

National News

Army chiefs accuse defense secretary

U.S. Army Secretary Alexander and Chief-of-Staff General Meyer have issued an eight-page document to Defense Secretary Harold Brown accusing Brown's staff of making such drastic cuts and changes in planned Army programs that the U.S. Army would lack the modernization and combat-readiness to sustain itself in any protracted conflict. Brown's staff proposals for the 1982 budget, according to the document, would result in "the wrong Army prepared for the wrong war in the wrong decade."

In their highly unusual statement, the Army chiefs warn that the budget proposal, to be reviewed by the President by Sept. 15, cuts the budget \$1.4 billion below the level Brown himself proposed this February. They cite such decisions as the scrapping of a new nuclear warhead for the Pershing II missile, the slowdown of the Patriot air defense system, and a 40 percent cutback in purchases of Blackhawk utility helicopters as evidence that Brown refuses to modernize the U.S. Army.

The document warns against proposed reductions in war reserve stock levels from 30 days to 15, and in support backup forces for each Army division in Europe by 4,000 men. Threats to reduce lightly equipped battalions suitable for Rapid Deployment Force action are also protested.

California official points to Israeli mafia

For the first time, a section on the Israeli mafia's activities in Los Angeles is included in the California state attorney general's annual report to the state legislature. The report's release by Attorney General George Deukmejian has received front-page coverage throughout

California, and follows an expose of Israeli crime figures' activity in the area by *EIR's* biweekly *Investigative Leads* service.

The report documents the existence of a network run by Joseph Zacharia, an Egyptian-born Israeli, in Los Angeles. The network has, according to the report, run bankruptcy fraud, arson, extortion, and murder operations. Sixty firms in the Los Angeles area are complicit in laundering funds for narcotics smuggling from Colombia, Brazil, the Bahamas, and Mexico. Zacharia currently faces charges for the murder of a couple believed to be his rivals within an Israeli cocaine ring.

According to Los Angeles sources, Zacharia and his networks have been under investigation by local police and state authorities for the past five years, but pressure from the Israeli consulate, local Zionist organizations, and the *Los Angeles Times* had hushed up the evidence. The Attorney General's report and recent *Los Angeles Times* publicity at this point is regarded by *IL* as a possible attempt to confine the investigation to Zacharia without implicating his controllers in Israeli intelligence.

Crane, McDonald oppose fusion energy bill

Prominent among the handful of congressmen who voted against Mike McCormack's fusion energy bill this week were leading conservative spokesmen Larry McDonald and Phil Crane. The conservative opposition took a number of observers by surprise since both Crane and McDonald had made names for themselves by deploring the decline of U.S. military capabilities vis-à-vis the Soviets, and it is well known that the broad scale Soviet R&D effort in controlled fusion is hastening the development of charged particle beam weaponry.

A Crane spokesman said that the Congressman had opposed the bill "because there is no provision in the Constitution for government-supported scientific research." McDonald's spokesman

echoed Crane's argument about the unconstitutionality of scientific research "except for defense purposes." "In any case," he said, "the research could be handled much better if it was left to private enterprise." Asked if he thought the U.S. would have gotten a man on the moon in 10 years if there had been no government program, McDonald's aide replied, "We would have, if there had been a demand. In any case, if it hadn't been for government regulations holding down the price of oil, we would have been able to develop a lot more oil and stretch it out a lot longer, and then we wouldn't be in such a rush to develop fusion power at such a catastrophic rate."

Carter implicated in energy scandal

Washington sources have told *EIR* that the Carter White House is involved in a violation of law involving the forced retirement of energy official Lincoln Moses. Moses, according to our sources, completed a study of three energy scenarios to the year 2000. Scenario I projected the economy under conditions of the Carter no-growth energy policy and its related creation of the controversial Department of Energy. Scenario II projected the energy economy presuming the DOE and Carter programs had not been implemented. Finally, Scenario III, dubbed the "Reagan Scenario," projected the impact of a policy of full-tilt energy development.

When the first study was completed, it revealed that Scenario III was overwhelmingly the most desirable for the economy. The White House was reportedly furious and ordered the third scenario destroyed. Moses, head of the Energy Information Administration, left to return to Stanford University.

However, a specific Congressional mandate had created an independent energy information agency in the first place to serve a non-partisan role, "in but not of" the DOE. The mandate was impelled by an earlier scandal, the so-called

Mopps Affair. In 1977, then-energy secretary Schlesinger suppressed two studies which were embarrassing to his "no-energy" prognoses. The studies showed that the U.S. has abundant natural gas resources for centuries. To prevent such political use of the agency, Congress forbade any study undertaken by EIA to be suppressed. Carter's White House has apparently violated this stricture. This could be a rewarding subject of Congressional inquiry.

Printing all the news that fits. . .

Jack Anderson's five-part column series of Aug. 17-21 charging that President Carter plans to boost his poll ratings with an October invasion of Iran "to bring back the American hostages" was published by almost all the 970 newspapers which carry his United Feature Syndicate column. The exceptions were the New York *Daily News*, Long Island *Newsday*, and the *Washington Post*—the only papers in the New York and Washington areas that carry the column. The blackout in the two metropolitan regions was coordinated by the *Washington Post*, which claimed it could not "verify the information." *Newsday* editorial page editor Sylvan Fox admitted to *EIR* that Secretary of State Muskie himself had verified the existence of such plans in a meeting with *Newsday* editors just prior to the appearance of the Anderson columns. Tony Marro, *Newsday's* Washington editor, claimed: "A lot of people have heard of plans [for an invasion of Iran] . . . my problem [with the Anderson columns] was not whether there is a plan, but the fact that he said it is impracticable, dangerous, and politically motivated. . . ."

Washington Post national desk editor Brian Barger also admitted that the plan exists and that Anderson "had actually seen a document," but objected to the "main theme of the columns—that it was planned for political purposes."

As Anderson's researcher Dale Van Atta commented to *EIR*, "If the same

proof had been required for the *Washington Post's* Watergate story, no paper would have run it. United Feature Syndicate editor David Hendin reports a heavy positive response to the columns and says "further columns on the invasion plans will soon appear with more information and documentation than is now forthcoming."

Democratic advisory committee formed

The formation of a National Democratic Policy Committee was announced in New York Aug. 28 in a press release issued by Warren Hamerman, who will serve as the committee's chairman. Former candidate for the Democratic presidential nomination Lyndon H. LaRouche, Jr. will join the committee and chair its advisory group of scientific, agricultural and industrial leaders.

The committee's objective is to save the seats of as many important pro-growth Democratic elected officials as possible in the national November elections. The committee will select "worst-case Republican congressional and state office candidates to be defeated," according to Hamerman, "particularly those Republican candidates most committed to Henry Kissinger's foreign policies and Milton Friedman's depression policies."

The new National Democratic Policy Committee will also provide intelligence and policy analysis to Democratic campaigns across the country. Advisory committee chairman LaRouche is an internationally known economist whose 1975 International Development Bank proposal became the guiding conception for the European Monetary System established in 1978 by France and West Germany.

The committee will soon apply for national and local television time, announced executive secretary Kenneth Dalto, for advertisements in support of candidates and policy orientation.

Briefly

● **CARTER/MONDALE** campaign officials reportedly became quite upset when GOP nominee Ronald Reagan began attacking President Carter as being directly responsible for the depression. Privately, they conceded that it is Reagan's most effective tactic. "I hope we can sidetrack him onto something else," said a top White House aide.

● **FOREIGN AND DEFENSE** policy advisers to Ronald Reagan have decided that there is every reason to believe that Jimmy Carter may launch some kind of military adventure in October in a bid to secure the White House. Defense adviser Bill Van Cleave and others were responsible for inserting such a warning in Reagan's recent speech to the American Legion.

● **HENRY KISSINGER** said in a briefing last week for top-level executives of the New York investment bank, Goldman Sachs, that if elected, President Ronald Reagan would mount a full-scale military invasion of Iran within two months of taking office. Kissinger told his audience that "Carter should have invaded Iran no later than two weeks after the hostages were seized." Kissinger also argued that the Soviet Union would prefer to see a conservative President rather than Carter because the Soviets prefer dealing with "hard realists" rather than an administration that is "psychoanalytically oriented."

● **B'NAI B'RITH'S** Anti-Defamation League will give its annual First Amendment Award to Hugh Hefner, chairman and chief executive officer of Playboy Enterprises, Inc. According to the *B'nai B'rith Messenger* weekly, Hefner is getting this award "in recognition of his efforts to preserve the philosophy embedded in the First Amendment of the absolute right to freedom of speech and press."