists

In an urgent letter addressed to Turkish President and National Security Council chief Fahri Koroturk Jan. 2, Turkey's armed forces commanders called upon the country's two main political parties to unite against "anarchists and separatists" who are "rehearsing for a general uprising." The letter, signed by Chief of the General Staff Kenan Evren, warned against "Communists, fascists, and Islamic fundamentalists, ... those who call for Islamic law" and appealed for unity to build the Turkish nation.

The letter follows months of near-anarchy in Turkey, with almost 2000 people killed in 1979 in terror attacks by extremist Islamic groups, Maoists, fascists of the National Action Party of Alparslan Turkes, and supporters of various breakaway ethnic groups. The social chaos has been greatly worsened by the austerity measures imposed on Turkey by the International Monetary Fund, and by the fact that the new government of Prime Minister Suleiman Demirel has brought into the military several officers from the Turkes party and from the Islamic-fundamentalist National Salvation Party of Necmettin Erbakan, a leading figure in the international Muslim Brotherhood.

According to one informed Turkish source, "The military has had enough of chaos. It will close down all the little provocative parties, starting with the Turkes and Erbakan parties, if they have to. Turkey has been plagued by 200 or more weird subversive organizations."

Briefly

● **LORD CARRINGTON**, British Foreign Secretary, plans to visit Saudi Arabia, Oman, several Arab Gulf states, and Pakistan later this month, it was announced in London. According to observers, Carrington will sound out the Saudis and others on the formation of a military alliance tied to NATO in the Persian Gulf.

● **MARSHAL TITO** of Yugoslavia, is reported ill and hospitalized. While the seriousness of his condition is not known, it is certain that his condition is being watched very closely in both Moscow and Washington.

● **ROBERT MUGABE**, leader of the Zimbabwe Rhodesian Patriotic Front, has announced that he plans to contest the British-run elections in late February separately, and not in alliance with Joshu Nkomo's wing of the Front. The move assures that Mugabe and Bishop Abel Muzorewa will be competing for the vote of the Shona, the largest tribal grouping. Mugabe's decision preempts any possibility of a Patriotic Front victory.

● **ITALIAN COMMUNISTS** made an initial criticism of the Soviet move into Afghanistan but took a new stance several days later. Writing on the front page of the party daily *L'Unita*, foreign policy desk head Ledda wrote that the move is a "logical" consequence of an American "encirclement policy" against the Soviet Union. The Soviets, he says, had been forced to this "dangerous preventive answer" by those who "dream or attempt to use the card of encirclement from west, east and south against the USSR," naming Brzezinski as one such dreamer. The journal most interestingly in the same issue gave praise to the prodemocratic stands of French President Giscard and West German Chancellor Schmidt.

The Aspen Institute's 'fix' of the 1980 U.S. election

by Kathy Burdman

Suppose the Ayatollah Khomeini were in process of rigging the 1980 presidential elections in the United States. Sounds ridiculous, impossible? In fact, the people who put Khomeini into power are in process of doing just that.

The Aspen Institute, founded in the 1920s by British Intelligence operative Robert Hutchins, trained most of the Khomeini government through its "Islam; Past, Present and Future" seminars. And Aspen, as part of its Governance Project for the 1980s, has set up the Aspen Institute-Twentieth Century Fund Task Force on the Presidential Debates of 1980. The Task Force intends to exert top-down control over all campaign news coverage.

Chaired by Aspen Washington chief Douglass Cater, former editor of the *London Observer*, the Task Force includes the heads of the national media such as Frank Stanton, former president of CBS, William Small, President of NBC News, and Richard Wald, Senior Vice-President of ABC News. Their intent, as stated in the Task Force's April 1979 report, "With the Nation Watching," is to see to it that the "public see and hear [only] the most significant candidates" in the presidential race. Who these candidates are, they will decide.

The extent of "the fix" being attempted is scandalous. Citizens for Lyndon LaRouche, the Democratic presidential candidate, reported this week that CBS News Executive-Producer Donald Hewitt, a close collaborator of Frank Stanton and of Aspen who has run CBS coverage of every presidential campaign since 1960, is planning a "60 Minutes" hatchet-job on the candidate, in

concert with a similar slander planned by ABC's 20-20.

More serious on a national level, Hewitt and CBS' Walter Cronkite, whose Evening News Hewitt has produced since 1960, are trying to black out the vital New Hampshire primary because of LaRouche's prominence there. Cronkite has announced CBS's major Campaign '80 coverage through the end of January, i.e., until the eve of the February New Hampshire primary, will be on the Iowa caucuses only. (See article, below.)

"Acceptable Governance"

As made clear by the excerpts from "Governance" by Aspen's President Joseph Slater printed below, Aspen believes "the role of communications" including the Task Force, will "determine the nature and success of institutions created to deal with the other problems listed on this agenda."

On the agenda, basically, is the "one-world" United Nations government that would do away with sovereign nation-states and technological development. What is now the Aspen circle in fact helped found the U.N., as a project of the Jesuits and the Cecil-family's factional associates in the British elite.

Slater notes that the basic conflict of the current world crisis—as in Khomeini's Iran—is between "Those seeking to turn back the clock and those betting on more and better technologies."

Aspen, also the founder of the environmentalist movement, comes down squarely on Khomeini's side, denouncing the evils of "charging ahead with scientific

discovery," and says that to "manage the unmanageable ... an emerging global system, ... international organization and transnational imperatives are increasingly important."

Princeton professor Richard Falk recently pointed out that only such international bodies as the UN World Court and Security Council could handle crises of the magnitude of Iran—which they today are indeed doing. Falk, the mentor of Iranian ex-Foreign Minister Bani-Sadr is also a member of the Aspen-founded Planetary Citizens for a U.N. world government, and participant in Aspen's seminar "Islam: Past, Present, and Future."

The Presidential task force: Corruption

As scandalous as the dirty tricks the Task Force is playing against the LaRouche campaign is the fact that several members and top consultants are partisan members of rival presidential campaigns, who have no business being in such an influential, preferential position with the national media in violation of the Federal Communications Commission (FCC) Section 315 "Equal Time" fairness mandate. Task Force member Herbert Schmertz, former Mobil Oil Public Affairs chief, is Director of Public Relations for the Edward Kennedy 1980 campaign; Task Force member Norman Lear, the Los Angeles TV producer, was the head of Democrats for Change, the national "draft Kennedy" organization. Task Force Chairman Douglass Cater himself, together with Task Force report-writer Lee Mitchell and advisor Newton Minow, are public organizers for the Kennedy campaign in the city of Chicago, from their prestigious law firm Siddley & Austin, specialists in election law. Minow was Chairman of the FCC from 1961-63.

On the other hand, Task Force member Douglas Bailey, President of the Bailey, Deardourff & Assoc. public relations firm, is the current Director of Media for Howard Baker's 1980 Republican Campaign and directed the entire Republican post-convention campaign in 1976, as he will in 1980.

Only significant candidates

The Task Force report "With the Nation Watching," written by Lee Mitchell, states the Task Force was formed to deal with "two major problems that call for constructive action ... First...television has become the primary campaign medium. Yet...the great promise of television as a means of informing—and involving—potential voters has not yet been fulfilled." That is, national television, controlled as it is from the top by "Aspen-sympy," must be the final opinion-maker which determines how the public will vote for president. "Second, federal law and regulations ... have restricted robust debate. The requirement of Section 315 of the Commu-

The task force members

Douglass Cater, Chairman; Aspen Senior Fellow; Director of Aspen Washington, D.C.; Office of Strategic Services 1942-45; public relations consultant to Secretary of the Army 1951-52; Special Assistant to President Johnson 1964-68; Senior Domestic Advisor, Hubert Humphrey presidential campaign 1968; Editor, *London Observer* 1972-79.

William Small, President, NBC News Sept. 1979 to present; Vice President, CBS Inc. 1972-79; Graduate of Hutchin's University of Chicago School of Journalism; News Director WLS radio, Chicago 1951-56; CBS Washington Bureau Chief 1962-72.

Lee M. Mitchell, Author, Task Force report; Attorney, Sidley and Austin, Chicago; chief protégé of Sidley's Newton Minow (see below).

Herbert Schmertz, Director of Public Relations, Edward Kennedy presidential Campaign, 1980; Senior Vice President and Director of Public Relations, Mobil Oil 1969-79; Deputy Director New York Citizens for (John) Kennedy, 1960; General Counsel, Fed. Mediation Service 1961-63; Director of Public Relations Robert Kennedy Presidential Campaign, 1968; Professor of Law, Georgetown University 1961-65.

Norman Lear, Los Angeles TV producer; Chairman, Democrats for Change 1979;

Douglas L. Bailey, President, Bailey, Deardourff & Associates; Director of Media, Howard Baker for President 1980; Director of Media, Gerald Ford for President 1976.

Consultants to the task force

Frank Stanton, President, CBS Inc. 1963-79; Trustee, Rand Corp, Rockefeller Foundation; member Council on Foreign Relations; Carnegie Institute.

Lester Crystal, Senior Executive Producer, NBC News Political Coverage.

Richard Wald, Senior Vice President, ABC News; Vice President, NBC News 1968-75; Assistant Editor, *Washington Post*, 1967.

Newton N. Minow, Sidley & Austin, Chicago. Chairman. Federal Communications Commission 1961-63; General Counsel Hutchins' *Encyclopedia Britannica*, 1963-65; Chairman, Rand Corp, 1965-75.

nications Act that *all* candidates for the presidency have 'equal time' ... has served to reduce the opportunity of the public to see and hear the most significant candidates." (Emphasis in original.) That is, candidates designated "insignificant" by Aspen should not be nationally televised, and therefore not be national candidates. Federal law be damned.

Citizens for LaRouche reported this week that *Des Moines Register* executive editor James Gannon, when a Democratic debate in Iowa was still scheduled, told them, "I am not going to put Mr. LaRouche on the debate, I do not recognize him as a significant candidate," even though the Iowa debate was to have been the only nationally-televised debate of the campaign and LaRouche has just become only the third candidate to receive Federal Matching Funds. Gannon cited the so-called "Aspen ruling" of the FCC, in which the Aspen Institute "in the public interest" in 1976 won from the FCC the right of the national networks to broadcast presidential debates *without* being subject to federal "equal time" provisions if the debate is being sponsored by some other organization—like Gannon's *Des Moines Register*.

Extent of the corruption

The Task Force's tainting of the presidential election process may extend well beyond the networks and disparate candidates' campaign committees. Both the Republican and Democratic National Committees were involved in the Task Force's 1973 report "Presidential Television," a book authored by Newton Minow, the Task Force's first report on the subject. Advisors to Minow on the project included Joseph Califano, then General Counsel to the Democratic National Committee, until recently Carter's Secretary of Health, Education, and Welfare, and now rumored to be joining the Kennedy Campaign. Also an advisor was Lyn Nofziger, then Deputy Chairman of the Republican National Committee and until recently, with the Reagan presidential campaign. The two national committees are still reported to be in touch with the Task Force.

Also influenced by the Task Force apparently is the prestigious League of Women Voters, whose Chairman and Vice-Chairman Ruth Hinerfeld and Elizabeth Dribben were consultants to the Task Force's "With the Nation Watching." Indeed, the League had been receiving funding for its presidential debates program from the Twentieth Century Fund and the Markle Foundation, the two main financial backers of the Aspen-Twentieth Century Fund Task Force, since they funded the League's 1976 Carter-Ford Debates. Task Force Chairman Aspen's Douglass Cater told EIR this week that he is directly in touch with the League through Ms. Hinerfeld, who he noted is not planning any nationally-tele-

vised presidential primary debates that would counter the Iowa-centric *Des Moines Register* affair. Now that the Democratic side of that debate plan has been cancelled—President Carter withdrew—what the League will be told to do by Cater is unclear.

Also involved with the Task Force is the FCC itself, the mandated "fairness" arbiter in the case. Henry Geller, then the General Counsel of the FCC, was on the 1973 advisory board to the Task Force when it produced Minow's "Presidential TV." Less directly but significant is the FCC interface with another Aspen "sister" task force, the Aspen Task Force on Communications Policy, which is also headed by Douglass Cater, and which elaborates Aspen's more general communications programs. Members of the Communications Task Force include Stanley Besen, the Co-Director for Network Study of the FCC; Henry Geller, the FCC General Counsel mentioned above who is now U.S. Assistant Secretary of Commerce for Communications; and Forrest Chisman, Leland Johnson, and William Lucas, all currently officials of the U.S. Department of Commerce National Telecommunications Information Administration.

New Hampshire's primary blacked out

The New Hampshire primary, traditionally the earliest significant presidential primary, scheduled for Feb. 26, 1980, has always been a leading national political event. As a result, the voters of the state have traditionally viewed it as their duty to go out, educate themselves in detail as to the programs and moral quality of the candidates, and vote. This primary, however, the Aspen Institute-Twentieth Century Task Force on the Presidential Debates is planning to deemphasize and virtually black out. They have the collaboration of the national networks CBS, ABC, and NBC.

It is the judgment of this publication that the only possible reason the Aspen Institute and collaborators could have for this unprecedented action is that their rabidly environmentalist directors abhor the campaign of Democratic presidential candidate Lyndon LaRouche, the nation's leading pronuclear, protechnology candidate, who has made the state the centerpiece of his national campaign.

The news that the New Hampshire primary is not important began to break in the *New York Times* in late September. Just after the LaRouche campaign gathered

steam, an op-ed by Aspen seminar-frequenter Tom Wicker stated that the New Hampshire primary is "insignificant and overated." On Dec. 2, the *Times'* Tom Reston added that "Both President Carter and Senator Kennedy have tagged Iowa as their first real test ... The Carter camp has already sought to discount the significance of New Hampshire."

Interviews by EIR (see issue Dec. 11) substantiated this line's general circulation. "New Hampshire is just important traditionally, but not this time," said a Carter spokesman. "Every delegate in every state is now of equal importance ... New Hampshire is no more important than any other state," said a Kennedy campaign spokesman.

The Aspen angle

Aspen collaborator Walter Cronkite, under the direction of former CBS president Frank Stanton, leader of the Aspen Task Force, announced to the press on Dec. 9 that his "Campaign '80" show will focus national news on the Iowa caucuses through the months of December and January almost until the eve of the New Hampshire primary. While quite important, the Iowa caucuses have never had the national significance of the New Hampshire primaries, a vote by the entire registered-voter population. By contrast, the Iowa affair involves more closely-circumscribed attendance at party caucuses. Cronkite gave as his rationale Ted Kennedy's earlier announcement that (since he had lost roundly in the fall Florida straw poll) Iowa would be the "first real test" with President Carter. Cronkite has begun five and ten minute, nightly Evening News Campaign '80 spots focusing entirely on Iowa.

This was to have led up to full CBS-ABC-NBC national coverage of the Des Moines Register presidential debates. Until President Carter dropped out, forcing the Democratic debate's cancellation, the Iowa debates were scheduled for Saturday, Jan. 5 for the Republicans and Monday Jan. 7 for the Democrats. Lyndon LaRouche, though admitted by debate sponsors to be a "bona fide" candidate, was pointedly excluded. Between the remaining Republican debate and the Iowa caucus vote itself on Jan. 21, Cronkite and the other networks have planned to carry expanded Iowa coverage, hour specials, and so on.

There are no nationally-televised Democratic debates scheduled during the presidential primary campaign. New Hampshire has been, and will continue to be, blacked out of national TV coverage. The state has gone completely unreported upon since Carter and Kennedy first visited there in early November, and neither candidate plans to set foot in the state until February at the earliest.

Not even the New Hampshire League of Women

Aspen's Slater on 'governance'

Following are excerpts from the February 1979 Aspen Occasional Paper "Governance," by Joseph E. Slater, President, Aspen Institute.

The issue of 'Governance' has become the overarching theme of the Aspen Institute...

... Failures of policymaking result not merely from the shortcomings of the policies or the policy-makers, but from the very *process* by which policy is made...

Conflicting responses to the world crisis of governance are leading to sharp confrontations between ... those seeking to turn back the clock, and those betting on more and better technologies ... The debate misses the essential point: the central condition for the shaping of alternative futures is neither material resources nor technical skills but redefined values ... Questions involving demands for a "new economic order," the creation of a new monetary system, ... and other world issues can only be considered intelligently in the context of ... the interdependent character and the inexorable links in the destinies of nation-states and an emerging global system.

An agenda for acceptable governance

We now face ... the need for clear statements of principles for the reorganization of governmental structure at national and international levels.

The redesign of planning and decision-making instrumentalities. Clearly national governments will need to be restructured. ... If international organization and transnational imperatives are increasingly important, what attitudinal and institutional changes will be necessary?

The strategy of science. Many contemporary problems are the result of charging ahead with scientific discovery and technological innovation without timely thinking about institutional requirements and human consequences. How can we surround these technological processes with ... administrative control—before beneficent potentials turn into malevolent realities?

Voters plans a nationally-televised presidential primary debate of any sort. Its national chairman, Ruth Hinerfeld, is in close contact with Aspen Task Force Chairman Douglass Cater.

“Iowa: New Hampshire of 1980”

Although the Iowa debate is defunct, it is an exemplary instance of the broader Aspen attempt to rig the elections. Des Moines Register editor James Gannon worked for the Aspen Task Force in 1976 on their sponsoring of the 1976 League of Women Voters Carter-Ford debates. He was then a *Wall Street Journal* reporter on the question panel. He was ecstatic about the shift. “More than 900 journalists have written for press credentials ... we’re deluged” with press coverage, he told *Editor and Publisher* December 15. “Most people have been delighted (here) because the state becomes a kind of New Hampshire of 1980,” he said before the cancellation. “To my knowledge its the first time a newspaper has sponsored a presidential debate during a pre-convention period.”

Gannon widened his new national spotlight in November when he refused (deliberately) to let California Governor Jerry Brown participate on the grounds that Brown “is not running an Iowa campaign.” Gannon, as has been mentioned elsewhere in this series of articles, then cited the Aspen ruling of the FCC, saying “FCC equal time laws don’t apply here. This is a legitimate news event we’re carrying. TV is not running it, I am.” After Brown went out and hurriedly bought an Iowa campaign set-up, Gannon, his Aspen ruling point made, allowed Brown into the debates.

But, as reported above, he refused LaRouche coverage.

During the same period, Citizens for LaRouche, the campaign committee, reported that CBS News Executive Producer Donald Hewitt, a close collaborator of Frank Stanton who has run not only Walter Cronkite’s Evening News but all of CBS’ presidential campaign coverage since 1960, is personally directing a team of “60 Minutes” reporters under Mike Wallace and Morley Safer to “get the real story” on “how LaRouche is financing his presidential campaign.” “60 Minutes” has already contacted the Federal Election Commission to see if they can hunt up any irregularities in LaRouche’s financing, and is planning to send a team to surveil his New Hampshire campaign.

Similarly, ABC’s “20-20” sent a team of TV reporters into the LaRouche headquarters earlier this month to try to prove the LaRouche campaign is committing other illegalities.



What is the Aspen Institute for Humanistic Studies?

But for the Official Secrets Act which makes it a criminal act to reveal information relating to British intelligence operations, the directors of the Aspen Institute for Humanistic Studies and its leading associates would all long ago have been incarcerated or deported from American shores as agents of a foreign power. From its inception in 1948, Aspen, based in Colorado, has been a high level arm of the British intelligence services for “epistemological warfare” directed especially against the United States and West Germany.

In the more recent period, the Aspen Institute’s operations have expanded to give it a key role in formulation and implementation of all essential policies of the British oligarchy and their European allies.

Among the major operations to be credited to Aspen are:

- **Watergate** The overthrow of the U.S. presidency, beginning with President Nixon and his administration, was planned at a secret, spring 1970 meeting in Aspen, Colorado under the institute’s program-director, Douglass Cater.
- **Islamic Revolution** The key members of the current Khomeini government of Iran, as well as other international leaders of the Muslim Brotherhood—the British intelligence front operating behind Khomeini—were trained for their current activities at “seminars” conducted at the Aspen Institute under the rubric: “Islam, Past, Present and Future.”
- **Environmentalism** Under Robert O. Anderson’s personal direction, the Aspen crowd created and funded the “Friends of the Earth,” a key international “environmentalist” organization, and in 1972, created the United Nations Conference on the Environment,



John J. McCloy receives the Aspen Institute's Statesman-Humanist Award from Robert O. Anderson, chairman of the Institute, left, and Joseph E. Slater, president, right.

whose \$35 million budget makes it the most precious asset of the worldwide campaign of the Club of Rome and other Jesuit-operated agencies to promote "zero growth" and genocide in the name of ecology.

Executive brainwashing

Aspen's key weapon is its conduct of "executive seminars," annually attended on a two-week basis by over 1,000 corporate, banking, scientific, political, intelligence and government leaders from around the world. One source familiar with pertinent procedures described the "seminars" as "nothing short of brainwashing"—endless meetings, on topics and questions carefully posed for "controlled environment" purposes, are coupled with "sensory deprivation," pressure and prodding by an Aspen "steering committee" that guides the proceedings on the basis of a thorough psychological profile of the participating individual or group.

The one idea threading its way through all seminars, discussion papers, and criticism, whatever their ostensible focus, is that science and technology have created the problems at issue: Progress is evil.

Exemplary is an Aspen "Occasional Paper" entitled "The Quality of Life in the year 2000," authored by Russell Peterson, Alexander Heard and Harlan Cleveland. The paper begins by posing the question: "What can be done about the worldwide collision between 'growth' and human values? . . ." and con-

cludes its foreword": "So, the search is still on for the successor to 'growth' . . ."

Among the Aspen Institute's leading associates, fellows and directors are:

Robert O. Anderson of Atlantic Richfield, owner of the London Observer, and Aspen's chairman.

J.E. Slater, President of Aspen and Chairman of its Program Council

Henry Kissinger, former Secretary of State, and an Aspen Senior Fellow and Special Advisor

Charles W. Yost, Coordinator of the institute's "East-West, Iran and China Activities" and a Special Advisor.

The board of directors includes:

Thornton F. Bradshaw, Atlantic Richfield's president under Anderson

Lord Bullock, Master of St. Catherine's College, England

S. Douglass Cater, Jr. president of the The Observer International (London)

Marion Countess Döenhoff, publisher of Die Zeit (West Germany)

Robert S. McNamara, president of the World Bank

Maurice Strong, president of Petro-Canada

Leonard Woodcock, U.S. Ambassador to China

Barbara Ward, Lady Jackson, Baroness of Lodsworth

Equal time for candidates questioned

Congressman VanDeerlin (D-Cal) introduced legislation Dec. 12 that would amend the Communications Act of 1934, repealing the requirement that public broadcasters provide equal time for all presidential candidates. VanDeerlin's legislation would apply to debates, interviews, documentaries on presidential or vice-presidential candidates that are not paid for by the candidates. "We are interested in opening things up for newsmen," declared an aide to the Congressman. However elimination of the equal time provision would seriously affect access to the media by lesser known candidates seeking these offices.

According to staff members of the communications subcommittee of the House Commerce Committee, which is handling the bill, several other congressmen have asked to co-sponsor the bill. A repeal of the equal time ruling was passed by the House in 1970 but President Nixon vetoed it.

Congressman VanDeerlin plans to hold one day of hearings on the measure at the end of January or the beginning of February and will then move rapidly to have the legislation voted out of committee and onto the floor. "We want action on this quickly so that it will affect this campaign," a Capitol Hill source

Conflict of interest charged in Linowitz appointment

The Senate confirmed the nomination of Sol Linowitz to be special representative to the Middle East, on Dec. 20, despite the protests of a

group of conservatives led by Senator Jesse Helms (R-NC). Helms and 12 other Republican conservatives charged that Linowitz stood in danger of gross conflict of interest because he intends to actively maintain his private law practice in the international firm of Coudert Brothers as well as his membership on the board of directors of the *Washington Star* and *Time* magazine.



Sol Linowitz

This unusual situation arises because President Carter in appointing Linowitz to be ambassador designated him as a "Special Government Employee," a position usually reserved for consultants which mandates that the employee serve only a hundred and thirty days out of the year, and which allows retention of private sector employment. Helms noted that while the previous Middle East ambassador Robert Strauss has also been a special government employee, he had resigned from his private practice during his tenure. Helms pointed

out that Linowitz's law firm engages in extensive international practice including in the Middle East and that the potential for conflict of interests is enormous. So too, Helms said, is his membership on the board of directors of the *Washington Star* and *Time-Life*. "If two of our major journals are crippled in reporting or commenting on a major news story of the year then American journalism will be dealt a severe blow... I think it should be self-evident that a major public figure cannot have a role, even a business role, in any of the major media." Despite Helms' protest, the vote was 80 to 13.

Federal "bailout" to gut Chrysler

With the terms of the debate set by Kennedy-man Paul Tsongas (D-Mass), the U.S. Congress Dec. 20 passed a federal "bailout" of the Chrysler Corporation. In order for Chrysler to receive \$1.5 billion in federal loans, the Congress mandated the establishment of a government board whose membership is to include Treasury Secretary Miller, Federal Reserve Board Chairman Volcker, and Comptroller of the Currency John Reinegan—the very people whose tight money policies helped precipitate the Chrysler crisis. The board will monitor Chrysler's compliance with other of the loan guarantees including Chrysler matching the federal loans with another \$1.5 billion, which is to be raised in the following way:

—Chrysler's United Auto Workers employees must contribute \$462 million in wage and benefit cuts over the next three years.

—Chrysler's white collar employees must contribute \$125 million in salary cuts.

—Chrysler Corporation will issue \$162.5 million in new diluted stock. The company workers, largely UAW, must buy this stock from their wages on top of the above wage cuts.

—As overseen by the government board, Chrysler must continue to sell off its most technologically advanced plants around the world in order to raise cash. It is being pressured to sell its biggest and best plant in Mexico.

—Chrysler will strip down its car production to "small is beautiful" compacts.

—Chrysler must also continue to implement expensive environmental controls on its cars.

If at any point the company and its auto workers don't meet the terms of the legislation, Treasury Secretary Miller can discontinue the loan guarantee.

The much publicized vote on the legislation came in the House on Dec. 18 when the final House version of the bill passed by a vote of 271 to 136. The key vote in the Senate came on the so-called Lugar amendment which passed by a vote of 69 to 28. In both votes opposition to the bailout came primarily from Republican and southern Democratic conservatives. However the voting became a *fait accompli* because in the terms of the choice offered, Senators and Congressmen could ultimately decide between this asset stripping and UAW looting legislation or no bailout at all. This situation was ensured primarily by the activities of Senator Kennedy's close associate, Sen. Paul Tsongas. Tsongas, with support from Republican Sen. Richard Lu-

gar (R-Ind) had drafted the essential outlines of the legislation in the Senate Banking Committee.

Once these parameters were set the only significant debate on the floor was whether Chrysler workers would give up \$400 million, \$500 million or \$600 million in wages. In addition to the irony of liberal Democrat Tsongas' attack on UAW workers, there was the eagerness of conservatives to join in the attack on "big business" in the name of free enterprise. Political observers wonder whether Tsongas' anti-union activities will affect his political mentor, Ted Kennedy's presidential bid.

Conference committee agrees on part of windfall tax

Shortly before the Congress recessed for its Christmas-New Years holiday Dec. 20 a conference committee was appointed to work out differences on the House-Senate versions of the controversial windfall profits tax on oil producers. The committee reached agreement on how much revenue would be raised by the tax prior to the recess. The House had passed a bill that would raise an estimated \$277 billion while the Senate legislation would raise approximately \$178 billion. The compromise figure agreed upon by the conference committee was \$227 billion, although they did not determine the specific taxes that would raise this amount.

The conference committee also agreed that the credits voted up by the Senate for energy conservation

measures for homes and businesses would not be applicable to 1979.

The committee's final task before adjournment was to maintain the repeal of the carry-over provision of the 1978 Tax Reform Act. This provision lengthens dramatically the base period on which capital gains taxes are paid and in effect increases the amount of taxes an individual pays.

The conference committee will reconvene on Jan. 17 to finish the details of the windfall profits tax bill.

Constitutional balancing act?

By a vote of 5 to 2 a Senate Judiciary subcommittee on the Constitution Dec. 19 voted up a constitutional amendment that would require a federally balanced budget. This is the first time that such a proposal has been endorsed by any Congressional subcommittee. The amendment was drafted by Senator Orrin Hatch (R-Utah) and formally introduced Dec. 14 by Senator DeConcini (R-Ariz). The amendment would only allow deficit spending by a three-fifths vote in both houses of Congress, or by a majority vote in times of war.

The Subcommittee chairman, Birch Bayh (D-Ind.) opposes a constitutional amendment but is pushing for much quicker legislative action to force through the balanced budget concept. The Constitutional amendment must be approved by two-thirds of both Houses of Congress and 38 states before it becomes law.

The measure now goes to the full Judiciary Committee headed up by Senator Kennedy (D-Mass).

National News

Warnke: no shift in Soviet policy

Paul Warnke, former director of the Arms Control and Disarmament Agency and chief SALT negotiator, said last week that he thought the current crisis in Afghanistan is not as serious as some people in Washington are painting it. "At this stage we are not that close to a confrontation," Warnke told a reporter.

"Our vital interests are not threatened. A switch from a mildly pro-Soviet to a strongly Soviet-controlled regime isn't really that much to take. The risk is that the Soviets may decide to menace a pro-Western government in Pakistan or to dominate Iran or an effort to control the oil lines, but this hasn't really happened."

Warnke said that he did not feel that the massive Soviet military move into Afghanistan in any way marked a shift in Soviet policy: "Afghanistan was a target of opportunity. I am opposed to what they have done just as I was opposed to the U.S. intervention into the Dominican Republic in the early 1960s. I don't think that superpowers ought to intervene like that. But nonetheless, I don't think that it is so different in kind to demonstrate a shift in policy of major nature."

Warnke said he thought that the administration was "doing just right" in its handling of the crisis and criticized some NATO allies for failing to be "resolute behind the U.S.," but he thought that the alliance was "now beginning to pull together in a time of crisis."

Brock wants end to "national unity"

The "national unity" organized around the Iranian crisis officially crumbled Jan. 2 when GOP chairman William Brock called upon the Republican presidential contenders to take the gloves off their criticism of Carter's foreign policy. Brock characterized the administration

policy as one of "verbal protests to the offending countries and too mild supplication before the United Nations." He then declared that Soviet intervention in Afghanistan makes ratification of SALT "unthinkable."

According to Brock's office, his statement was prepared in consultation with Fred Ikle, the author of a recent op-ed in the *Washington Post* calling for the United States to face down the Soviet Union.

Following the announcement by Trilateral Commission member Brock, Senator John Warner, a supporter of George Bush, called upon Carter to end the SALT ratification process. Informed sources among GOP advisers now report that the leading Republican candidates will soon begin an offensive against Carter on foreign policy designed to force Carter into miscalculations and to build the prospect for a Bush-Haig candidacy.

Chicago faces school shutdown

Chicago is facing a walkout Jan. 4 of its 25,000 teachers because the Board of Education has failed to meet its payroll. The Board is running somewhere between a \$300-700 million deficit in its \$1.4 billion budget. Since the bond rating services downgraded its debt from BB to C in November, it has been unable to raise additional short-term cash in the markets.

The most important contributing factor to the crisis is that the city of Chicago has not contributed its share to the board's budget this year because of similar cash problems. When the rating services reduced the city's paper from AA to A last summer, Chicago similarly was restricted in its borrowing capacity. That budget crunch was the major trigger for the transit strike last month, and it is feared that sanitationmen might walk out in the near future.

An attempt to put together a temporary financing package with the state has resulted in an impasse. Mayor Jane

Byrne and State Treasurer Jerome Cosentino proposed that the state buy \$100 million in state aid anticipation notes, while Governor Thompson insisted that the state purchase only \$25 million and the city and banks \$12.5 million each. But the school system needs \$200 million just to get through January.

Cosentino has filed suit against the governor for "infringement upon the Treasurer's investment powers."

The dual school and city financial crises are generating calls for a New York City type of "big MAC" emergency control board to monitor Chicago's budget and enforce austerity measures. There is, understandably, considerable resistance to this proposal, especially in view of the continued deterioration in New York City since the establishment of such a board. On Jan. 6, Rep. Larry Bullock will submit a resolution to the legislature calling for a state investigation of the budget crisis, stipulating that the state provide emergency funds in the interim.

Aspen hails end to progress

Writing in the *Christian Science Monitor* Dec. 27, Aspen Institute Director Harlan Cleveland hailed the results of the 1970s. In the 1970s, Cleveland writes, "we" succeeded in curbing "the mindless march of modern technology." "The old ethic" of "rapid material growth powered by technological innovation, supported by exuberant optimism" has finally been abandoned, he cheered. "A new kind of thinking about 'growth' is now in evidence—a historic change of emphasis"—... Every time the pollsters take our national pulse, they discover a deeper alienation from the idea that more and more is better and better."

Cleveland went on to predict that the 1980s will culminate in the "dawn of planetary politics" that began in the 1970s, the end of the sovereignty of the nation-state. "The recognition of global

risks and the presence of global technologies creates a new kind of politics to which the adjectives international, the traditional fear of 'losing' sovereignty, and win-lose scenarios simply don't apply."

LaRouche challenges GOP and Carter

In statements over the past week, Lyndon LaRouche, the Democratic presidential contender, has challenged both President Carter and all Republican candidates for the presidency to face the real causes and adopt stipulated measures to return American foreign policy to a "condition of sanity."

LaRouche stated that the Soviet coup in Afghanistan, and the related Iran crisis, have resulted from the Carter administration policy of "controlled disintegration" of Western industry—leading the Soviets to believe that "capitalism is undergoing a final break-down crisis"—coupled with a highly provocative "China Card" and "Islamic Card" policy of strategic encirclement of the U.S.S.R.

Both features of the Carter posture are dangerously incompetent, he said. LaRouche hastened to add, however, that while "controlled disintegration" and the "China Card" are immediately associated with the administration's Paul Volcker and Zbigniew Brzezinski, respectively, all Republican candidates endorse—in some cases, in a more extreme form—those very Carter policies precipitating the current strategic crisis for which they now presume to criticize him.

"I am challenging these Republican spokesmen to debate on this subject in New Hampshire, in Illinois, and all other states where I am campaigning," LaRouche declared. Unless the GOP candidates publicly acknowledge the crux of the current strategic crisis to be the destruction of the dollar as the principal world reserve currency, their charges that "Carter lost Iran" and the like are complete fraud.

The dollar's problems, LaRouche pointed out, have been extreme under Carter policy, but actually began when GOP candidate John Connally acted as Treasury Secretary to take the dollar off the gold standard in 1971.

The candidate is preparing a statement for the Democratic National Committee and state and county Democratic Party chairmen, calling for their recognition that he is the party's best spokesman to defend the Democrats against election-year GOP hypocrisy on strategic issues.

New Hansen trip provokes congressional ire

Congressman George Hansen (R-Id.) flew to Iran last week and immediately provoked a storm of outrage from congressional friends of U.S. Secretary of State Cyrus Vance. Hansen, who last month called for an investigation of the role of the oil companies and New York banking interests in creating the current Iran crisis, was on a personal fact-finding mission.

Rep. Peter Peyser (R-N.Y.) became incensed. Hansen, he told a reporter, was a "national security problem" because of his attacks on administration policy and his "meddling in foreign policy matters." Peyser reported that he called both Attorney General Benjamin Civiletti and the State Department in an effort to have the trip aborted. "Hansen should have his passport lifted," said Peyser, who claimed to have a large number of "friends" over at the State Department.

Several informed observers say that some of Peyser's friends at State called him to get him moving on Hansen; Peyser was pessimistic about the possibility of stopping Hansen's current trip. He will focus on "preventing future problems" and will consider major amendments to the Logan Act, which bars private citizens from interfering with the State Department's conduct of foreign policy. No action was expected until next month.

Briefly

● **REP. JOHN BINGHAM** (D-NY) and **Clement Zablock** (D-Wis) will introduce a measure to extend military aid to Pakistan when Congress reconvenes on Jan. 22. The move follows Soviet intervention in Afghanistan, Pakistan's northern neighbor. Observers point out, however, that India, now holding elections reportedly returning Indira Gandhi to power, may also be a target of the measure.

● **JOSEPH HENDRIE**, Nuclear Regulatory Commission chairman, announced this week that 38 nuclear power plants have not complied with new safety requirements proposed in the agency's report on last year's Three Mile Island "accident." He said that the facilities in question will have one month to comply or face shutdown, which could cause "black-outs" this winter in many parts of the country.

● **IOWA DEMOCRATS** have grown so critical of Jimmy Carter's campaign methods it could cost him the caucus vote there. Carter, spending evenings soliciting support by phone, withdrew from a scheduled public debate there. "I'm disappointed," said a state committeeman. "He can find hours to spend campaigning by telephone, but has no time to come talk about the issues."

● **EDWARD LUTTWAK**, member of the Center for Strategic and International Studies at Georgetown University, says that the United States should arm Afghan rebels with anti-tank weapons and anti-aircraft missiles, since Afghanistan's terrain is different from Vietnam's. Observers were quick to note that the CSIS is also the home think tank of Henry A. Kissinger.

Trade Review

		Abbreviations:	Status:	
		U = Undetermined	I = signed, work in progress	IV = in negotiation
		NAp = Not applicable	II = signed, contracts issued	V = preliminary talks
		NAv = Not available	III = deal signed	
Cost	Principals	Project/Nature of Deal	Financing	Status
	Angola State Oil Co.—SONANGOL/Elf-Acquitaine	4000 square mile offshore exploration concession for petroleum. Initial production—Sonangol 15£/Elf & partners 85£. Ultimately (when costs recovered) Elf 5£ Sonangol 95£	50£ Elf 50£ unnamed partners	Concession granted II
\$100 mn	Citicorp Int'l (agent) Sokoto-rima River Basin Development Authority (Nigeria)	River Basin Development \$100 mn credit over 8 years (repayment)	Banco de la Provincia de Buenos Aires and others	Signed II
	France-Saudi Arabia	Renewal of 3 year contract for annual supply by Petromin to joint consortium made up of Compagnie Francaise des Petroles and Elf Acquitaine of 12 million tons of oil per year at \$24 barrel		I
380 mn DM	Brazil From BRD	Bayer announced it was re-studying all investments planned for Brazil 1980-84 in light of Brazil's new deindustrialization policies	NA	doubtful
	Mexico and Brazil	Mexican Foreign Minister Jorge Castañeda visited Brazil Nov. 14 seeking joint ventures to transform Brazilian ores into steel and aluminum in Mexico; stressed oil for technology concept; Mexico will supply Brazil with 20,000 bpd oil in 1980.	primarily Mexican	III

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