

EIR

Executive Intelligence Review

November 27, 1984 • Vol. 11 No. 46

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Behind Mexico's billion-dollar drug busts
Oligarchs go 'ape' against strategic defense

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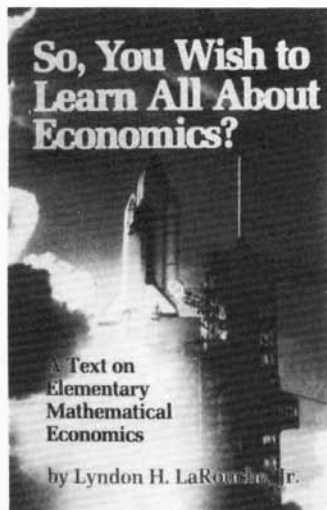
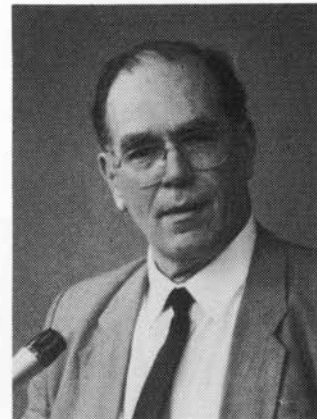


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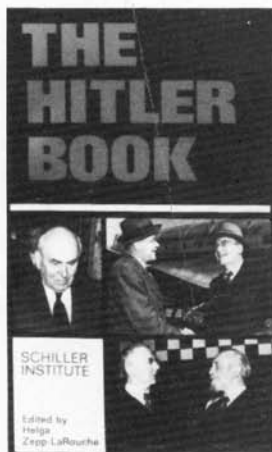
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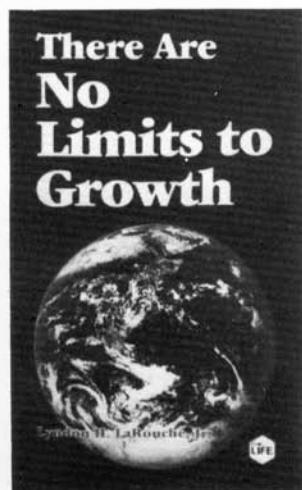
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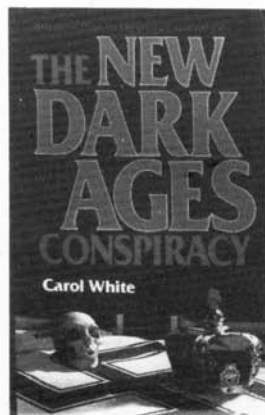


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Executive Intelligence Review (ISSN 0273-6314)
is published weekly (50 issues) except for the second week
of July and first week of January by New Solidarity
International Press Service 304 W. 58th Street, New York,
N.Y. 10019 (212) 247-8820.

In Europe: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
Dotzheimerstrasse 166, D-6200 Wiesbaden,
Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich,
Michael Liebig

In Mexico: EIR, Francisco Días Covarrubias 54 A-3
Colonia San Rafael, Mexico DF. Tel: 592-0424.

Japan subscription sales: O. T. O. Research Corporation,
Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo
160. Tel: (03) 208-7821.

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permission strictly prohibited. Second-class postage paid at New
York, New York and at additional mailing offices. 3 months—
\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10
Academic library rate: \$245 per year

EIR

From the Managing Editor

As we go to press, President Mubarak of Egypt, whose government has been working overtime to prompt a new U.S. peace initiative in the Middle East (see *International*), has announced his knowledge of “live operations” to assassinate or topple key world leaders. On the list, according to his information, are Germany’s Chancellor Kohl, Saudi King Fahd, and Pakistan’s Zia. Our own information points also to Rajiv Gandhi of India, President Reagan, and Lyndon and Helga Zepp-LaRouche. The pattern indicated by Mubarak’s report clearly answers the question *cui bono*? Massive destabilization of regions strategically vital to the United States—the Middle East, the Indian subcontinent, and West Germany—indicate an escalation in the Soviet drive toward a superpower showdown.

This week’s *International* section stresses the historic issues behind Mubarak’s intelligence report. The European financial oligarchy, in the person of British strategy-makers, have “gone ape” over Reagan’s landslide re-election and the prospect that the President will now pursue his Strategic Defense Initiative (“Star Wars”) in a more vigorous fashion, crashing their “New Yalta” agreements with the Kremlin to the ground. Implicit in their attacks is Reagan’s elimination, by one means (“Watergate”) or another.

In this connection, see the review of the West German play *Judith*, a prima facie incitement to the President’s murder.

This week’s *Special Report*, compiled by our Washington Bureau’s Stanley Ezrol and U.S. Editor Kathleen Klenetsky under the direction of Christopher White, documents the role the same faction has played to blunt all positive initiatives of Reagan’s first term, and his second were he not to conduct an overdue purge of “Kissingerites.” reported in *International*, which brought poetry, drama, music, and the deepest form of political insight to the citizens of cities and towns of the United States, Europe, Ibero-America, and Asia. The Thanksgiving weekend conference of the Schiller Institute, designed to prompt a purge of the Kissingerites and much needed changes in U.S. policy, will be reported on in future issues.



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Special Report

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Recolonizing Ibero-America: Mexico first to submit?

by David Goldman

With the proposed changes in Mexico's central bank law announced Nov. 12 by the de la Madrid government, Ibero-America formally began an economic era only comparable, in modern terms, to the regime imposed by the Third Reich on the territories it conquered between 1939 and 1943. The new legislation would build International Monetary Fund conditionalities directly into the ongoing management of the Mexican economy, making the organs of the Mexican government a creditors' instrument for the looting of the country.

The opening of the Ibero-American continent to a flea market sale to creditors is now only a step away, as U.S. Secretary of State George Shultz emphasized in speeches in Brazil on Nov. 12.

What this means for the barely quiescent continental debt crisis is difficult to estimate in the short run, and depends upon the willingness of political institutions and popular institutions in the victim nations to suffer a continuing degree of austerity worse than any people has been forced to swallow, except under conditions of wartime occupation. Nonetheless, the gory accountants of the major commercial banks have made clear their intent to maintain existing debt values at the expense of the lives of the lower strata of Ibero-American society, and the hopes for the future of all residents of the continent.

Mexico's trade surplus this year is estimated at \$12 to \$13 billion; with tourism receipts, the net income for trade and services will yield a surplus of \$14 billion. Net of interest payments of \$12 billion, this should yield a \$2 billion current-account surplus. This is more than sufficient to cover the \$400 million Mexico will lose in oil revenues due to restricted production through the remainder of this year.

As for Brazil, its \$12 billion trade surplus estimated for 1984—plus \$500 million gained from the drop in oil prices—will approximately cover its interest requirements of \$13

billion for 1984.

In the corridor of a conference on debt held this Nov. 10 in Iguazu, Argentina, Morgan Guaranty Trust's chief international economist Rimmer de Vries told reporters, "The debt crisis has been solved: Latin America will be a net exporter of capital for the remainder of the decade."—that is, it will pay out more capital than it receives, through continuing to import one-third to one-half less than what it exports.

De Vries' evaluation supposes that the current rate of looting of the Ibero-American economies may continue indefinitely. Brazil's currency, for example, has been devalued 62.47% so far during 1984, and by 73.26% over the past 12 months. Brazil's output is roughly 20% below the level of 1982, which adds a touch of irony to the Brazilian authorities' boast that their economy will have grown by 3% during 1984. Brazil and Mexico are importing virtually nothing but petroleum, suppressing imports even of spare parts and raw materials, let alone capital goods, and exporting everything that is not nailed to the ground at extreme devaluation prices. On the basis of this gigantic garage sale, both nations have racked up trade surpluses approximately equal to their debt-service requirements for the current year.

What this means for the living standard of the poorer strata of Ibero-America can be read from an estimate recently produced by SELA, the Latin American Economic System: every 1% increase in interest rates is equivalent to 17 million tons of imported cereals. A ton of grain represents basic life support for one person for one year; a 1% rise in interest rates, therefore, compromises the existence of 17 million people under conditions where much of the continent is just at or already below the boundary-line of survival. The report notes that in 1980, one hundred and twenty million Ibero-Americans were malnourished; today, the figure has risen.

Levels of malnutrition reaching levels incompatible with “social peace . . . or moral standards.”

As the impresario said to the desperate vaudevillian who offered to commit suicide on stage, “What do you do for an encore?” These economies cannot physically sustain the rate of capital export now in progress for very much longer, even if the populations of those nations were to accept the hideous consequences of such capital exports; Mr. De Vries of the Morgan bank has never been suspected of gross stupidity, and must understand this well.

Buying up the continent

That explains the urgency with which the bankers’ spokesmen, including former Morgan board-member George Shultz, have urged the Ibero-Americans to open their countries to direct equity investment—the equivalent of telling the penniless homeowner, after he has completed his garage sale, to auction off his house the same afternoon.

On Nov. 11, U.S. Secretary of State George Shultz told Brazil’s economic elite: “Open up the door to foreign investments and we will try to help you; but, if they don’t the developing countries will have even greater difficulties ahead of them.”

Shultz rejected in advance the plea made by Brazilian President J.B. Figueiredo in opening the assembly of the Organization of American States the same afternoon for “new mechanisms” to deal with regional debts, which Figueiredo characterized as “unsustainable.” Shultz categorically rejected demands for “government to government” debt renegotiations, telling the U.S. embassy luncheon guests that the banks “have been renegotiating for years and have been doing a much better job than we, the U.S. government, could do.” He then told the OAS meeting that public and private loans would continue to disappear, adding that capital would become available only after governments established conditions for “greater investment flows and voluntary conversion of debt capital into investment capital.”

Shultz demanded that the Ibero-Americans open the door to foreign investment and turn debt into equity, since there will be no official aid or fewer bank loans. “The conclusion is inevitable,” he said: “The required capital to maintain new growth will have to come from elsewhere.”

Shultz added that fear of foreign capital is part of the “intellectual baggage” of “fear of the power of multinational companies,” and must be discarded. “If we want to practice what we preach on growth and equity, a better living standard, we all have the responsibility of changing or putting aside stereotypes which are no longer pertinent. Today, attracting internal and foreign investment may be the road for more liberty and independence, rather than less. It is an essential part of any strategy to restore growth.” He insisted that debt has to be paid even in the worst of times, while foreign investments have no profits to remit during depressions.

In both Mexico and Brazil, the local collaborators of the

International Monetary Fund are attempting to wrest absolute control over economic policy through the imposition of a central bank dictatorship. In Brazil, a brutal fight is underway over the status of the central bank; in Mexico, the issue appears virtually settled in the central bank’s favor.

On Nov. 15, Mexico’s de la Madrid government introduced new central bank legislation which, for all practical purposes, places the sovereign power in the hands of Mexico’s central bank as a surrogate for foreign creditors. In constitutional terms, the enactment of this legislation—which banking observers say will be rubber-stamped by the Mexican Congress—would return Mexico to the status of the pre-1910 Porfirio Diaz regime.

Under existing law, the central bank is obligated to absorb whatever deficit the government may incur by purchasing the obligations of the government. Through a 50% reserve requirement, the central bank in the past obtained the funds with which to finance the deficit from the deposit base of the banking system, which President Lopez Portillo in any case nationalized in September 1982.

The new law eliminates this obligation; instead, the government must replenish any borrowings from the central bank after each 30-day period. Its deficit must be funded by the “private market,” leading to suggestions that the new legislation will establish a private market for government debt. Since bankers expect the new law to be accompanied by the de-nationalization of the private banks taken over under emergency conditions by Lopez Portillo, the total effect would be to turn control of the government’s finances over to a private banking oligarchy whose principal allegiance is to the same financial interests that sent Maximilian of Hapsburg to Mexico as creditors’ viceroy more than a century ago.

The proposed “banking reforms” as they now stand begin the process of denationalization by turning stock-market activities over to private-sector finance companies, and keeping the nationalized banks out of the business. Under the proposed debt-for-equity arrangements, the now-moribund Mexican stock exchange would become the central institution for the auction of the Mexican economy. The central bank has already announced that foreign financial interests will soon have access to operations on the Mexican stock exchange.

The move follows reports that the refinancing of Mexico’s debt, announced as a *fait accompli* in September, is having trouble receiving the required approval from 600 creditor banks.

As part of the same package, the central bank will put what the *Financial Times* calls “a padlock” on the government’s ability to spend more than budgeted a year in advance. The deficit will be set in advance by a committee of the Budget and Treasury Ministries, with the central bank acting as chairman. The *Financial Times* comments that the package “is intended to reassure international creditors that Mexico can maintain its newly acquired financial discipline once its IMF adjustment program expires at the end of the year.”

A food production strategy for the African continent

by Christopher White

The Rome-based Food and Agriculture Organization released another report this month on the African food crisis. The organization expanded its list of national food emergency cases from 27 to 31. Entire regions of the continent, such as Ethiopia, are immediately faced with life-threatening situations; millions face death through starvation. Other parts will follow if nothing is done.

In report after report, the crisis in Africa is ascribed to two circumstances: first, drought, repeated over years; and second, population growth which is outstripping the continent's capability to produce food. That the first cited circumstance is in any way causal is belied by the horrific remedies proposed for the second. If population growth is the cause of the problem, as the World Bank insists, and as the Agency for International Development of the U.S. State Department also insists, then it can also be readily argued that famine and drought are appropriate solutions to the crisis. And it is so argued. But this is the kind of solution for which Nazi criminals were hanged at Nuremberg.

Food production: Africa and the U.S.A.

Let us look at the crisis in another way, comparing the food production capabilities of the United States and the African continent. Before the PIK (Payment in Kind) program of Orville Freeman and the grain cartel went into effect, North America was producing approximately 1,500 metric tons of grain a year for every 1,000 citizens. The comparable ratio for the comparable year (1982) in Africa is 146 tons of cereals per 1,000 people. That is 10 times less than is produced in North America. While North American production, measured per 1,000 people, increased about 30% between 1968 and the beginning of the PIK program, African cereal production per 1,000 people declined by approximately the same 30% level.

In meat production, North America produces just over 100 metric tons per 1,000 people per year. Africa produces less than 14 metric tons for the same number of people. That is less than 30 pounds of meat per person per year—which can be considered to be nothing. In milk production, North America used to produce about 275 metric tons per 1,000 people, before Daniel Amstutz and the Department of Agriculture created the present shortage. Africa produced about 20 metric tons per 1,000 people.

Do blind forces of nature, or over-population, create these

orders-of-magnitude discrepancies in per capita production? Of course not. Africa cannot feed itself because Africa has not been permitted access to the levels of technology which could permit food production at levels commensurate with human survival.

It is not necessary to compare North American and African production point by point. Instead, let us see what the daily food basket produced within Africa for each member of its population is. Averages are deceptive, but nonetheless indicative. This commodity basket would have made the keepers of Auschwitz blush. Africa is able to produce for itself less than

- 1 ounce of meat,
- less than 2 ounces of milk,
- less than 12 ounces of cereals of all types,
- less than 16 ounces of root crops, such as manioc and cassava (which are so low in food content they are not considered even for animal consumption in the United States),
- less than 1 ounce of pulses (legumes),
- less than 4.5 ounces of vegetables,
- less than 5.5 ounces of fruit.

Thus, the only food produced and available on a daily basis are cereals and root crops, and the root crops are not food in a nutritional sense, but bulk.

Since 1968, per capita production of the above items of a consumption commodity basket have fallen as follows; meat – 5%, milk – 20%, cereals – 30%, roots – 13%, pulses – 18%, fruit – 16%. Vegetable production has increased 5% in per capita terms. The largest such per capita declines are registered in cereal, root, and fruit production, which comprise nearly 80% of what African production would make available for consumption on its own.

Let us now compare some of the technological features of food production in North America, with those enforced on starving Africa. We will compare first the population growth rates and densities of the two continents, and then compare the arable land cultivated in terms of tractors, harvesters and irrigated land available.

The population of North America in 1983 was about 259 million. In Africa, it was about 507 million. From 1968 to 1983 the population of North America grew by 17%. The African population grew by just over 50%. The increase in North American cereal production exceeded the increase in population. In Africa, the reverse was the case. The popula-

tion of North America lives on almost two billion hectares of land. The per hectare density has increased from 117 per hectare in 1968 to 134 per hectare in 1983. The African population lives on almost three billion hectares of land. The per hectare density has increased from 115 per hectare in 1968 to 175 per hectare in 1983.

In North America, about 520 million hectares of the total land area are counted as farm land, including both land used for pasture, and arable land; in Africa, about 960 million hectares of the total—nearly twice as much. But in North America, approximately 240 million hectares of the total are arable land, about 40% of the total farm land. In Africa, only about 160 million hectares are so employed, that is, about 16% of the total farm land.

If the proportion of what is counted as African farm land cultivated as arable land were the same as in the United States, then Africa would have available well over 300 million hectares for arable use, that is, almost twice as much as is now available.

If the proportion of that expanded area producing cereals had been the same as in the United States, and the yield per hectare had been the same as in the United States, then Africa would have produced nearly 500 million metric tons of cereals in 1982—more than seven times the cereal crop actually produced. Why should Africa have less?

Destruction of technology

The differences in yield produced reflect the difference in technology available, or not available. The absence of technology can be shown thusly. In North America in 1983, there were approximately 5.25 million tractors in use. In Africa, there were less than half a million. But, nearly 70% of Africa's tractors are located in the Maghreb countries on the shores of the Mediterranean, and in South Africa. The Sahel, as a whole has 1,600 tractors. West Africa including Nigeria about 17,000, Central Africa 5,000.

North America has available more than 10 times as many tractors per arable hectare as Africa, and far more when sub-Saharan Africa is considered. In 1982, 836,000 harvesters were in use on the North American continent. There were 46,000, or 18 times less, in use in the whole of Africa, of which 90% approximately are located on the Mediterranean coastal strip and in Southern Africa.

But North America has shut down its agricultural implements manufacturers, like International Harvester, John Deere, and Massey Ferguson. The *New York Times* argues that the market for agricultural implements will never revive. And the number of tractors in use on North American farm land has been reduced by almost three-quarters of a million since 1968; we have cut back the number of tractors employed in the United States by almost twice as many tractors as are presently employed in all of Africa. The number of harvesters in use in North America declined by 150,000 in the same period. That is by nearly four times the number available in Africa in 1982.

If Africa were permitted to produce under conditions which gave the continent access to technology, 2.7 million tractors could be absorbed there immediately, to bring the present level of arable cultivation up to present U.S. levels. Nearly 600,000 harvesters would be required to accomplish the same result. The surest sign that Africa has been condemned, and Ibero-America and the United States itself, is the unemployment lines in U.S. cities which could be producing agricultural implements.

Worldwide, in 1980, eleven agricultural equipment manufacturers accounted for over 70% of world production. Four of the top five corporations, which account for about 50% of production, are located in North America. But even before those corporations began to throw their workers onto the streets, world production was only at a level of 1.2 million units per year.

Twenty million hectares of the North American arable total, about 9%, are irrigated. Only about 4% of the arable hectareage of Africa is so irrigated, with the greatest proportion of that land along the course of the river Nile. In the Sahel, about 1% of the arable land is irrigated, in Central Africa 0.1%. Again, a tenfold increase would be required to bring African production levels up to those of North America.

We have not considered here the question of labor productivity. Nor have we considered the energy and infrastructure requirements which would enable such technologies to be assimilated into productive use. In North America, remember, about 2% of the total population produces all the food. In Africa, more than 70% of the population is so employed, producing at levels less than required for human subsistence. But we have shown that those like Timothy Raison from the British Foreign Office, and the World Bank, who argue that large-scale development projects are not only outdated, but a mistake, are either fools or mass murderers—on a scale Hitler would not have dreamed of.

If Africa is to feed itself at a level deemed appropriate for human existence in the United States, then

- the proportion of arable land must be more than doubled;
- the proportion of irrigated land must be increased tenfold;
- the number of tractors per hectare must be increased tenfold;
- the number of harvesters per hectare must be increased more than tenfold;
- and the productivity of labor in per capita terms must be increased accordingly.

There is no way this can be done without "Great Projects." Nor can it be done without reopening, and revitalizing, the American industrial capacity that Paul Volcker and his friends decided to close down. Other things must be done. But such measures must proceed from the standpoint that Africa has access, as of right, to the best of the technology available for the job, so that Africa can become a food producer.

Will currency devaluation take Thai economy into Soviet trade orbit?

by Sophie Tanapura from Bangkok

On the night of Nov. 1, 1984, Thai Finance Minister Sommai Hoontrakul called an emergency meeting with senior officials of the Bank of Thailand. A 17.3% devaluation of the Thai currency, the baht, was announced the next day, bringing the baht from 23 to the U.S. dollar to 27.

Various forces were clearly involved in the action from outside Thailand, including the U.S. Export-Import Bank, the World Bank, the International Monetary Fund—and perhaps the Soviet Union.

Traditionally pegged to the U.S. dollar, the Thai currency will now float against a basket of currencies comprised of the U.S. dollar, Deutschmark, pound sterling, yen, the Malaysian ringgit, the Singapore dollar, and the Hong Kong dollar.

Finance Minister Sommai has already pulled the same policy stunt twice before, in May and July of 1981 under the Prem government, lowering the value of the baht from 21 to 23 to the dollar. The official reason was to boost exports, to thus improve the balance of trade. The same official reason is being given today.

Few observers accept that explanation. President Chak Panyarachun of the association of members of the securities exchange of Thailand said the government always uses the exports issue as the cause for each devaluation, maintaining that a cheaper baht would spur exports and generate more foreign exchange. "But it has never worked. . . . The fact is we do not have enough markets for our products," he told the press. On the other hand, talks were recently held regarding the possibility that the Soviet Union will be willing to purchase the vastly cheapened Thai products.

Removing obstacles to the IMF

The announcement of the devaluation came rather suddenly for many. The debate on whether or not to devalue which occurred about a month before had subsided and everyone thought that the anti-devaluation crowd had won out. However, during that same period, Finance Minister Sommai ousted Bank of Thailand Governor Nukul Proach-uabmoh in an almost scandalous way. Dr. Kamchorn Sathirakul was nominated by minister Sommai to replace him. At

the time, the suspected reason for the purge was strong disagreement between the two on monetary matters and perhaps even on policies toward the International Monetary Fund and the World Bank.

Time confirmed the suspicion. Former Governor Nukul was most probably a rather annoying obstacle to Minister Sommai's intention to devalue the baht. Mr. Nukul had to be eliminated. The question now is whether Mr. Nukul will be the last Bank of Thailand governor to stand in the way of the IMF and the World Bank.

Needless to say, even though World Bank officials when questioned denied they were directly involved in the devaluation, many of their reports have stated that the baht as tied to the dollar was artificially overvalued. And, World Bank officials visiting Bangkok during the first week of November were gloating over the successful implementation of their policy. Wherever they went, whether to meet with government officials or executives in the private sector, they had only one piece of advice: devalue.

In fact, following the devaluation, World Bank officials were heard to comment: The new situation has cleared the atmosphere for further discussions between Thailand and the World Bank.

In mid-November, William Draper III, president of the U.S. Export-Import Bank (Eximbank) arrived in Thailand, and in a meeting that included U.S. Ambassador John Gunther Dean, reportedly told Prime Minister Prem Tinsulanonda that the U.S. government and international financial institutions support the latest policy of the Thai government to devalue and float the baht.

William Draper also met with the secretary-general of the national economic and social development board, Dr. Snoh Unakul, and the new governor of the Bank of Thailand Kamchorn Sathirakul. The president of the American Eximbank attacked Japanese and French policies of offering softer loans, i.e., lower than the 10% proposed by his institution. The Eximbank plans to increase its activities in Thailand, he announced, by making loans available to small and medium-size projects.

The insiders

No matter how much outside pressure was applied or advice given, the devaluation policy could not have come about had there not been some key supporters of that idea on the inside.

Consider the official up-front initiator of the devaluation policy, Finance Minister Sommai Hoontrakul. Armed with a masters degree in economics from Keio University in Japan, Sommai joined the Bank of Thailand in 1943. He held several important positions including director of the domestic banking division and assistant governor of the bank.

In 1970, he became general manager of the Industrial Finance Corporation of Thailand (IFCT), a financial institution which often takes World Bank loans and then sublends to small and medium enterprises. Two years later, Sommai left both the Bank of Thailand and the IFCT to head the Siam Commercial Bank. Sommai was also finance minister under the Sanya Dharmasakti and Thrid Kriangsak governments in the '70s.

However, the man said to be more important in pushing the devaluation policy through does not appear so prominently in the limelight. This is Dr. Virabongsa Ramangkura, presently economic adviser to the prime minister and to the National Economic and Social Development Board (NESDB), and dean of the faculty of economics of Chulalongkorn University. Dr. Virabongsa, a graduate of the Wharton School of Finance and Commerce of the University of Pennsylvania, apparently functions as an economic czar for the country, as the policies he suggests are never questioned by Prime Minister Prem.

One of the harshest affects of the devaluation is a sharp rise in the price of crude oil. This will hurt every man, woman, and child in the country, no matter how much the government may explain that this was all done for the people, for the exporting rice grower. Thailand will have to pay an additional ten billion baht annually, bringing its yearly oil bill to over 70 billion baht as a result of the devaluation.

Oil has become very much a part of everyday life. Oil makes up about 30% of Thailand's total imports. Even the Thai farmer now uses diesel engines, small farm machinery, motorized vehicles to take his produce to the market, etc. All these have an oil content. The question is: Will the extra devalued bahts for the farmers offset the increases in the cost of living from the oil price increase? The government promised that there will be no rise in the oil price. But for how long?

A political measure?

One cannot help wondering if the devaluation in itself was intended not so much as an economic measure, but as a political act designed to make the country more vulnerable to future political destabilization. Around mid-November, for a brief period, there was a real danger of a military coup.

Former Finance Minister Boonchu Rojanastien, in statements to the *Bangkok Post*, warned that the baht devaluation may turn Thailand into "another Philippines" in the near future, as far as the economy is concerned.

To correct the economic decline, Mr. Boonchu told the *Post*, the causes of the decline have to be analyzed. Agricultural production has increased on a national scale, but prices have fallen. Production costs are high. The yield per rai (about 6.25 rai equal 1 hectare) of rice and other commodities has dropped, despite the general agricultural production increase, causing lower income for farmers and lower purchasing power for families and individuals generally. Nothing has been done to improve the agricultural processing industry, Mr. Boonchu said.

In order to sell more, Thailand's exports must be cheaper, argued Minister Sommai and his associates. But where can Thailand expand her markets?

In mid-November the United Nations conference of trade and development (UNCTAD) funded a two-day brainstorming session between the Thai government and the Soviet Union and five other Comecon countries, with the hope of promoting expanded trade relations between Thailand and the East bloc countries. Will Thailand now be forced to sell her goods cheaply to the East bloc countries?

Ironically, he was introduced to the Prime Minister only four years ago by Gen. Santa Chitpatima, who was involved in a failed coup attempt against the Prem I government in 1981.

The Wharton School of Finance and Commerce, many of whose leading professors were founding members of the Club of Rome, amounts to a transplant of the British Tavistock Institute to the United States, which occurred in the 1971-73 period, when numerous British intelligence specialists took up residence in Philadelphia. The Wharton School defines its goal: to "take over the institutions" of countries and transform them appropriately for the "post-industrial society."

In the case of developing nations like Thailand, the policy is to force them to go straight to the "post-industrial" stage without ever going through the industrial stage.

The devaluation's impact

Infrastructure and industrial projects in general are going to be delayed as a result of the devaluation. Thai Industry Minister Ob Vasuratna, who among cabinet members made the strongest attacks on Sommai, said that not only will the private sector be hit hard, but the government, too, will feel the pinch because various national projects, such as the Eastern Seaboard development plan, have to be financed through foreign loans.

The minister also told media representatives that most of private business establishments had been expecting to make a profit during the last two months of this year after weath-

ering several crises during the first ten months. The devaluation makes that most unlikely. "We should not have blocked these golden opportunities," Mr. Ob said.

At the announcement of the devaluation, the electricity generating authority of Thailand (EGAT) shouldered an immediate loss of eight billion baht, declared EGAT's general manager Kasem Chatikavanij, known to be fervently in favor of Thailand pursuing nuclear power, but who is lately despairing as a result of repeated obstacles created by the Malthusian lobby in Thailand. EGAT alone bears a total of \$2 billion in foreign debt, a third of which is in U.S. dollars.

Because of the devaluation, EGAT will be forced to curb its expansion plans. The intended annual investment of one billion baht to boost power supplies will have to be curtailed. Among other key development projects, Kaeng Krung Dam and Saiburi Dam in the South, both requiring expenditure of about 5 billion baht, may be delayed. The Nam Choan Dam, long the target of the zero-growth faction, will most likely suffer the same fate.

Environmentalists in Thailand don't look like they do in the United States or Europe. You won't find "friends of the earth" youngsters demonstrating. But like the United States or Europe, you will find the more dangerous Malthusians, those sitting right in the building of the NESDB itself. There is a faction here that hates dams with a passion, and although EGAT deputy general manager Kamthon Snithawanond warned that the south would face a power shortage if the project were not implemented, they managed to veto an EGAT project to build a hydroelectric power dam at Surat Thani which would have been able to generate 300,000 kilowatts. The economic planning institution said the dam was unnecessary, since the petroleum authority of Thailand had already planned to pipe natural gas to EGAT's power plant in Nakhon Si Thammarat.

Interview: Boonchu Rojanstien

'A medicine issued only to the dying'

The following is an interview with Mr. Boonchu Rojanstien, president of the Siam City Bank of Thailand, and a former deputy prime minister for economic affairs, conducted for EIR on Nov. 9 by Sophie Tanapura.

EIR: The International Monetary Fund (IMF) and the World Bank are known to favor devaluation as a solution to all economic ills, and they have been repeatedly advocating the

line that the baht is overvalued. Do you think they are involved in this decision?

Boonchu: I am not sure they are involved [in the] to devalue the bhat. In any case, even if they were, we don't have to follow the instructions of the IMF and the World Bank. Their comments are only suggestions.

EIR: Do you agree with the present bhat devaluation policy as an attempt to solve the balance of trade deficit?

Boonchu: We have always tried to improve our foreign earnings from sales of merchandise, services, and capital flow. I frankly do not perceive any need to revert to a purely monetary policy when other measures taken to improve our foreign earnings position already registered success. [Thailand's record 3.87 billion dollar balance of trade deficit of last year is expected to decline to an estimated figure of about 3.5 billion dollars this year—ed.]

To resort to a monetary measure is always easy. It is like using penicillin and antibiotics indiscriminately. It is resorting to an all-purpose medicine without caring much about the side effects on the ordinary men and women in the street. . . . One of these side-effects is a rise in prices, which, in turn, forces us to practice price controls, something we have always tried to avoid. State intervention through price controls is going to destroy economic competition. . . .

We have had bad experiences once with such policies and we seem not to have learned our lesson.

EIR: How do you evaluate the way in which the government is dealing with the side-effects of the bhat devaluation?

Boonchu: That is precisely the point. Had the government prepared the devaluation policy in a responsible fashion, they should have immediately announced a set of measures together with the devaluation policy, measures designed to deal precisely with pretty predictable side effects. But, as you can observe, the government was not prepared to handle the ensuing consequences. The fact that they were not prepared will lead to an unending series of problems. For example, let's look at the problems that are likely to follow price-control policies. There will be disruption of production capabilities, creation of conditions for a black market. . . .

Had the government really prepared such a devaluation in advance, they should have already weighed both the advantages and disadvantages. In such a case, advantages should outweigh the disadvantages. It is not enough for the government to keep repeating that the measure was necessary. The fact that it did not have a set of measures ready to offset the negative side effects of the policy shows that the government acted irresponsibly, causing hardships for others.

As you know, a monetary measure is one to be implemented only when others have failed. It is like a medicine one administers to the dying. If one is already supposedly on the death bed, then the real reasons for the devaluation, this bitter medicine, should be at least disclosed.

Regional cooperation in Asia: context for building the Kra Canal

At a conference sponsored by EIR, the Fusion Energy Foundation, and the Thai Communications Ministry, held in Bangkok Oct. 31 and Nov. 1, two hundred people from throughout the region gathered to discuss the political-strategic significance and technical feasibility of a project to build a canal through the Isthmus of Kra in Thailand. Last week we reported some of the deliberations of the conference; we continue here with additional presentations by regional leaders. First, excerpts from the speech, "Regional Cooperation in Industrialization," by K.L. Dalal, former Indian ambassador to Thailand.

. . . The nations in a hurry to make economic progress—especially the developing countries—have experimented with the concept of regional groupings as a step toward universal cooperative effort. If there was no commonality of interests among all the nation-states that constituted the world organization [U.N.], geopolitical heritage should work to realize the objectives of economic growth and development in a framework of shared traditions and socio-cultural values. Progress toward regional integration and cooperation has been far from easy, and yet formations of regional organizations today cover the entire world community—the market-economy developed countries, socialist countries, and the developing countries. The solitary and major exception is China. . . .

The pull toward greater regional cooperation is inexorable. The overpowering struggle between the U.S.A. and the U.S.S.R. in all fields of political, social, and economic activities is forcing all other countries to coordinate and combine their resources and skills to withstand competition from the superpowers. . . .

They [Asian nations]
tutions, and initiate new moves toward cooperative endeavours in trade, investment, and industries and infrastructural development.

In any scheme of regional economic cooperation, linkages between finance and trade, between trade and industry, and between industry and agriculture should be recognized. The experience of regional cooperation of the last two decades, both in developing countries and in developed, has been that industrial growth is at the center of broad-based economic growth. It is the engine that triggers growth in transportation and communications. Increased trade flows are the consequence and not the cause of increased industrial growth

and cooperation on a regional basis.

If industry provides the dynamo for overall economic growth, technology is in turn the dynamo for industrial growth. . . . The European Economic Community had to pool its resources in science and technology to make it possible to manufacture the Airbus aircraft, to launch satellites for remote sensing and communication, and to develop nuclear power. The mind-boggling advances in high-technology industries are making it difficult for countries to go it alone, howsoever resource rich they are.

Our experience in India of industrial growth points to the crucial and often decisive role of international cooperation—including at the regional or sub-regional levels—in science and technology. There can be science without technology, but there cannot be technology without science. The Japanese experience confirms this.

Second, technologies are intrinsically inter-related and technology is a multi-disciplinary effort. Third, technological development should be coupled with social needs and demands, to be an effective tool for industrial cooperation. . . . Doors to advanced technologies, especially in the fields of energy, bio-technology, and remote sensing through satellites should not be closed to the developing nations.

What are the implications of these broad approaches for Asian economic cooperation? Is the Asian continent only a geographical concept? It is, no doubt, a region of superlatives. It covers one-third of the land area, and has two-thirds of the population of the world. Its diversities, history, and geopolitical problems are baffling, and pose challenges not present in other regions. West Asia and the rest of Asia are its two broad regions—represented by the Economic Commission for West Asia (ECWA) and the Economic and Social Commission for Asia and Pacific (ESCAP). These two broad regions of Asia have been further sub-divided into the GCC (Gulf Cooperation Council), SARC (South Asia Regional Cooperation), ASEAN (Association of South East Asian Countries), and ASPAC (Association of South Pacific countries). In spite of the complexities, Asian economic cooperation has made notable forward moves in the last three decades through the formation of the Asian Development Bank, Mekong River Project, the Asian Highway, the Asian Clearing Union, and the Indus Waters Treaty.

West Asia is part of Asia. With their immense oil resources and large infrastructural development experience, the main oil producers of West Asia, Saudi Arabia, Kuwait,

and the U.A.E. [United Arab Emirates] an important role in future Asian cooperative arrangements. Once the war is ended, Iraq and Iran would also join in the cooperative effort. The resources of the oil-exporting countries of West Asia are not only assisting other Arab countries but several non-Arab countries in Asia. It should not be beyond the statesmanship of Asian leaders to harness the resources of the West Asian countries for the existing and future common regional arrangements for the common good. Despite their oil resources and high incomes, these countries belong to the developing world. They can provide large-scale investment funds, in loans and equity, for the development of major energy, industrial, and infrastructural projects in other Asian countries provided liquidity, profitability, and security of funds are guaranteed.

Japan, China, and India will play an active role in the new regional and sub-regional arrangements that may be fashioned in Asia. In technical and scientific manpower and in industrial technology, India has now acquired diversified and rich experience. Chinese trade with the rest of Asia is expanding rapidly, and in the oil sector, heavy industry, and space technology is well placed.

Japan's industrial output is one-half of the United States, and one-sixth of the total of all industrial countries. In the field of high-technology industries, Japan has achieved an unmatched position and has emerged as a global industrial power and growth center.

Singapore and Hong Kong have mature financial and capital markets, and with South Korea, are success stories in export-led industrial growth. Four of the five ASEAN countries—Thailand, Malaysia, Indonesia, and the Philippines—have rich forest, agricultural, and mineral resources, e.g., rice, timber, vegetable oil, rubber, tin, tea, nickel, coal, iron ore, and mineral oil.

In objective terms, conditions are conducive to successful regional economic cooperation in Asia. In the next 15-20 years, there are bright prospects for integration of the Pacific Basin region with mainland Asia. Already, trade is growing in that direction. Australia, Canada, and the United States are likely to show greater awareness and interest in Asian economic development and enter into cooperative arrangements. Asian economic cooperation and the proposed construction of the Kra Canal must be viewed and promoted within this emerging vista.

Excerpts of the statement by Dr. H. Roeslan Abdulgani, "The Indonesian National Ideology, Pancasila, as the Spiritual Agent for Economic Development," delivered at the conference on the Kra Canal in Bangkok, Nov. 1, 1984.

1) Economic development needs stability. However, economic development is also change, mostly dynamic change. Although change is not synonymous with instability, never-

theless change could be accompanied by instability. Within certain limits, instability, therefore, should be welcomed and tolerated in any economic development, provided that it will not pose a threat to the development itself. Stability, which is needed for economic development, covers not only the political and social field, but also the ideological realm.

2) This will not confine itself to the ideological field, as has been experienced in Indonesia.

3) Since our national independence almost 40 years ago, we have badly needed political stability to enable us to embark upon economic development. However, two extreme political ideologies were sources of instability: namely a) the Communist ideology, and b) the "Darul-Islam" ideology, a fanatical and orthodox wing of the Islam movement in Indonesia, aiming at the establishment of an Islamic State through force and terror. We might call this a "fundamentalist." Since both ideologies were opposed to our national state ideology the Pancasila, and since both movements were involved in armed and terrorist uprisings and coup d'états, both movements were banned.

4) However, a deeper analysis of both movements shows that there were deeper underlying causes, namely: a) causes of economic poverty ("empty stomachs"), b) causes of mental despair ("empty hearts"), c) causes of intellectual backwardness ("empty brain") and d) causes of political frustration ("aimless and fanatical behaviour").

In our effort to strengthen our national ideology, these causes should not be. In fact, our national ideology dictates that we should direct economic development to the eradication of those causes. In other words, economic development should create conditions conducive for reducing poverty, despair, backwardness, and frustration. Potentials for dissatisfaction and dissension should be minimized. On the other hand, ideological education should create conditions conducive for inspiring people's participation in economic development.

5) The *Pancasila* is our five-fold political and philosophical foundation of our state. It functions as the basis and guiding star of our national freedom, emancipation, and development.

It encompasses the belief in One Supreme God; the belief in a just and civilized humanity; the belief in the unity of Indonesia; the belief in democracy and in social justice.

It is the embodiment of our national identity, rooted in our age-old culture and civilization. It serves as the source of our national morality and ethical standards.

Pancasila is not a religion. While the majority of our people are Muslims, we are not an Islamic state. Nor is it a Buddhist or Hindu state. It is a *Pancasila* state, where the belief in the Almighty God is proclaimed as the cornerstone of our national life, and where freedom of religion is guaranteed.

6) In relation to the outside world, our *Pancasila* Constitution of 1945 stipulates that we should participate in estab-

lishing a new world order, based on freedom, eternal peace and social justice. For us, freedom and peace are interdependent. Therefore colonialism in all its manifestation is an evil which should be brought to an end.

For us, peace is not only absence of war. But it is a constant active effort for cooperation, development and progress. In this respect, our *Pancasila* constitution dictates an active, independent foreign policy. And vis-à-vis power-politics of the big powers, we follow a non-aligned course. This is not a passive, colourless foreign policy, but an active one, as has been reflected during the Bandung Conference in 1955 and the first Non-Aligned Conference in Belgrade in 1961.

7) In the field of domestic affairs, we had to develop our *Pancasila* in a comprehensive way, such as in the field of democracy, economic development, education, labor-relation, etc.

Our *Pancasila* democracy is not only concentrating its efforts on political stability, but also on economic development for achieving prosperity. The two ideas political stability and economic development are, in fact, twin facets of the same thing. And, in turn, these two are inextricably interwoven with social policies and objectives. National development involves all factors. In an economic development program, there should be a social policy. This is necessary, because an economic development program influences social policy and vice versa. There should be a clear pattern of economic, social and political objectives. . . .

The implementation of all these policies is not easy. As a developing country of the Third World, we belong to the South facing the gap with the industrial North. We face also the problem of demographic explosion. Consequently we are still losing the Malthusian race, despite our economic achievements. . . .

10) At present, the government is starting to organize upgrading courses for the civil servant in the bureaucracy and for the diverse functional and political groups of the society. These courses are not only listening to lectures, but also encourage open discussion on the course of implementation of the *Pancasila* in the field of political and socio-economic development, in order to get better alternatives.

For several bureaucrats and technocrats, it is not always pleasant listening to all those discussions.

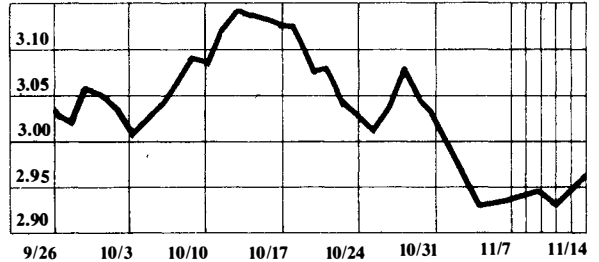
Nevertheless, it is generally felt that the society should also participate in the overall development. And that the people should have social control to what the bureaucracy is doing. After all, the *Pancasila* ideology is a populist ideology.

11) Today our society is still changing. There are irresistible forces. Forces of demands and desires; forces of awakened knowledge, and forces of rising expectations. These forces are not only irresistible, they are irreversible as well, even should anyone wish to reserve them. We hope with our *Pancasila* ideology, that we can channel those forces along constructive ways.

Currency Rates

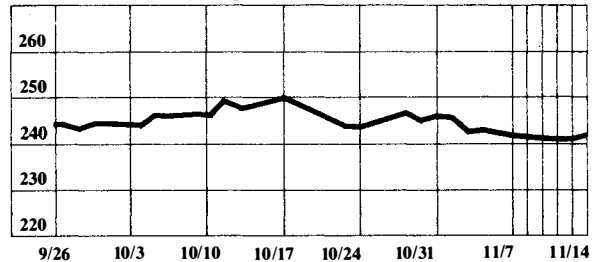
The dollar in deutschemarks

New York late afternoon fixing



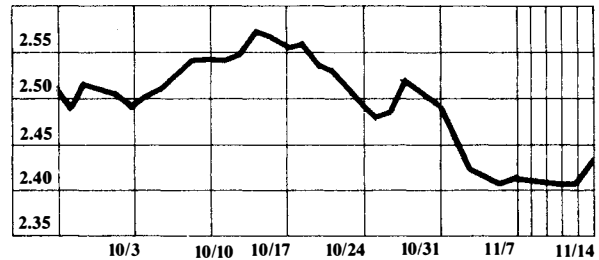
The dollar in yen

New York late afternoon fixing



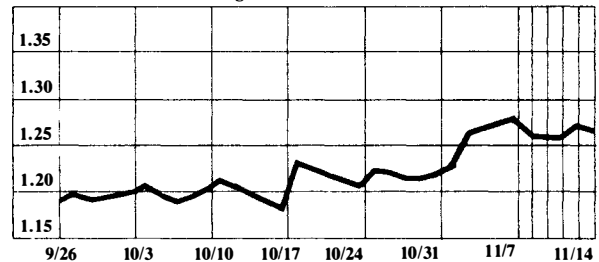
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Soviets move on diamonds, platinum

Gemstones are a convenient vehicle for "laundering" illegal money—is there a connection?

The Soviets, through their role in the forced bankruptcy of the Argos platinum-trading group in London, as well as the gold-pool bank of Johnson Matthey last month, have already taken steps to command the market for precious metals. They are acting in parallel in the market for gemstones. According to one of the largest diamond-cutting houses in the world diamond capital of Antwerp, Belgium, the huge South African mining giant, De Beers, has held a series of unpublicized meetings in Moscow as well as London in recent weeks in an attempt to control a recent flood of Russian diamond exports to the West.

According to the trade association of the world's most important diamond trading and cutting center in Antwerp, the Russians have unleashed a glut condition on the currently depressed world diamond markets. According to the Diamond High Council, export quantities are double the level of one year ago at least through the first nine months of this year. The dollar value of the Siberia-Antwerp trade through October is estimated at some \$300 million or 452,000 carats. Antwerp diamond houses confirm that the volume of diamond dumping through Antwerp from the Russian side in the past month, despite a reported "gentlemen's accord" between the South African diamond monopoly, De Beers, and Moscow, has shown no signs of abatement. In the \$18 billion diamond market, South Africa is the largest resource base, with the Soviet Union a

close second, followed by Zaire and Australia in relative importance.

According to Antwerp traders, the Russians use Antwerp as a convenient base in which to "launder" Soviet-origin diamonds into a mix with South African and other Western-origin gems, which then find their way into U.S. markets under the rubric of "Antwerp-origin" diamonds. One leading Antwerp diamond dealer, Jacques Zucker of Lachowski-Zucker, confirmed recent negotiations between the huge Oppenheimer Group's London diamond marketing firm, Central Selling Organization (CSO), and the Russian state-owned diamond monopoly. "The Russians and the South Africans," he stated, "are vying for market share." Although De Beers controls a formidable 80% share of the Western diamond markets, Moscow has developed a major market influence over a weak market through dumping procedures which threaten to bankrupt major Antwerp diamond houses by forcing prices below profitability.

The CSO, referred to in the industry appropriately as the "syndicate," has bought rough or uncut diamonds from the Russians for a number of years. Its large London headquarters also houses a sublet to the Soviet diamond monopoly. It makes for convenience if nothing else. U.S. government estimates are that the Soviet Union produces some 17 million carats per year in diamonds for both industrial and gem uses. Most of the uncut diamonds are reportedly sold on

contract to the Oppenheimer CSO, which then distributes the stones to dealers in Tel Aviv, New York, etc.

Otherwise, Soviet dirty operations came to light in London last week when one of the world's most important platinum dealers, Argos Metals of London collapsed. According to knowledgeable sources in London, Argos was the major Western outlet for Soviet platinum exports. A delegation from Moscow is reportedly coming to London in several days to meet with Argos' receivers.

Bankruptcy proceedings put on public record for the first time that the Zurich-based Swiss Bank Corporation is the principal financial outlet for export of Soviet platinum to the West. Swiss Bankcorp and the Soviets reportedly refused to provide Argos the needed short-term credit to avoid bankruptcy in the face of forced call-in of debts owed to Johnson Matthey by Bank of England auditors.

In September, the Bank of England was compelled to re-organize Johnson Matthey Bankers, the London merchant bank affiliate of one of the five London gold-pool operators, after the Soviets threatened to withdraw gold business from London. The Bank of England turned the management of JMB over to the Oppenheimer interests of Anglo-American Mining, through the Oppenheimers's London-based Charterhouse Group; the Oppenheimers have been, since 1980, the Soviets' closest ally in the world gold markets.

JMB's failure was, in part, due to large losses in a new Florida venture in retail jewelry last year. One source in London speculated that recent Reagan anti-drug task-force crackdowns on the Florida illicit drug traffic may have been the cause of the JMB losses in its diamond retailing venture. Diamonds are a convenient vehicle for "laundering" of illegal drug profits.

Wall Street blackmails President

The bond-dumping threat is intended to force the President to make deep cuts in the budget, especially in defense.

According to top City of London sources, major Wall Street investment houses have accumulated the largest stock of bond holdings in history in the period leading up to the Nov. 6 landslide Reagan election. There are no published figures, but one estimate is that Wall Street investment houses, such as Merrill Lynch, Goldman Sachs, Brown Brothers Harriman, et al. could unload upward of \$10 billion worth of such bonds.

"The holdings on Wall Street were clearly motivated by a desire to ensure the Reagan victory, but in such a way as to give Wall Street major blackmail leverage over the Reagan budget process," one leading London broker said on Nov. 16. "Now, the rate at which those houses unload those bonds onto the markets could have major impact on prices with an upward impact on interest rates. I would expect this dumping would occur around the January period before Reagan's State of the Union to create maximum panic impact on Congress over the size of the budget deficit," he continued. He cited the "coincidence" of the latest pressure from Treasury Secretary Regan, formerly head of Merrill Lynch with the Wall Street blackmail capability. Regan demanded cuts in the defense budget be considered.

President Reagan and his advisers have agreed to drastic spending cuts in all domestic programs, with defense spending cuts the major subject of debate, well-placed White House sources report. Budget Director David Stockman, the same sources say, has

staked his career on a factional position for defense cuts. Stockman will ride point on this one; Treasury Secretary Donald Regan will support Stockman, but not to the point of risking his job. Stockman and Regan will focus on the Strategic Defense Initiative—the so-called "Star Wars"—in their axe-attack on the defense budget. One source describes this as a "Treasury policy coup."

A parallel fight has broken out in the Federal Reserve System. Fed chairman Paul Volcker is fighting supposed "pro-Reagan supply-sider" Preston Martin, the Fed's vice chairman, over whether to print money in the face of an economic downslide. Both sides of both fights are incompetent; they assume that the United States must respond to the crisis as the satrapy of European financial interests who control the margin of funding of the U.S. budget deficit.

Treasury Secretary Donald Regan is refusing to rule out cuts in defense and Medicare or a tax increase. "Well, what we're saying is tax increases only as a last resort," Regan said in an interview Nov. 11 on "The Business Program" of Britain's Channel 4. Asked whether the cuts would include defense, Regan replied: "As far as the Defense Department is concerned, no." But he noted that Congress had limited the real rate of growth in defense spending in 1983 and 1984: "I would suggest that that's an area that should be looked at." Regan's spokesman, Alfred Kingon, said Regan believes defense is a "legitimate area to

be looked at [for cuts]."

In a related development, the Treasury Department leaked to the press that it had virtually ruled out a plan invented by Reagan hardliners to slap on a national sales tax of some kind in order to raise additional revenue to cover the budget deficit while maintaining a large volume of defense spending. The officials quoted by the wire services today "stressed that final decisions on their proposal have yet to be made, and they noted that the whole plan could be changed to include some sort of sales tax after it's delivered to the White House next month," i.e., that they were stating a Treasury factional position.

White House hardliners, who devised the plan for a national sales tax as a straightforward austerity measure to pay for defense spending increases by reducing consumption, have had to accede to Treasury leadership on this subject.

In a related development, the Federal Reserve released minutes of its Open Market Committee meetings for Aug. 21 and Oct. 2, showing that Fed chairman Volcker had squared off against Vice-Chairman Preston Martin, usually portrayed as the "Reagan supply-sider" in the Fed board, over the issue of loosening money supply. The Fed permitted a marginal easing during September, but the majority of the Fed board backed Volcker's refusal to continue in October. Preston Martin and two other directors called for a "somewhat lesser degree of reserve restraint and faster monetary growth in the fourth quarter," warning of "strains now being experienced by some financial institutions."

But the majority warned—echoing threats published after the Nov. 6 election in the London *Financial Times* and the *Economist*—that looser credit might result in "a sharp decline in market interest rates."

Business Briefs

Labor

IMF austerity triggers strike wave

The austerity measures of the International Monetary Fund have triggered mass unrest throughout Ibero-America, and the survival of several governments is now threatened:

- In Bolivia, a general strike was declared on Nov. 14 amid reports that a military coup will be staged against the government of President Hernan Siles Zuazo. The strike was called by the COB labor federation, in support of its demands for higher wages to compensate for an inflation rate of 1,100% during the past year.

COB leader Juan Lechin said that the strike would be evaluated every two or three days, to determine the workers' capacity for resistance, and added that if the expected military coup takes place, the workers will stay out indefinitely.

- In the Dominican Republic, thousands of university and high school students have taken to the streets since last week to protest against the International Monetary Fund.

- In Colombia, the 8,000-member state employees' union declared a strike after talks with the government on the workers' demand for higher wages broke down.

- In Panama, after two weeks of sporadic protest, workers conducted a massive anti-IMF demonstration on Nov. 15. Two days earlier, President Nicolas Ardito Barletta announced an IMF-ordered austerity package, including a two-year wage freeze, massive firings of government employees, and a wide array of new consumer and corporate taxes. Panamanian labor leaders told *EIR* that if the protest does not yield the expected results, they will declare a general strike, which could bring down the unpopular Barletta government.

- In Mexico, labor federation head Fidel Velázquez uncharacteristically blasted the nation's labor minister, Arsenio Farrell, for having "become an obstacle to the labor movement" and for always taking the side of the employers, instead of impartially me-

diating conflicts. Velázquez also demanded a wage increase for government workers.

Technology

Pentagon expects test of space laser by 1989

The Department of Defense expects to complete testing for its baseline Space-Based Laser Triad system in 1989, according to a report to Congress by Undersecretary of Defense Richard DeLauer. *Defense Daily* on Nov. 13 reported that DeLauer said that if tests were successful, a decision to go ahead with an on-orbit test can be expected. "In about five years from the decision to proceed [1993], we might expect to have completed the design, fabrication, and flight test of a technology validator based upon the proven designs of the Triad technology demonstrations," DeLauer told Congress.

The Triad consists of the Alpha chemical laser, the beam generator, the LODE optics beam-control subsystem, and the Talon Gold tracking and pointing system. The Alpha and the LODE systems will be tested on the ground under simulated space conditions. The Talon Gold system, according to *Defense Daily*, had been scheduled for testing aboard the Shuttle against a high-flying aircraft in 1988, but "is likely to slip to 1989." DeLauer's testimony was given "before the possible slip in the Talon Gold schedule was disclosed," *Defense Daily* said.

Space

Panel rejects space-station plan

The Congressional Office of Technology Assessment (OTA), one of the key advisers to Congress on science and technology policy, issued a report on Nov. 12 recommending that Congress not provide funds for the large manned space station which the Rea-

gan administration has proposed be put in orbit by the early 1990s.

The OTA, which has compiled a rapidly anti-technology record since its creation in 1972 and has more recently played a key role against the Strategic Defense Initiative, argued against the Reagan administration's proposal on two counts: 1) the United States has yet to set long-range space goals, and 2) the potential uses for the station don't justify the \$8 billion plan being sought by NASA. The two-year study was prepared by OTA staffer Thomas Rogers with advice from a panel that included James Van Allen and anti-Star Wars zealot Carl Sagan.

The report also urges that the National Commission on Space, established by Congress this year, take the lead in a "national debate on the future direction of U.S. space activities." It suggests as a starting point several "broad goals," including reduction of the unit cost of space activities, direct involvement of the public, increased international cooperation, and greater investment by foreign governments and private interests in NASA.

Invisible Hand

Jamaica's ganja and the Washington Post

A major feature in the Nov. 11 *Washington Post* business section concludes: "The United States' huge imports of dope are people-to-people assistance of the most direct kind. . . . This may be a major headache for U.S. law-enforcement agencies, but it is also one of the biggest transfers of U.S. capital to the Third World today."

The article, "Free-Market Magic: Jamaica Has Gone to Ganja," says: "The Jamaican marijuana production is a shining example of the free market at work." It does not, however, say that Kissinger Associates, Inc. partner Lawrence Eagleburger formulated the State Department policy of tolerating the total take-over of the Caribbean by Dope, Inc.

Author Jeff Stein, founder of *The Wash-*

Briefly

ington Weekly, cites a Congressional drug investigator who flew over the island as saying the \$3.5 billion annual ganja crop is tended so carefully that it "looks like a Japanese rice paddy." On his motorbike trip across the island, Stein writes, "I was witnessing the evolution of an entire country toward dependence on marijuana—the creation of a 'Ganja Nation.'" He gives one anecdote after another about how mines, sugar plantations, and farms have fallen into ruin with the population having no choice but to go to ganja and become addicted to the fast bucks flowing from it.

The *Washington Post* chides the Reagan administration for promoting the "hardware" approach to eliminating the drug trade. It argues that it would be impossible for Prime Minister Edward Seaga to repress the drug trade now, since the country is under pressure from the IMF for more austerity to pay the debt. Also, says Stein, "Tougher police measures, experts warn, could lead to Bolivian-style 'narco-terrorism,' in which dope lords engage in kidnapping, murder, and extortion, and whole sections of the country slip out of government control."

Middle East

Israel's economic crisis intensifies

With latest reports showing inflation rates to have hit a 1,000% annual rate, the Israeli government is preparing new austerity measures and is setting aside key development projects that had been started during past years.

Israeli Energy Minister Moshe Shahal said on Nov. 15 that ambitious plans to build a canal from the Mediterranean to the Dead Sea for hydroelectric power may now be abandoned. Shahal told the Israeli media that he had commissioned a study "regarding the effect of halting the project." This follows a report from the Israeli Comptroller's office saying that the project's potential contribution to Israel's energy requirements

would not justify the cost of building it.

With expectations that new austerity will lead to levels of unemployment never seen before in Israeli society, one Israeli commentator told the press that the current situation "will leave the government so bereft of credibility that the only policy options left will be so Draconian as to endanger our very democratic system. . . ."

U.S. 'Recovery'

The price of Volcker's policies

Who would have guessed, when Paul Volcker was appointed Federal Reserve Board chairman five years ago, that the U.S. budget deficit would become so uncontrollable that the United States is now being treated as a Third World country, manipulated on the basis of its deficit? *EIR* predicted just that.

On Oct. 12, 1979, Paul Volcker followed instructions to impose "controlled disintegration" on the United States by sending interest rates into the 20% range. Interest rates have never dipped below double-digit levels since, while the deficit swelled.

During Volcker's tenure, the outstanding Treasury debt has risen from \$780 billion to the \$1,828 billion that will obtain at the end of fiscal year 1985 (which ends Sept. 30, 1985), according to best-case projections. The outstanding Treasury debt will have grown from 29% of GNP at the start of 1979 to 39% by the end of the 1985 fiscal year; that is, Volcker will have added over \$1 trillion in public debt outstanding in just six years. That represents more debt than the total amount incurred from the founding of the nation through 1979.

During the same time period, the gross interest on the federal debt grew from \$49 billion to \$150 billion. Whereas interest debt service represented 8.5% of all federal outlays in 1979, it will represent 14.7%, by government projection, at the end of the 1985 fiscal year.

● **ARGONNE** National Laboratory scientists have devised a method using lasers that can detect tiny concentrations of contaminants in semiconductors without damage to the material tested. Unlike mass spectrometry, the usual method, the laser method detects virtually all the impurities present. The Argonne Lab team has achieved sensitivities in parts per billion while removing only 0.001% of the sample's surface atoms. Estimates are that the work is now two to three years away from commercial readiness.

● **WILLIAM BROCK**, one of the President's top trade advisers, told a group of businessmen in San Francisco on Nov. 14: "I don't know what an overvalued dollar is. It's valued by the market and we've got to live with it."

● **THE MIDDLE CLASS** may become extinct, according to two middle-class scholars, Barry Bluestone of Boston College and Bennett Harrison of MIT. Average wages in service "industries" fell to below \$12,500 in 1980, whereas, they note, average wages in manufacturing concerns rose above \$22,000. They predict that it may become harder and harder for workers to find jobs that pay middle-class wages. No mention was made of the future wage prospects of half-baked economists.

● **APPLIED ROBOTICS, Inc.** has introduced a system that allows robot users to easily change grippers used to assemble or handle products. The system, called XChance, will allow a single robot to perform different tasks that previously required complex tooling or multiple robots, the company announced. President Bruce Newell said that the system "promises to automate one of the weakest links in robot automation—hand technology." Applied has filed for a patent for the new system.

Get Kissingerites out of the Reagan administration!

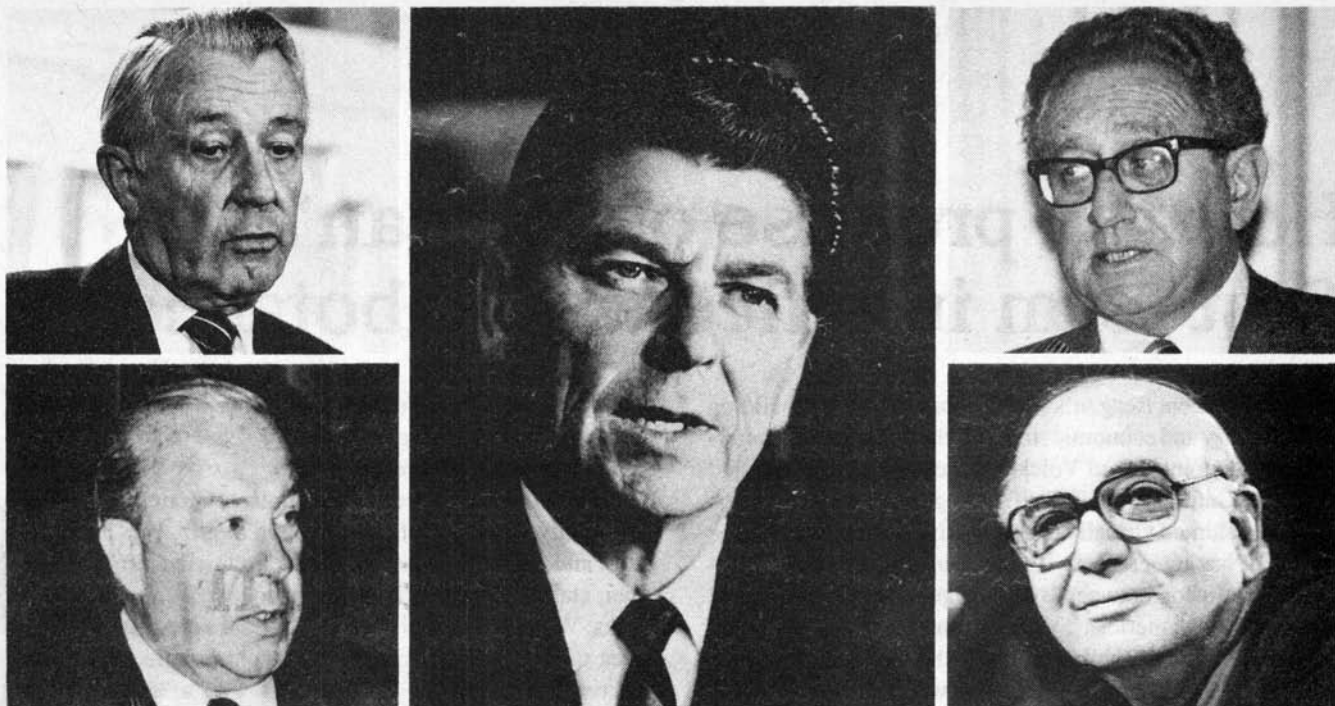
by EIR's U.S. intelligence staff

With Election Day past, one of the most critical battles in the history of the American republic remains to be fought out, and will be decided over the next six to eight weeks: the battle over who will shape the policies of the second Reagan administration. Will President Reagan act on the overwhelming mandate which the American population handed him and embark on policies of high-technology-vectored economic growth, predicated on the rapid development of a beam-based defense system for the United States and its Western allies? Or will he be captured lock, stock, and barrel by the Eastern Establishment forces against which he explicitly campaigned in 1976, 1980, and—though much more quietly—again this year?

Although the American people resoundingly voted “no” to those Eastern Establishment forces in 1980, these think-tankers re-emerged nonetheless to carry out a virtual coup within the first Reagan administration, erecting a “palace guard” around the President. The very Establishment policymakers who concocted Walter Mondale’s campaign platform—which was trounced at the polls—are now moving in to “advise” President Reagan!

The only way the President can escape domination by this crowd is to embark immediately on a thorough purge of his administration. The American citizenry must be mobilized to provide the President with the political backup he requires to eliminate from his second term all those individuals associated with the politics and person of Henry Kissinger.

If Reagan does take swift and decisive action to terminate the influence of Kissinger and his collaborators over United States policy, then his presidency—and the nation—will stand at least a fighting chance of reversing the helter-skelter rush into economic depression and military disaster which the oligarchical families behind both Kissinger and Mondale have foisted on the United States. But if the President fails to act decisively and ruthlessly, his re-election will fast become a Pyrrhic victory. Given the slightest leeway, Kissinger and his collaborators will see to it that Reagan’s second administration pursues essentially the same policy agenda that a Mondale administration would have.



If President Reagan is to deliver on the mandate given him in the Nov. 6 election, he will have to purge the Kissinger moles from his administration. Shown are (clockwise from the upper right) Henry Kissinger, Paul Volcker, George Shultz, and Donald Regan.

That agenda, which Kissinger associates George Shultz and Robert McFarlane have been spending the last five months working on, includes the following ingredients:

- First and foremost, concluding a “New Yalta” deal with the Soviet Union. This policy, which originated with the powerful circles around McGeorge Bundy, the “dean” of the Eastern Establishment, would carve up the world into two feudal world empires, one in the East, the other in the West. It calls for the United States to cede Europe and the Middle East to the Soviet sphere of influence, and to eliminate the American beam-weapons program.

- Second, imposing genocidal economic policies throughout the globe. The famine sweeping Africa is merely a portent of things to come as a result of the International Monetary Fund’s conditionalities. Kissinger’s plan—outlined in the report of his Central American Commission—is to open up Third World countries to unrestrained looting, in the name of “free enterprise.”

Although President Reagan is personally behind the Strategic Defense Initiative one hundred percent, and while he has made it clear, most recently in the last televised debate of the campaign, that he is philosophically opposed to Malthusianism, these good intentions will not suffice. To the extent that he permits Kissinger and company even the slightest leverage, Reagan will be forced, bit by bit, to abandon the SDI and all hopes of deterring Soviet plans for world domination, and to accept unconscionable levels of austerity, not only in Africa or Argentina, but here at home.

Reagan’s failure in his first term to reverse America’s economic decline, to increase defense funding above Carter

administration levels, and to aggressively implement his March 23, 1983 “Star Wars” speech, is directly traceable to the influence of the Kissinger faction. The problem is not Henry Kissinger per se. But pathetic, infantile Henry has been designated by the Establishment Brahmins as their front-man, particularly in relation to the Reagan administration. Ending Kissinger’s credibility both at home and abroad will deliver a telling blow to his back-room employers.

To do that, the President must first clean out the State Department, which, true to its century-old tradition, is functioning as the coordinating center for policies inimical to genuine U.S. interests. It is George Shultz and his underlings who have led the fight for “decoupling” from Western Europe and against the SDI. Then the President must turn his attention to the State Department’s collaborators in other departments—Donald Regan at Treasury, John Block and Daniel Amstutz at Agriculture, Fred Iklé at the Defense Department, et al. Finally, he must show the door to the Kissingerians in the White House—James Baker III, Richard Darman, Michael Deaver, and Robert McFarlane. There is one further step: The President must also end the influence which certain key, Kissinger-allied “think-tanks” have over administration policy.

The American people went to the polls Nov. 6 and rejected the zero-growth, “Let’s make a deal with Moscow” mentality which was the battle cry of the Mondale campaign. Yet this is the same outlook held by Kissinger and his friends inside the administration. This report identifies the people, the policies, and the institutions which must be closed down if Reagan is to fulfill the mandate he was given.

How the promise of Reagan's first term in office was sabotaged

Despite President Reagan's strong commitment to rebuilding U.S. military and economic strength, the hold-over of Carter-Mondale appointee Paul Volcker at the Federal Reserve, and the strong influence of Henry Kissinger's associates otherwise, has blunted virtually every positive policy initiative the President has undertaken. By manipulating Reagan's ideological confusion between British-imperial "free enterprise" doctrines and American System economics, and his belief that Russia is a "crumbling empire," these circles gained his acquiescence in policies he would otherwise violently oppose.

Therefore, Reagan's first term saw a decline in U.S. influence abroad, a collapse in industry and agriculture (and soon, its banking system), and a decline in defense.

The "Kissingerians" at State and elsewhere have:

- brought the Atlantic Alliance to the verge of dissolution;
- prevented any peaceful solution to the Central American crisis;
- colluded with the Soviets to force the United States out of the Middle East;
- destabilized the Marcos regime of the Philippines, threatening to force a U.S. pull-out from Asia.

Even the administration's two vaunted successes, the economic recovery and the military buildup, are illusory, the former a product of faked figures and an influx of monies attracted by high interest rates, the latter actually representing a slight decrease in real spending over the Carter administration's final defense budget.

Assault on the SDI

On March 23, 1983, President Reagan dropped a bombshell into the laps of an astonished Eastern Establishment, when he called on the American scientific community to seek an alternative to Mutual and Assured Destruction by developing a defense against nuclear missiles based on "new physical principles." The President's proposal, later designated the Strategic Defense Initiative, constituted a direct challenge to the "New Yalta" policy of Kissinger's masters.

The Establishment struck back with a vengeance. In addition to the chorus of objections raised by the East Coast media ("Star Wars"), the Mondale campaign, and the nuclear-freeze mob, Kissinger actively sought to sabotage the policy from within. He personally began a series of back-channel overtures to the Kremlin, reportedly assuring the Soviet lead-

ership that he would do everything in his power to dissuade Reagan from pursuing the beam-defense program. "New Yalta" could be salvaged.

At the same time, he and his administration collaborators, especially Secretary of State George Shultz, began to pressure and attempt to manipulate the "politician" Ronald Reagan, claiming that the Soviets wanted to reopen arms-control talks. Were Reagan only prepared to make concessions in the area of strategic defense, an arms-control agreement could be reached providing the President with a "peace-maker" image.

General Brent Scowcroft, vice-chairman of Kissinger Associates, earlier this year contributed his report as chairman of the President's bipartisan commission on the MX missile, in which he raised "grave doubts" about the advisability of the SDI. Coupled with advice from White House advisers and election managers to soft-peddle the SDI, Kissinger's "inside-outside" offensive had a devastating impact on the SDI's status. The administration requested less than \$2 billion for the program in FY 1985—and ended up with even less because it refused to risk a fight with Congress during the election year.

Similar tactics left the MX-missile program emasculated, largely due to the Scowcroft Commission's recommendations; the anti-satellite program was severely cut back, on the grounds that it would "interfere" with U.S.-Soviet negotiations; and the increase in the entire FY 1985 defense budget was slashed to a paltry 5%.

Among other tactics, Kissinger proposed that Reagan set up a new post, an arms-control czar, who would be given complete control over the U.S.-Soviet negotiating process and not have to worry about Pentagon objections to negotiating away the SDI. Kissinger advertised his own availability for the job, and in a Nov. 7 interview with West German television, said that Shultz and Scowcroft would also be "good men" for the post.

The end of NATO

The assault on the SDI is one key element of the "New Yalta" gameplan. The destruction of NATO is another. Under the guise of a reunified, neutralized Europe, the Kissinger circles are pressing for the United States to abandon Europe to the Soviet Union, under the code-name "decoupling." As

EIR has previously documented, “decoupling” is the policy of the U.S. State Department, and such key diplomats as Ambassador to West Germany Arthur Burns and Ambassador Vernon Walters. It is the brainchild of such think-tanks as Georgetown Center for Strategic and International Studies (CSIS), which held a conference on this policy in Brussels last January at which Kissinger was a featured speaker. Also complicit are such British intelligence- and KGB-influenced institutions as the American Enterprise Institute, the Aspen Institute, and the German Marshall Fund.

Kissinger himself gave one of the first public formulations of “decoupling” in an essay published in the March 5, 1984 issue of *Time* magazine. Entitled “The Plan to Reshape NATO,” the article suggested steps to make Europe more “independent”—including allowing the Europeans to redesign NATO’s concept and organization of defense; he insisted, however, that defense must be based on conventional, not nuclear, weapons. Should Europe not heed this advice, he threatened, the United States should unilaterally withdraw half its forces from Europe!

The article was put into legislative form almost immediately by Sen. Sam Nunn (D-Ga.). Nunn, an associate of Kissinger at CSIS, proposed an amendment to the FY 1985 Pentagon budget calling for the withdrawal of 90,000 American troops from Europe by 1990. Nunn’s office admitted that the amendment, which was defeated in June 55-41, was inspired by Kissinger’s article.

Part of the effort to “decouple” Europe and the United States has been the lying reports to the Europeans, often claiming to be “off the record” views of the administration—notably by the State Department’s Richard Burt—that the SDI is intended only for U.S. defense. Such lies serve the double purpose of inciting Europe against the defense program, while convincing them that an “accommodation” with Moscow is their only hope.

Global Malthusianism

In the realm of economic policy, the President has been cynically manipulated through his “magic of the marketplace” fixation to secure his agreement to policies spearheaded by the International Monetary Fund which mean the literal destruction and depopulation of much of the Third World, and, soon enough, the subordination of the advanced-sector economies to a one-worldist financial dictatorship. The federal budget deficit is the current point of blackmail pressures to compel a degree of austerity inside the United States itself that would not only make depression a permanent economic reality, but render the nation’s defenses, as much as social services, impossible to maintain—the SDI in particular.

Administration policies in agriculture, including the so-called PIK (Payment in Kind) program, were handed to Agriculture Secretary John Block by Walter Mondale’s adviser, Orville Freeman! These policies, which have resulted in massive farm bankruptcies and decline in output, are the product

of collaboration between agents of the grain cartel within the government, epitomized by Undersecretary of Agriculture Daniel Amstutz, a “former” top employee of Cargill, and outside think tanks, notably, the Hubert Humphrey Institute in Minnesota, whose most prominent figures include Mondale, his longtime associate and former Agriculture Secretary Freeman, and Kissinger.

As a result, the systematic destruction of the American family farmer is destroying the potential for averting global famine, and bringing the United States itself to the verge of skyrocketing food prices, shortages, and rationing. Yet, through the same grain cartel, the United States in 1984 will have sold more grain to the Soviet Union than in any year since the first grain deal with Moscow was engineered by Kissinger in 1972. This giveaway permits the Soviets to build up the strategic food reserves necessary to maintain the rate of their current diversion of all economic resources to military buildup.

Kissinger’s goal

In a Sept. 24 speech honoring the 300th anniversary of Moccata, the British gold-trading house, Kissinger delivered a bald-faced attack on the nation-state and demanded “integration” of national economies into a “global framework.” Nationalism, he argued, is becoming so intense in some places that it is becoming impossible to implement austerity and collect foreign debt. “The biggest politico-economic challenge to statesmen,” he said, “is to integrate national policies into a global perspective, to resolve the discordance between the international economy and the political system based on the nation-state.

“Political and economic global systems are no longer congruent. . . . A number of countries sufficient to upset the equilibrium lack a consistent domestic discipline and pursue incompatible policies. . . . The incongruity between the internationalization of the world economy and the dogged strengthening of national autonomy in economic decision-making is the deepest cause of the gyrations of markets and exchange rates. . . . We live with the paradox of a global economy which lacks a system for setting agreed long-range goals. The industrial democracies have recoiled as well from the alternative of political coordination of fiscal and monetary policies.”

Kissinger then denounced modern-day democracies. “The most important economic powers are governed by a kind of popular democracy unknown in the 19th century . . . the public insists that governments assume responsibility to alleviate suffering and to improve the quality of life, if necessary even at the cost of slowing economic growth.” He accused the industrial democracies of being “unwilling to modify their policies in response to IMF criticism.”

Kissinger’s message is clear: The United States must be stripped of its industry, living standards, defenses, and democratic system—its status as a sovereign nation.

Kissinger's snakes and vipers who are trying to capture the President

What follows is a dossier of key people allied with Henry Kissinger and the policies he represents who hold important posts within the Reagan administration. The State Department is highlighted here, for it functions as the nerve center for Kissingerian intrigue against President Reagan's policies. Under Secretary of State Shultz, the department has tried at every opportunity to undermine the Strategic Defense Initiative (SDI) and to further the process of "decoupling" Western Europe from the United States. In economic policy, State is among the biggest boosters of the austerity policies associated with the International Monetary Fund (IMF) and the Agency for International Development.

State Department: the Kissinger mafia

Secretary of State George Shultz—Shultz's tenure at the State Department has seen a total convergence of the Department's policies with those of Henry Kissinger. With his appointment, Kissinger emerged from the shadows of the think-tank circuit and resumed a direct presence in government.

Named to replace Alexander Haig in July 1982, Shultz announced at his first press conference as secretary of state that Kissinger was a "good friend" upon whom he would rely for policy guidance. He proceeded to organize a series of "Saturday seminars," many given by Kissinger, to educate himself and the State Department's senior staff on key policy areas. Kissinger's alter ego, Helmut Sonnenfeldt, was named as a top adviser to the department.

Kissinger and Shultz had worked closely together while serving in the Nixon-Ford administrations. Both were members of the internal administration conspiracy which convinced President Nixon to close the "gold window" and end the Bretton Woods system of fixed exchange rates, a radical move which signaled the end of post-World War II prosperity.

Shultz has treasonously blocked communications from foreign heads of state to the U.S. President on at least one occasion. When President Hosni Mubarak visited Washington in the spring of 1984, he complained to Reagan that Shultz had intercepted messages from himself to the President, including an urgent appeal not to withdraw U.S. troops from Lebanon.

Further, Shultz is the major promoter of the Kissinger line on U.S.-Soviet arms negotiations. Whereas President Reagan and Defense Secretary Weinberger have stressed U.S. readiness to implement a beam-weapon defense policy jointly with the Soviet Union, and to negotiate the shape of a new superpower defense doctrine of "Mutually Assured Survival," Kissinger and Shultz have insisted that space-based defensive weapons are a *bargaining chip* to be placed on the table of arms negotiations. The overriding strategic gameplan for Shultz, as for Kissinger, is to conclude a "New Yalta" deal with the Soviets to divide the world into spheres of influence. This policy has brought him into intense conflict with Weinberger, and Shultz has been the source for recent leaks to the effect that Weinberger should be dumped from the cabinet in the second administration, because he has "interfered" with the arms-control push.

Since the election, Shultz has increased his pressure on the President to make a deal with Moscow. He has presented him with a "global agenda," drawn up by himself and Robert McFarlane, which reportedly lays out two key goals for the second Reagan administration: a major arms-control "breakthrough" with the Soviets, and extending to the entire developing sector the "free enterprise" looting policies advocated by Kissinger in his report on Central America.

Shultz also functions as one of the key bridges to the Mondale Democrats. He was responsible for bringing in AFL-CIO chief Lane Kirkland and Kirkland's International Division Chief Irving Brown as informal advisers to the administration; one administration consultant has said that, as a result of Shultz's support, Kirkland had become the most influential figure in Reagan's foreign policy apparatus.

Undersecretary of State for Political Affairs Michael H. Armacost—Armacost was appointed to this post in June as a replacement to Lawrence Eagleburger, when the latter left to become president of Kissinger Associates. Like his predecessor, Armacost is a protégé of Kissinger, but he has other, independent, connections to the international financial oligarchy. His brother Samuel is the president of the Bank of America, the largest bank in the United States with the largest

exposure of any American bank in the Ibero-American debt market, and one of the leaders of the global creditors' cartel. He is a firm supporter of the IMF's neocolonial debt-collection policies.

After serving on Kissinger's Policy Planning Staff at State, and on Zbigniew Brzezinski's National Security Council staff during the Carter administration, Armacost was appointed ambassador to the Philippines in 1982. During his tenure in this post, Armacost quietly aided the destabilization of the Marcos regime, giving a number of speeches calling for greater "democratization," and opening doors in Washington to leaders of the opposition to Marcos.

Assistant Secretary of State for European Affairs Richard Burt—Burt is often mentioned as a possible National Security Adviser during Reagan's second term. A solid Kissingerian in terms of policy outlook, Burt has been one of the most active insider saboteurs of the President's beam-defense initiative. In opposition to the President's clearly stated policy, he has repeatedly said, including in a late 1983 address to the Overseas Writers Club, that the "Star Wars" program does not represent a change in U.S. strategic doctrine from Kissinger's Mutually Assured Destruction (MAD). He has also insisted at every opportunity that the SDI is merely a "research program" and that no consideration at all is being given to *deploying* anti-missile technologies.

Burt was formerly the assistant director of the London-based International Institute for Strategic Studies, which has been one of the foremost think tanks agitating against the SDI. He still holds membership in the IISS, as well as in the New York Council on Foreign Relations, the British Royal Institute of International Affairs, and the American Council on Germany.

Burt has fought every step of the way to block the release of the Reagan administration study which documented extensive Soviet violations of SALT, ABM, and other arms-control treaties.

During his confirmation hearings, several members of the Senate Foreign Relations Committee revealed that Burt, while working in the 1970s as the *New York Times'* chief military affairs reporter, had leaked classified information which threatened an important NATO monitoring satellite. According to the senators, Burt had penned an article for the June 29, 1979, edition of the *Times* about the United States Chalet satellite system, which is a highly classified reconnaissance system, revealing how it was intended to be used by NATO, and that its ground base was in Norway.

The senators charged that Burt's revelations severely compromised Norway as well as the existence of the satellite system itself. Sen. Jesse Helms (R-N.C.) charged that through the article, Burt had done "grave security damage to his country," and "compromised the position of the U.S. in re-

gard to a NATO partner . . . which raises questions as to how a person who is responsible for such an act, could conduct relations with our European allies."

Ambassador to the United Nations Jeane Kirkpatrick—Kirkpatrick enjoys a reputation as one of the anti-Soviet hardliners in the administration who repudiates Kissinger's détente policies. In fact, she has used her position at the United Nations to increase the alienation of the United States from all of its potential allies among the developing countries—an "achievement" which plays right into Moscow's strategic designs. Kirkpatrick is among the top promoters of American military intervention in Central America, which would not only cause the United States to become enmeshed in a Vietnam-style quagmire, but would also necessitate the redeployment of U.S. forces from Western Europe, thereby turning Europe into a Soviet fiefdom.

Kirkpatrick has been the leading figure promoting the view that the United States' potential friends in the non-aligned movement are "communists" or Soviet allies. She incessantly decries the "non-aligned majority" in the United Nations General Assembly for siding with the U.S.S.R. on such issues as opposition to South African apartheid or the unprovoked Israeli bombing of an Iraqi nuclear research reactor, continuing the work of her predecessor and close friend, Daniel Patrick Moynihan.

As for her alleged opposition to Kissinger, it was Kirkpatrick who, along with her "neo-conservative" colleagues in the Social Democrats U.S.A. and the Committee for the Free World, launched a campaign in early 1981 to build up Kissinger's respectability in conservative circles. That was one of the dominant themes of discussion at the CFW's 1981 conference which Kirkpatrick and Kissinger both addressed.

Ambassador at Large and Special Envoy for Central America Harry W. Schlaudeman—Schlaudeman is the key on-the-ground coordinator of Kissinger's Central America policy. Their collaboration dates back at least to the Nixon administration, when he served as ambassador to Chile during the period that Kissinger organized the coup against President Allende.

Schlaudemann has held several important positions under the Reagan administration. He served as Ambassador to Argentina during the Malvinas crisis, assisting then-Secretary of State Haig in double-crossing that country. According to Argentine government officials, Schlaudeman met with opposition figures during the crisis and gave them orders on how to undermine the Argentine government. He also met with military leaders there after the election of President Raul Alfonsín, and discussed the prospects for a military overthrow of the President.

Schlaudeman was recalled from Buenos Aires in 1982 to

serve as the Executive Director of Kissinger's Central American commission, which advocated population control and economic looting of the area as the primary solutions to the region's problems. After completing that task, Schlaudeman was appointed Special Envoy and began intensive style-diplomacy. This resulted in the scuttling of the Contadora peace initiative which Nicaragua was about to sign in early October 1984, thus setting the stage for pushing President Reagan into a suicidal military adventure in Central America.

The White House 'palace guard'

White House Chief of Staff James A. Baker III—The Chief of Staff and his associates have cordoned off the President, screening all presidential appointments and carefully scrutinizing all newspapers and other information presented to the President in order to guarantee that the environment in which Reagan's decisions are made is controlled.

Scion of a leading Texas freemasonic family and a business associate of ex-Democratic National Committee Chairman Robert Strauss, Baker was George Bush's campaign manager in his primary campaign against Ronald Reagan. Baker was appointed White House Chief of Staff as part of the compromise with the Kissinger wing of the Republican Party, which included the selection of Bush as Reagan's running mate. He is now angling for a top cabinet post, preferably attorney general.

Baker's treachery became most apparent during the 1984 election campaign when, as Reagan's campaign manager, he successfully urged the President to drop, at least in public, his support for the Strategic Defense Initiative, lest it cost him the election. Baker studiously ignored opinion polls showing that more than 80% of the American population approved of the President's program. He also reportedly suppressed information that the Democratic National Committee was coordinating Mondale's attacks on the SDI directly with the Soviet Politburo! Furthermore, Baker's coaching of the President for his first debate with Mondale is widely blamed for Reagan's poor performance.

Within 24 hours of Reagan's landslide victory, Baker announced to the press that the President had not received an actual mandate from the electorate. He is now collaborating with Shultz and McFarlane to steer Reagan toward arms control, and is among those urging that the President appoint an "arms control czar" to handle all negotiations with the Soviets.

Deputy Chief of Staff Michael Deaver—Deaver is a petty manipulator and social climber who purports to be a Reagan loyalist while actually serving as a "mole" for the Eastern Establishment. He is the only member of the California Reagan entourage remaining in an important White House position. But whatever his role was in Reagan's Sacramento, he has now hitched his star to the Eastern Establishment wagon.

Upon his arrival in Washington, he left the social circle of his former "Reaganite" associates and joined the "Georgetown" liberal chic set. His power is said to derive, at least in part, from his manipulation of the President's wife and her desire for respectability in the eyes of the Eastern Establishment.

It was Deaver who proposed James Baker for his current job, and it is reportedly Deaver who has engineered the expulsion of the rest of the Reagan loyalists from major White House positions. Every report we have on the internal power struggles in the White House indicates that Deaver has supported the Kissinger position in every single battle.

Deaver, according to reports in the Washington press, plotted to have James Baker replace William Clark as national security adviser so that Deaver could become chief of staff. When this failed, Deaver threatened a personal vendetta against President Reagan.

National Security Adviser Robert McFarlane—McFarlane, Reagan's third National Security Adviser, is a protégé of Henry Kissinger. Although he has publicly supported the SDI, he also backed the creation of the Bipartisan Commission on Strategic Forces, which was headed by Kissinger associate Gen. Brent Scowcroft. The commission set the stage for the defeat of the MX missile in Congress and excluded the development of ballistic-missile defense from its statement of long-range U.S. weapons policy.

McFarlane publicly supports the idea of keeping the SDI program at a bare minimum and using it as a bargaining chip with the Soviets.

McFarlane studied international relations at the hands of experts of the European oligarchy, at the Institut des Hautes Etudes in Geneva, Switzerland, in 1967 and then joined Kissinger's National Security Council staff as Marine Corps liaison in 1969. He succeeded Alexander Haig as Kissinger's Chief of Staff in 1973. His first position in the Reagan administration was as counselor to Secretary of State Haig. His most notable achievement in that position was the negotiation of a secret "Memorandum of Understanding" between the United States and Israel, as part of Haig's strategy to encourage Israel's invasion of southern Lebanon.

Department of Defense

Director of the Defense Advanced Research Projects Agency Robert S. Cooper—Cooper has been one of the most active saboteurs of the SDI in Washington. He has fostered a situation in which as many as 40% of the agency's employees have been recruited to a "human potential" kook cult known as Lifespring, one of the spin-offs of the Esalen "sensitivity training" center.

Following the President's order that the Defense Department begin exploring beam defense technologies, Cooper presented Congress and the public with assessments based

on a mythical 100% effective impenetrable missile shield. The estimates of cost and difficulty of achievement reached through this methodology have been used as major ammunition in the campaign by the Kremlin's anti-"Star Wars" movement.

Undersecretary of Defense for Policy Fred Iklé—Iklé is another principal inside operator against the Strategic Defense Initiative. This should not be surprising: He is the member of his Swiss banking family who was sent to look after family political interests in the New World. His training is purely in psychological warfare. As director of the Arms Control and Disarmament Agency under Kissinger, he initiated the negotiation of the SALT II treaty.

His office has been a source of lies poisoning the strategic assessment of the Reagan administration. His Director of European Policy, Daryl Johnson, has insisted that there is no Soviet threat to Western Europe. Iklé has been active in preparations to engage American military forces in Central America. He maintains close contact with the "neo-conservative" grouping responsible for Project Democracy. Irving Brown, the director of the AFL-CIO's International Division, claims that Iklé is a close friend who has assisted the AFL-CIO's operations in Ibero-America and elsewhere.

Department of Agriculture

Undersecretary of Agriculture for International Affairs and Commodity Services Daniel Amstutz—In May 1983, after having served as an executive of the Cargill grain trading conglomerate for 25 years, Amstutz gained his present post. His position places him in charge of the Foreign Agriculture Service and the Agriculture Stabilization and Conservation Service, giving him the ability to control farm output and international trade policy. He, not, Agriculture Secretary John Block, has been running the USDA.

Within two months of taking office, he had negotiated the Long Term Agreement with the U.S.S.R., obliging the United States to provide contracted grain to the Soviets under any circumstances, unless there is an official U.S. declaration of emergency or war. The deal resulted in huge contracts for Cargill.

Agency for International Development

AID Administrator M. Peter McPherson—McPherson has consistently violated the anti-Malthusian policy position of President Reagan, and is an enthusiastic supporter of the destruction of advanced technology and the decimation of the population of the underdeveloped world. Activists of the zero-growth movement hail McPherson as "our man" in the Reagan administration.

McPherson has moved ruthlessly to remove any obstacles to Malthusian policies from his agency, including Frank Ruddy, an anti-Malthusian backer of Reagan, who was removed

as AID assistant administrator for Africa and given a do-nothing job in the AID counsel's office. He is now ambassador to Zambia. Sources close to Ruddy report, "This agency might as well be run by Abbie Hoffman."

Treasury Department

The Treasury Department is one of the biggest pits of vipers out to destroy the Reagan administration. As our *Domestic Credit* column this week details, **Treasury Secretary Donald Regan** and company are blackmailing the President with the threat of enormous new budget deficits, to force unnecessary cuts in defense and other crucial budget items.

Treasury has been degraded to the status of a collection agency for the Third World debt, on behalf of the banks and the IMF. **Deputy Secretary Tim McNamar** is one of the administration's most enthusiastic supporters of Kissinger's "debt-for-equity" plan to loot the Third World countries in order to pay the debt.

Regan, McNamar, and **Undersecretary for Monetary Policy Beryl Sprinkel** are three of the most incompetent economists Washington has yet produced, known for their droning insistence that "We're in the midst of a solid economic recovery" (Regan), that there is "no problem" with the Ibero-American debt (McNamar), and that all that is needed is the ruthless application of the monetarist principles of Milton Friedman (Sprinkel).

Department of Justice

FBI Director William Webster—Webster has consistently covered up the terrorist threat in the United States and internationally, insisting that there is no evidence of any Soviet involvement with the U.S. "peace" movement, despite massive evidence to the contrary. Through the Abscam, Brilab, and related sting operations, Webster has introduced the methods of the Jesuit Inquisition to American Justice.

Other culprits

The above by no means constitute a complete list of Kissingerians who need to be purged from the administration. Other prominent targets include:

Ambassador to West Germany Arthur Burns—the former Fed chief who is undermining the U.S. alliance with Germany, even to the extent of promoting the anti-American Green party.

Office of Management and the Budget Director David Stockman—the leftist turned "free enterpriser" who is trying to blackmail Reagan into massive budget cuts.

Federal Reserve Board Chairman Paul Volcker—who is working with Treasury to destroy the economy, not only of this country but of the rest of the world too.

Eastern Establishment's treasonous institutes shape government policy

The Eastern Establishment has erected a vast network of think-tanks and other policymaking institutions which shape U.S. government policy, and are part of the current drive to "capture" President Reagan. We single out three whose influence must be smashed if the second Reagan administration is to succeed—by no means thereby excluding others, such as the Heritage Foundation, the Aspen Institute, the Council on Foreign Relations, etc., which emphatically deserve similar treatment.

Project Democracy

A seemingly motley group of unrepentant socialists and dyed-in-the-wool "conservative free enterprisers" has formed for what purports to be a "worldwide offensive against communism." The true nature of Project Democracy can best be seen from the fact that its sponsors are public promoters of the assassins of Indian Prime Minister Indira Gandhi. AFL-CIO Chairman Lane Kirkland, who is, of course, synonymous with Walter Mondale, has been the principal recipient of U.S. Treasury funding through Project Democracy. Kirkland hosted a 1982 U.S. tour, as part of the Project Democracy's organizing effort, for Chauhan Singh, the Sikh terrorist leader who has claimed credit for the Gandhi assassination and who threatened that his followers will proceed to assassinate Rajiv Gandhi, the new prime minister, along with the rest of the Gandhi family.

The assassination of Mrs. Gandhi was carried out, as *EIR* has shown, by networks backed jointly by British intelligence services and the Soviet KGB, with the support of U.S.-centered operatives. This is the kind of criminal activity into which Project Democracy wishes to lure the Reagan administration: "low-intensity" and "covert" operations which are an open invitation to Soviet "dirty tricks," which in turn will be blamed on Washington.

The idea for Project Democracy was first broached by John Lenczowski, a former aide to Lawrence Eagleburger at the State Department (Eagleburger is now president of Kissinger Associates), and now a member of the staff of the National Security Council. Lenczowski formulated the idea in conjunction with Michael Novack of the American Enterprise Institute, to launch a "non-military offensive" against communism. The Project Democracy group in and around the administration includes the chief advocates of the absurd and dangerous thesis that "the Soviet Empire is crumbling"—

and that covert actions by the West can help this process.

The Project Democracy program is currently being implemented through the National Endowment for Democracy, which conduits tens of millions of dollars of government funds into a variety of private institutions in order to foster what are described as "the institutions of Democracy" in the Third World and Eastern Europe. The bulk of the funding has gone to the International Division of the AFL-CIO, headed by Eagleburger's buddy Irving Brown and founded by former Communist International agent Jay Lovestone. Both the pro-Soviet and "anti-Soviet" wings of the Socialist International, whose activities in Latin America and elsewhere are coordinated with the AFL-CIO, have vigorously supported Project Democracy.

In announcing the administration's desire to fund the National Endowment, Eagleburger claimed that it would not sponsor "covert operations." But a group called The Democracy Program, which the Endowment acknowledges as its own predecessor, explains that the purpose of the Endowment is to replace covert CIA attempts to influence the political process abroad which were terminated in the late 1960s. Many of the personnel involved in Project Democracy, such as Ben Wattenberg of the Coalition for a Democratic Majority and Social Democrats U.S.A., were involved in those earlier CIA operations.

The personnel selected to run the Endowment includes chairman John Richardson, also president of Freedom House, which provides funding and equipment for guerrilla and other opposition movements in Poland, Afghanistan, Africa, and Latin America and propagandizes for increased military involvement of the United States in Latin America and Africa—but not Europe. Richardson is also a member of the U.S. Association for the Club of Rome. The president of the Endowment is Carl Gershman, the former executive director of Social Democrats U.S.A. (SDUSA), the American affiliate of the Socialist International. Gershman has also worked for the Anti-Defamation League and Kissinger's National Bipartisan Commission on Central America.

A former head of the Endowment was Allen Weinstein, who now runs the Center for the Study of Democratic Institutions in Santa Barbara, California, a think-tank serving at the behest of Charles Manatt's Democratic National Committee (see *EIR*, Nov. 20, 1984, "Georgetown Dems Plan Anti-Democratic Attack on Reagan Administration").

Georgetown University's Center for Strategic and International Studies

The CSIS was founded in 1962 by Richard Allen and David Abshire, and has become one of the main policy centers for back-channel negotiations with Moscow and for arranging the decoupling of the United States from Western Europe. As such, it has naturally served as a key institutional base for Henry A. Kissinger, who is a fellow of the Center.

During 1984, a large part of the CSIS policy staff made private visits to Moscow, for visits with Soviet government and Communist Party officials. Two of the visitors, Latin American Affairs Director Robert Kupperman and European Affairs Director William Taylor, have co-authored a book detailing how U.S. military strategy approaching the year 2000 must emphasize a phasing out of the primary U.S. commitment to Europe and an increasing military orientation toward "brushfire wars" in the developing sector.

Kupperman asserts that the prospect of a Soviet military move on West Germany should be of no concern to the United States.

Another CSIS study, by Population Studies Director Georges Fauriol, has emphasized that the developing sector will be the focal point of instability, due to population growth and other factors, in the coming years.

Robert Neumann, a former U.S. ambassador to Saudi Arabia now at CSIS, is involved in ongoing "crisis-management" discussions with officials of the Soviet Oriental Institute to discuss how the crises in the Middle East and Indian Subcontinent might be used to create new mechanisms in U.S.-Soviet relations.

Says Taylor: "Because Georgetown has the reputation of being conservative, the Soviets look at CSIS as a way of talking to the U.S. through the back door."

In January 1984, Georgetown CSIS sponsored a conference in Brussels, on the increasing discrepancy in political and strategic orientation of the United States and Europe. Abshire, presently U.S. ambassador to NATO, oversaw the event, along with Kissinger, CSIS policymaker James R. Schlesinger, and former West German Chancellor Helmut Schmidt. It was this conference that set in motion the organizing leading to Kissinger's March 5, 1984 *Time* magazine article calling for the phasing-out of the U.S. troop commitment to Europe.

CSIS is also responsible for the "Nunn Amendment" in the U.S. Congress, which is attempting to put Kissinger's decoupling policy into law. Sen. Samuel Nunn (D-Ga.) has been the co-director of the CSIS "Grand Strategy Forum."

Kissinger Associates

Kissinger Associates, Inc., nominally a New York-based risk-analysis firm, has become the vehicle for Henry Kissinger to make substantial financial gain by advising corporations and governments on policies that he and his contacts in government proceed to implement.

This "conflict-of-interest," also known as thievery, has been the subject of at least one congressional investigation, by Rep. Henry Gonzalez (D-Tex.), who questioned Kissinger's role in heading the President's Commission on Central America at the same time that Kissinger was making substantial sums of money through business contacts in Ibero-America and the Caribbean.

Part of this money is believed to initiate from the international drug-trafficking in the Caribbean and neighboring regions. The recently appointed president of Kissinger Associates, Lawrence Eagleburger, while an undersecretary at the State Department, was the author of the Caribbean Basin "economic development plan" that made drug-trafficking the basis of the economies of that region.

Kissinger Associates is also tied to those international banking circles that are trying to force cuts in the U.S. defense budget, particularly targeting the Strategic Defense Initiative. The vice-chairman of the firm is Gen. (ret.) Brent Skowcroft, whose Skowcroft Commission attacked the "dangers" of the space-defense program, and called for an end to the MX-missile program.

Founded in 1982, Kissinger Associates numbers among its board members:

Robert O. Anderson, chairman of the Atlantic-Richfield (ARCO) Corporation and of the Aspen Institute for Humanistic Studies. Anderson is a leading funder of the environmentalist movement, and is a member of the Club of Rome. He is intimately tied to the Mondale-Democratic Party machine and its policymaking arms, such as the Hubert Humphrey Institute in Minneapolis.

Per Gyllenhammer, chairman of the Swedish Volvo Corporation and a trustee of the Aspen Institute. Gyllenhammer has worked with Aspen and other Soviet-linked policy institutes to create a computer interface with the Austria-based International Institute for Applied Systems Analysis (IIASA). He is also the godfather behind the recently created Euroventures company, which is trying to develop a European-wide grid of industries, and which has brought Henry Kissinger in as adviser—another example of Kissinger making money through policy-manipulation, this time through his decoupling policies.

William D. Rogers, formerly assistant secretary of state and undersecretary of state for economic affairs in the Ford administration. He is a partner in the Washington, D.C., Arnold and Porter law firm, which controls the Institute for Policy Studies, a liberal-radical firm close to the Soviet KGB.

Lord Eric Roll of Ipsden, chairman of S.G. Warburg and Co. in Britain.

Mario d'Urso, advisory director of Shearson Lehman/American Express. Kissinger is currently on the board of American Express as well.

Britain's **Lord Carrington** was formerly a member of the board of Kissinger Associates, before becoming the secretary-general of NATO.

European oligarchs go 'ape' against strategic defense

by Don Baier

On Nov. 7, Soviet agent-of-influence Henry A. Kissinger appeared on West German television to mobilize Europeans to support his Nixon administration cronies George Shultz and Brent Scowcroft in a coup to take U.S. defense policy away from President Reagan. Kissinger proposed Shultz or Scowcroft as "ideal choices for the job" of arms-control czar in the second Reagan administration. Their assignment: to negotiate U.S. surrender to Soviet demands, and abort Reagan's strategic defense plan to protect America and Europe from nuclear missile attack.

It didn't take Kissinger's allies in Europe long to act on Henry's "Get Reagan" instructions.

"We have to start negotiating soon," said Britain's Prime Minister Margaret Thatcher on Nov. 12, "because we are on the verge of new technologies in space which would cost so much to develop."

It was Maggie Thatcher's second major anti-SDI speech this year. In July, she warned of space being "turned into a new and terrible theatre of war" unless "we address ourselves to the new and urgent challenge of arms control in outer space."

Her latest call to stop beam-weapons development at London's Lord Mayor's banquet came just weeks before the visit to Britain of Mikhail Gorbachov, the Soviet Politburo member who is frequently mentioned as a possible successor to Soviet President Konstantin Chernenko. Gorbachov will be the highest ranking Soviet to visit Britain in eight years.

On Nov. 12, West German Foreign Minister Hans-Dietrich Genscher visited NATO Secretary-General Lord Carrington in Brussels for one hour of talks. They both agreed, according to the *Süddeutsche Zeitung*, that "a positive signal concerning arms control and limitation" can be expected

from the Warsaw Pact foreign ministers and defense ministers meeting on Dec. 3-4.

Meanwhile, an outpouring of the vilest anti-American propaganda is blanketing the continent, with the President as its chief target. Its venom and ferocity suggest that the same Moscow-allied forces that carried out the assassination of India's Indira Gandhi are advertising for a new John Hinckley to step forward. Just as in the operation against Mrs. Gandhi, the loudest voices are coming from Britain, the organizational "staging area" for the anti-Reagan forces.

On Nov. 11, Peregrine Worsthorpe, the deputy editor of Britain's largest Sunday newspaper, the *Sunday Telegraph*, compared the President's re-election to "the way Caligula's horse was chosen as Consul" during the most decadent days of the Roman empire—"just as the latter choice suddenly lit up the decadence of late imperial rule, so does the former light up the decadence today of late American democracy."

David Watt, former chief of the Royal Institute of International Affairs, the parent organization of Kissinger's New York Council on Foreign Relations, stressed in the *London Times* of Nov. 9 that defeating the Reagan "Star Wars" initiative was the top priority. Declaring himself "thoroughly opposed" to Reagan's anti-missile defense program, Watt exclaimed: "The abolition of nuclear weapons is not desirable anyway. Nuclear weapons have been a thoroughly beneficent factor in human affairs."

A further refinement on this general "party line" accepted, as we stated at the outset, by a majority current in the British oligarchy, was reflected in the Nov. 8 editorial of the *Financial Times*, "Tests beyond the triumph." The editorial promised Ronald Reagan "the political fate of Herbert Hoover and the second Eisenhower administration," and under-

lined that "President Johnson in 1964 and President Nixon in 1972 won by margins comparable to President Reagan's this year only to see their authority blown to tatters in one instance within a couple of years, and the other within a couple of months."

What Reagan should do to avoid such a descent into the predicted hells of depression, recession, or Watergate, is simple, the *Times* continues: "Mr. Reagan's new willingness to take arms control seriously is very welcome. . . . The president may have to choose between the serious measure of arms control he now seems to want and the continuance of his buildup of defense expenditure. In particular, it would be reassuring if he were to reconsider some of the new strategic weapons programs and especially the so-called star wars initiative." Short of that, it is predicted, "economic reality" will "catch up with him. . . . The newly elected President can take tough decisions, or wait for tough decisions to be imposed upon him."

Faint signs of realism

This venom stands in considerable contrast to a minority faction of the British oligarchy, which has been coming to the conclusion that the Soviets' aggressive intentions are ominous indeed. One spokesman for this faction was Sir Nigel Bagnall, the general who commands the Army on the Rhine and NATO's North Group. On Nov. 1, General Bagnall gave an interview to the *Frankfurter Allgemeine Zeitung* warning of Soviet plans for a surprise attack on West Germany.

Also showing unusual signs of alarm at Soviet influence in the West was Lord Chalfont in the House of Lords debate on Oct. 30. Chalfont demanded that there be an immediate investigation of the Generals for Peace group, a grouping of retired pacifist generals such as notorious KGB front-man, German "Green" general Kurt Bastian.

This grouping is clearly in the minority, however.

In Germany, too

At the same time, in West Germany, the newsmagazine *Der Spiegel*, a "shared asset" of British intelligence and the Soviet KGB, featured a cover-story attack on Reagan's Strategic Defense Initiative that pictured the President in the costume of the villain Darth Vader from the movie "Star Wars."

Portraying the United States as planning to invest \$500 billion to get a full three-layered anti-missile defensive system, *Spiegel* claimed Reagan's "offer" to share this technology with the U.S.S.R. was "inspired" by . . . Henry Kissinger! And this offer, *Spiegel* whined, was only a deception—the United States wants superiority in space.

Pity the poor Soviets, *Spiegel* urged, because the Russians are falling behind in the technological arms race. Therefore, *Spiegel* argued, Moscow has no choice but to resist Washington's space strategy by threatening war: "The Kremlin might again heat up the crisis spots of the past in Central Europe and elsewhere any time."

Spiegel also complained vigorously that in late summer, the German Federal Security Council reversed previous opposition to the Reagan policy and recommended that West Germany make its best use of the new U.S. strategy. As it has for some time, *Spiegel* is currently campaigning to replace the government of Chancellor Helmut Kohl with a "Red-Green coalition" government of the Social Democratic Party and the Green Party environmentalists, that would take West Germany out of NATO.

Economy seen as Reagan's weak spot

The anti-Star Wars forces see the crumbling U.S. economy and escalating budget deficit as their lever to kill the President's plan, in line with Mrs. Thatcher's complaint that "new technologies in space cost so much to develop."

The *Economist*, mouthpiece of the London financial establishment, began its cover story/editorial on the U.S. elections, "Landslide, mandate, arrogance, bump." Pointedly recalling the fate of Richard Nixon and Lyndon Johnson among others, the *Economist* claimed, "Reversals big or small have swiftly followed the triumphs of the past four American presidents to be returned to office with smashing majorities."

The crumbling economy will necessitate deep cuts in the defense budget and social services, the *Economist* forecast. "Without the economic success, the slogan 'America is back' would hardly have been persuasive," the *Economist* reviewed the election campaign, admitting the ballyhooed "recovery" is a hoax.

Therefore, when the U.S. dollar collapses in 1985, Reagan will have to apply Mondale's austerity program, the *Economist* contended.

Under the banner of cutting the federal budget deficit, Treasury Secretary Don Regan, budget director David Stockman, CEA acting director William Niskanen, and the White House Palace Guard met on Nov. 12 to put the final touches on a package of budget-cutting recommendations for the FY 1986 budget to present to the President later this week.

Stockman and other administration "fiscal experts" are now predicting that the budget deficits for the next few years will exceed \$200 billion—\$30 billion more than the administration's previous estimates.

This has led to a new chorus of demands that Reagan take strong measures to slash the deficit. On Nov. 13, Sen. Dan Quayle (R-Ind.) released a letter he had written to Reagan on Nov. 8 urging him to create a Kissinger-style "bipartisan commission," to be composed of House and Senate leaders, administration officials, and private business executives, to come up with a plan by March 1 to cut the deficit by \$100 billion. Henry A. Kissinger has run the principal "bipartisan commissions" created during the Reagan administration: the panel on Central America whose recommendations are embroiling the U.S. deeper in "limited wars," and the Scowcroft Commission, which was used to impose on the President fatal compromises on the MX missile program.

British press heaps abuse on Reagan

The Economist, Nov. 10-16, first part of editorial, entitled "Landslide sweet and sour."

Landslide, mandate, arrogance, bump. The declension has a rhythm to it, like "silk, satin, cotton, rags" or "rich man, poor man, beggar man, thief." It is not, of course, an iron law of politics that big victories beget big reversals, but it is too common a pattern for a wise politician to neglect. Reversals, big or small, have swiftly followed the triumphs of the past four American presidents to be returned to office with smashing majorities. Mr Reagan has won a mighty victory; let him use it better than others have done.

In 1936, a similar victory made an overweening Franklin Roosevelt think that he could pack the Supreme Court that had so frustrated his New Deal; he was soon rebuked by congress and, in 1938, saw his party lose 70 seats in the house of representatives and seven in the senate. After the huge vote of confidence in Dwight Eisenhower in 1956, aimlessness and mild scandal led to an inconsequential second term; in 1958, the Republicans lost 47 seats in the house and 13 in the senate. Lyndon Johnson surged back to the White House in 1964 only to slink out of it, hated and humbled, four year later; in the meantime, in 1966, the Democrats had lost 48 seats in the house and four in the senate. And in 1972 Richard Nixon made a sweep almost as clean as Mr Reagan's on Tuesday, only to be driven from office in disgrace in 1974; that year, his party lost 48 seats in the house and five in the senate.

History need not repeat itself, but it is not difficult to see how it could. Old age, bad advisors, bad judgment, bad luck, any of these could turn Mr Reagan's second term sour. A recession will not be easy to avoid. Mr Reagan has already presided over the hardest economic times since the great depression, as well as the most spectacular recovery since the Korean war. Subtler management by the Federal Reserve . . . and by a re-elected Mr Reagan are going to be needed if the free lunch provided by tax cuts and defence increases is not to be found to have been rather expensive after all. Mr Reagan's campaign this year has been waged chiefly on his dual claim to have restored the economy and national esteem. Yet without the economic success, the slogan "America is back" would hardly have been persuasive. It would certainly

not have been in 1982, when Mr Reagan's standing in the opinion polls was lower than Mr Carter's two years into his presidency. . . .

Sunday Times, Nov. 11, from "The Man Who Could be President," accompanied by a cartoon of George Bush standing behind the presidential podium removing a Reagan mask.

If the "awful-awful" happens—as Ronald Reagan describes the death threats to a president—the man who would take over is George Bush. What kind of leader would the vice-president make? Jon Connell reports from Washington.

It was a routine morning at the White House and the president was working at his desk in the Oval Office. Suddenly a tall figure burst into the room wearing a grotesque Ronald Reagan rubber mask, complete with rosy cheeks and lopsided grin. Neither the president nor his aides were alarmed. . . . It was the vice-president George Bush. . . .

But Bush does not have Reagan's charisma, and he will never excite people as Reagan does. There are some who feel that his best hope lies in the "awful-awful" happening or in Reagan becoming too old or too ill to carry on. As some of the more ghoulish political buffs like to point out, every president first elected in a year ending in zero since the year 1840 has died in office. . . .

Sunday Telegraph, Nov. 11, "Reagan—King or President?" by Peregrine Worsthorne.

The best thing to be said of President Reagan is that he provokes progressives into paroxysms of rage. But perhaps, for a change, we Tories should try to think about Reagan without allowing our judgment to be affected in his favour by the silly things his left-wing critics say of him. . . .

Something very strange is happening in the world's oldest and greatest democracy which has always claimed to be the pioneer of new and more sophisticated forms of popular participation in government. It is fast reverting to very ancient forms of government which may even have more in common with imperial Rome than monarchical Europe. This is not to suggest, I hasten to add, that the way a Hollywood actor has been chosen as President has any very close parallel to the way Caligula's horse was chosen as Consul. But just as the latter choice suddenly lit up the decadence of later imperial rule, so does the former light up the decadence today of late American democracy. A process of trivialisation has set in. . . .

Of course President Reagan is a marvellous neo-royal symbol of "America the Powerful," and of course he won last week's election by a landslide. But there is something a bit ersatz about both achievements, neither of which may prove authentic enough to withstand the challenge of hard times, should they ever return.

Hochhuth's *Judith*: an instigation to the murder of the President

by Rosemarie Schauerhammer

Under the title, *Judith—A Tragedy*, Rolf Hochhuth, well-known for his politically explosive pieces, has fabricated his latest “work,” a work which is, indeed, terribly “explosive.” It is a bomb, with which the American President’s life is to be “artistically” taken.

The work was written on commission for the Zurich Schauspielhaus and will be put onto the market in a large edition by the Rowolt publishing house. *Vorwärts* and *Der Spiegel* have excitedly praised the work as “explosive material for NATO members”—how true!

As *Vorwärts* puts it, *Judith* is concerned with a “preventive murder,” with “the inexpressibly stupid ignorance of knowing but repressed bourgeois democrats. An assassination attempt is, on the contrary, an attempt to stop a fatal development by lighting a beacon.” That this “attempt to stop a fatal development” consists in the murder of an American President is not criticized by *Vorwärts*—which is, after all, the official paper of the Social Democratic Party of Germany (SPD). What is criticized is that Hochhuth merely writes. “Hochhuth hung around inactively in front of an American Pershing depot. He did not attempt to force his way into the White House in order to murder the American President.”

Whoever knows Hochhuth and his history for the past 20 years knows that this “tragedy” is not to be dismissed as the irrelevant ramblings of a deluded fool. With each of his “dramas,” Hochhuth has set off dramatic political events. We can already hear the many “Judiths” out there ticking, fantasizing, after reading Hochhuth, of being prepared as “human bombs” to bestow their deadly embrace on the hated American President.

From character assassination to poison gas

In February 1963, Hochhuth’s first work, *Die Stellvertreter* (The Deputy), had its premiere in Berlin. In this work, Hochhuth accused Pope Pius XII of not only knowing about the crimes of the Nazis, but of tolerating them and suppressing all opposition against them within the Church. This character assassination of a Pope shook the faith in the Catholic Church in Germany, which at that time was still suffering

from the shock of collective guilt, and paved the way for the fall of Chancellor Konrad Adenauer shortly thereafter and for the coming to power of the liberal Ludwig Erhard. With this work, Hochhuth set off the wave of so-called literary “coming to terms with the past,” which was later to become the favorite hobby of authors such as Heiner Kipphardt, Günter Grass, and Peter Weiss.

In 1965, Hochhuth published his essay, “The Class Struggle Is Not Over,” about which the later terrorist Ulricke Meinhof would say enthusiastically: “Class struggle . . . Hochhuth smashed a tabu.” In the essay, Hochhuth demanded a redistribution of property and “anticipated in part the extra-parliamentary opposition,” as *Spiegel* later wrote. Against this essay the liberal Chancellor Ludwig Erhard came out with his famous words, with which he prepared the way for the revolt of the leftist writers and thus for the developments of 1968: “I have no desire to discuss economic and social policy with Mr. Hochhuth . . . at that point the writer leaves off and a little irritating dog takes his place.” The debate of Erhard and Hochhuth put the whole group of leftist writers, of Grass, Hochhuth, Jens, Rühmkorff, Lenz, and Richter, among others, on a collision course with the state.

In 1971, Hochhuth wrote a letter to then Chancellor Willy Brandt on the plight of the homeless in the Federal Republic: “It is a degradation for all of humanity that children whose best years are wasted in these holes cannot at least summon the will, when they are 20 years old, to kill every municipal politician who originally condemned them to that life.” At this time, the Baader-Meinhof group has already begun its terrorist actions, out of supposedly “social motives.”

In 1978, Hochhuth forced the Baden-Württemberg Prime Minister Filbinger into retirement with the work *Eine Liebe in Deutschland* (A Love Story in Germany), in which he asserted that Filbinger had been a “terrifying judge” during the Nazi years.

In 1983, Hochhuth participated in the “celebrity” occupation of Mutlangen against the stationing of the Pershing II missiles. Today, in 1984, Hochhuth invites the murder of the American President in *Judith*.

Judith—The murder of the neighbor

What is *Judith* about? The title betrays what the work means—in an allusion to the Biblical story of Judith and Holofernes—in which the beautiful Judith insinuates herself into the tent of the besieger Holofernes, tricks him, and cuts off his head. In Hochhuth's play, Judith and her brother Arthur, the second principal character, are children of the American East Coast Establishment; their father is a former ambassador who now works in the State Department. Arthur is crippled, chained to a wheelchair because he came in contact with the pesticide Agent Orange in Vietnam. When President Reagan orders the resumption of the production of biological and chemical weapons, the brother and sister decide to kill him.

The play begins with a prologue in Minsk, Russia, in 1943. The German Inspector General, a Nazi with a "humanistic education," is killed by his maid, Jelena, a Russian partisan with whom he is having an affair. She places a bomb under his bed. This prologue prepares the audience. As Hochhuth himself said, the prologue is supposed to make it clear that an assassination is necessary.

But what this prologue insinuates primarily is that President Reagan is the same as the Nazis, and therefore a tyrannicide is both necessary and morally right. This image of the American President is quite familiar from the pages of *Pravda* and other Soviet propaganda outlets. For quite some time, it has been the official Soviet public-opinion policy that President Reagan is to be portrayed as a new Hitler, whose madness this time will destroy not merely millions of human beings but all of mankind. Hochhuth is not politically naive enough that this KGB propaganda campaign could have escaped him. Whether Hochhuth has constructed his work as the conscious representative of a foreign secret service is a question that security forces in the Federal Republic should clarify as soon as possible.

The first act of *Judith* takes place 40 years after the prologue, in Washington, D.C. Judith and her brother Arthur debate various possibilities for killing "the neighbor" (the characterization in this work makes it absolutely clear that it is about President Reagan). Arthur, a chemist who has received a position in a university institute through his father's connections, has devised a microphone and a perfume atomizer which can deliver to the President a fatal dose of nerve gas. Judith, the widow of an economic writer and herself a political writer, will film the President on a ranch at the birth of a foal which he attends for publicity reasons.

At this point, a friend of Arthur enters—Edward, significantly, a Jesuit—who will be used by the two of them to send the President a series of threatening letters with "the date of the threatened execution if he does not revise the decision of arming weapons with nerve gas." The purpose of this exercise: "The FBI and the CIA should be certain that this fool regularly sending threatening notes is only making

threats the way that others are fooling around with flying saucers. . . ."

Now Gerald, a friend of Judith who has made his career in the East Coast Establishment, comes into the action. For his characterization, Hochhuth describes the career of McGeorge Bundy, "the most disastrous deceiver of the previous generation." Gerald works on the White House staff and is, therefore, the contact person to the President. The conversation between Judith, Arthur, and Gerald turns on the theme that President Reagan, "the neighbor," has not only resumed "production of poison gas," but also has spoken of a limited nuclear war in Europe. And Judith meditates in respect to her brother, crippled by Agent Orange—"It would only be logical if now one of you who were crippled by nerve gas should do away with this lackey."

The second act leads directly back to Minsk. The modern Judith meets the Judith of 1943, Jelena, in order to interview her for a film. The place where they meet is the soldier's graveyard in Minsk. In the setting for this scene, Hochhuth wrote: "Restricted neither by parliament nor by law, this hideous order [President Reagan's for production of biological and chemical weapons] calls for an equally radical reply, which—quite naturally—is exactly as remote from our Western tradition of law as is the godless crime of resuming production of poison. Civil disobedience against it would be merely childish—as contemptible as it actually appears in the eyes of those who are sick with power."

Jelena gives Judith the moral justification for a murder: "Assassinations of individuals are indispensable, in order to rebel against the intolerable: otherwise the people, we the normal dispensables in every land, pay with our blood what the great ones dish up at the cost of their people! . . . Not to act can be more of a crime than murder." A Russian, who lost his mind in the war because he was buried alive in a mass grave, portrays in an epileptic fit how the new "Armageddon," the nuclear war, will look.

The third act, entitled "Contact Poison or Nerve Gas," depicts an argument involving Judith, Arthur, and the Jesuit Edward; Edward, as soon as he hears of the details of the assassination plan, pulls out of the plot. Hochhuth has created an "alibi character" in the person of Edward which he, time and time again, draws into every interview. But, as Hochhuth himself admits, the audience does not identify with the priest, but solely and completely with Judith.

Judith is now all the more convinced to turn the plan into action, since there is also a mystical necessity for President Reagan's death: "A wounded Indian chief told the victorious Gen. William Harrison in person that indeed he would become King of America in 1840, but that he would, as would all his successors in the future who would be elected in a year ending in a zero, die in office—and it is true that without exception, in the 120 years between Harrison's and Kennedy's election, the seven elected at the end (or beginning) of a

decade have died in office, although only two of the seven died a natural death.”

And Arthur insists: “The resumption of production [biological and chemical weapons], which four of his predecessors had avoided for moral reasons, is crime enough for his execution. . . . The mind is not mere empty talk only where it is action . . . and it is the honor of the man with a conscience to become guilty . . . if he dirties, or bloodies, his hands.” And: “Of course those who make a world war must be killed.” Hearing these words, who doesn’t think of the Russian propaganda that Reagan is doing everything possible to unleash a world war?

In order that this play should appeal to the peace movement, especially in Germany, Hochhuth inserts here a short digression which turns on the fact that poison gas weapons are stored in the Federal Republic. “These inexpressibly stupid Germans, who store our weapons like beer. A herd of lemmings—since they are no longer a gang of bandits, an incomprehensible people. Their stupidity today almost matches their inhumanity under Hitler.”

The epitome of this act is that Judith decides to carry out the murder. “They are still doing map exercises with millions of nuclear dead. . . . Therefore, he who first expressed it [the possibility of a limited nuclear war—R.S.] shall also be the first to die. God wants it—otherwise I would not consider it.”

The last act, “Whoever takes up the sword,” takes place after the murder. Judith has killed the President with nerve gas. In order to give his “heroine” an opportunity for a monologue about her murder, Hochhuth, making use of “poetic freedom,” invents a nerve gas which only takes effect after two hours. For the sake of honesty, all would-be Judiths are hereby warned that in reality this part of the role may not be possible.

The fifth act shows Judith in a conversation with Gerald, who has no idea that the act has taken place. Judith rationalizes the murder: “A civilian undertakes a preventive strike against one who had planned the same for hundreds of millions. . . . That is not murder—but self-defense! Those who want disarmament are only fools, cowards that run away—this habit of thought of those sick with power is at an end. . . . My conscience is clear, for I could gain nothing for myself as I did this. . . .”

Whoever is still not convinced that the murder of President Reagan is a moral necessity will get what he needs in the appendix of the book. Rolf Hochhuth, who is actually amazingly well informed about domestic affairs in the United States, calls upon the “most experienced of all foreign policy experts, next to Molotov, who is still living at age 94 in Moscow,” Averell Harriman, who warned the world against President Reagan in guest commentaries in major newspapers throughout the world. Harriman is, as *EIR* has repeatedly demonstrated, not only the brain of the Eastern Establishment

but was also a zealous admirer of Hitler and his racial policies. To support Harriman’s “warning,” Hochhuth additionally quotes from Kennan, Fulbright, and Nixon, and draws a comparison between the present situation and the German naval armament of 1911, which in his opinion led to the First World War. Could that world war have been prevented if the Kaiser had been killed?

Hochhuth behind bars

There is no doubt that *Judith* represents an instigation to terrorism and murder; even Hochhuth himself does not dispute that. Out of fear of legal consequences, he prefaced the work with a five page “preamble,” in which he attempts repeatedly to emphasize that it is not a question of instigation, but merely of art. He even quotes Article 5, Section 3, Sentence 1 of the Fundamental Law of the Federal Republic, which states: “Art and science, research and teaching are free.” While it is true that the German constitution protects art and science from the arbitrariness of totalitarian censorship (as, for example, is common in the East bloc countries), what our constitution protects above all else is the “life and bodily safety” of every individual. Hochhuth drags this fundamental right in the dirt.

Hochhuth knows very well that Reagan only narrowly escaped one assassination attempt. It is also well-known what a crucial role the motion picture *Taxi Driver* played in motivating the would-be assassin Hinckley to this act. The agent will easily find the deadly weapon, once he has been worked into the properly deadly frame of mind. Hochhuth’s play is a pornographic invitation to such violence. And that has nothing to do with the “freedom of art.”

With incredible effrontery, Hochhuth places himself within the tradition of Shakespeare and Schiller. He asserts, for example, that Schiller’s drama *Wilhelm Tell* also has tyrannicide as its theme. That is not quite right. In this connection, Schiller presents the question of tyrannicide as the “final means” for the defense of the fundamental law of mankind. The corresponding passages are taken almost word for word from the American Declaration of Independence. In order to make this point perfectly transparent, Schiller contrasts the legitimate act of Tell himself with that of the assassin Parracidas, who murdered the Kaiser for contemptible motives.

While Schiller deals with the moral question of tyrannicide in a historical context, indeed in the context of a republican revolution, Hochhuth’s work gives specific directions for the murder of a concrete individual. Only the mentally ill can consider the murder of the American President as the “final means” for saving mankind from destruction by tyranny. This murder—even the threat of such a murder—fits far better with the evil and defamatory propaganda of East bloc dictators. That is not a matter of art, but rather a case for the courts.

Ibero-American fight against drugs suffering from U.S. economic policy

by Valerie Rush

Mexican press headlines reporting on the government's spectacular drug busts over the week of Nov. 8-15 were very specific in observing that when 8,000 tons of seized marijuana were burned by federal troops, it was "Ten Billion Dollars Up in Smoke!" Some newspaper commentators did not miss the opportunity to note that a substantial chunk of Mexico's whopping foreign debt could have been paid off with that amount of dope.

In fact, few Ibero-Americans today are unaware any longer of this link between the flourishing drug trade across the continent and the austerity conditions they are being forced to impose on their own depressed economies to pay the foreign debt. Yet, faced with the choice of paying their debts by destroying their food-producing capacity, their labor force, their youth, their national sovereignty, and their morality, the majority of Ibero-America's nations have made the choice of declaring war on Dope, Inc., instead.

The recently concluded Sixth Conference of the South American Agreement on Drugs (ASEP), held in Bogotá, Colombia the week of Nov. 5, reaffirmed Ibero-America's determination to view the drug trade as "a universal crime against humanity" and to forge the appropriate apparatus for defeating it. Among other things, the ASEP conference determined to create a uniform legal code against drug trafficking which would enable any nation on the continent to impose identical criminal sentences against captured drug traffickers. Intensified collaboration on border interdiction and shared law-enforcement efforts against the mafia will stem from what several of the participants at ASEP characterized as "a universal war against a universal enemy."

Kissingerians in bed with Dope, Inc.

Standing in the way of turning this continental fight into a steamroller against the mafia is the Reagan administration's blind support for "the magic of the marketplace," which has not only led it to embrace the brutal debt-collection policies of the International Monetary Fund, but also to encourage those regimes—like the Seaga government of Jamaica—which have turned their countries into vast drug cultivating, exporting, and laundering operations.

These devastating policy errors were made explicit at a recent seminar on the Ibero-American debt, held by the Atlantic Council in Iguazú, Argentina. There, government of-

ficials, economists, and bankers from Europe, the United States, and Ibero-America heard a prominent spokesman for Wall Street and a spokesman for the U.S. State Department issue the same line, that the solution to Ibero-America's debt problem is the continent's continued export of capital, "at least through the end of the decade"! And yet, with these countries' reserves nearly depleted, what "capital" is left to export short of earnings from the only remaining "growth industry," the drug trade?

Morgan Guaranty Trust's top economist, Rimmer de Vries, declared that through the continued "adjustment" of the Ibero-American debtors to high interest rates and IMF conditionalities, the debt would remain "manageable." Kenneth Dam, U.S. undersecretary of state, declared unequivocally: "Economic growth is impossible outside the framework of the International Monetary Fund."

The case of Jamaica is a classic example of the Reagan administration's stupidly choosing to ally with an "anti-communist" regime whose embrace of the "free enterprise" system under IMF auspices has taken the form of turning that island-nation into a dope plantation.

Jamaica's marijuana income has increased sevenfold since Eduard Seaga became the country's prime minister in 1980. According to an article on Nov. 11 in the *Washington Post*: "Ganja is the ubiquitous, powerful Jamaican marijuana, a cash crop worth an estimated \$3.5 billion a year, a sum larger than the country's official gross national product." When Seaga took office, Jamaica's annual marijuana crop was estimated at a net worth of a half billion dollars.

Any resistance to Seaga's open partnership with the country's ganga growers and traffickers was wiped out by wave upon wave of IMF-dictated austerity which has knocked the props out from under any legitimate industry in the country, including the key aluminum refining industry. Last month, Seaga ordered drastic new cuts in the import of industrial raw materials, claiming that Jamaican industries were producing "too many consumer goods for the domestic market."

Seaga also ordered the firing of some 3,900 civil servants in line with a goal set by the IMF of eliminating a total of 5,500 government workers by the end of 1984. This in a country where real unemployment approaches 40% of the labor force. The Jamaican currency stood at 1.75 to the dollar when Seaga came into office. It now stands at 4.65.

Seaga's partnership with the drug traffickers is not so indirect, however. On Sept. 11, the prime minister announced that instead of outlawing the country's known leading drug traffickers, he was going to legalize their operations by taxing their profits. Bills to the top 28 traffickers for taxes due were sent out at once.

And, on Nov. 7, the Jamaican parliament unanimously approved legislation which allows U.S. companies to establish drug laundering operations, euphemistically known as "tax shelters" or "foreign sales corporations" (FSCs), on the island. The parliamentary vote followed a decision by the U.S. Treasury to certify Jamaica as a host for the "FSCs."

These tax shelters, according to the *Journal of Commerce* of Nov. 8, "require only a minimal presence in the countries approved . . . and do not fall under the jurisdiction of the U.S. customs." Neither do they pay corporate income tax, local business taxes, or taxes on dividends to shareholders and investors. They are exempt from foreign-exchange regulations and can import any materials needed for operation duty free.

The perfect off-shore, off-limits, no-questions-asked kind of home Dope, Inc. is on a perpetual search for! No wonder, as the *Journal of Commerce* notes, "Edward Seaga, Jamaica's prime minister and finance minister, said earlier that this island was particularly suited to host the FSCs."

David Rockefeller, visiting Jamaica last week in his capacity as chairman of the U.S./Jamaica Business Community on Investment and Employment, has also given his approval to the recent changes in Jamaica's economy. According to the local daily *The Jamaican Gleaner* of Nov. 12, Mr. Rockefeller told a gathering of local and foreign businessmen Nov. 11 that "his optimism [about the future of the Jamaican economy] was based on his observation that the necessary steps had already been taken to secure growth and development in the economy."

'The Anti-Christ of the 20th Century'

Ibero-American leaders have stated unequivocally how they view the drug trade and why they will wage a war with no quarter to defeat it. Speaking to *EIR* at the Bogotá ASEP conference, Venezuelan Vice-Minister of Justice Sonia Sgambatti described the drug problem as "the anti-Christ of the 20th century." Colombian Justice Minister Enrique Parejo González told *EIR*: "We believe the drug trade is threatening all of humanity because consumption of drugs degrades the human being and affects one morally, physically, and psychologically as well."

Carlos Norberto Cagliotti, executive secretary of ASEP, told *EIR* that in his opinion, drug trafficking represented a form of "genocide . . . a very subtle genocide, very perverse, in which not only people lose their lives, but also, in the majority of cases, their personal and social development. . . . Thus our concept that it is 'a crime against humanity.'"

'The anti-Christ of the 20th century'

Interview with Venezuela's Deputy Justice Minister Sonia Sgambatti, conducted by Javier Almario at the conference on illegal drugs held in Bogotá, Colombia during the week of Nov. 6.

EIR: What repercussions does it have to say that drug trafficking is a crime against humanity—does this mean that there could be a judgment as there was against the Nazis at the Nuremberg Tribunal?

Sgambatti: In the first place, our President Jaime Lusinchi in the Quito Declaration proposed that drug trafficking be declared a crime against humanity. We intend this emphasis and importance so that the South American countries can make conscious and unify all their efforts to fight to absolutely eradicate, by any means necessary, this grave scourge which is undermining our physical and spiritual health, and, above all, in a situation which is so violent and intolerant that I would consider it the anti-Christ of the 20th century. Moreover, as deputy justice minister of Venezuela and official representative of the delegation, I also proposed, in continuity with this Venezuelan leadership, that the possibility be considered of unified legislation to have one anti-drug law throughout the subregion, and I proposed as an example the brand-new law on narcotics and psychotropic substances just passed in Venezuela.

EIR: The possibility of a joint army has been mentioned, so that security forces of different countries could make common action to combat the drug traffic.

Sgambatti: I don't think one could talk about a multinational force, but I do think that one could speak of border accords because this crime has no frontiers. . . .

EIR: The Venezuelan justice minister mentioned having received threats from the dope trafficker Carlos Lehder. What were these threats, and what preventive measures are being taken?

Sgambatti: When people are committed to a fight, even though they receive death threats and even though they might be carried out as happened to the late Colombian Justice Minister Rodrigo Lara Bonilla, who became a martyr of the

anti-drug struggle, despite all these threats we will never capitulate but will follow through in the full conviction that it is not the responsibility of one minister, one person, but a responsibility of the Venezuelan state to fight against drugs.

EIR: Many things have been mentioned, such as eradication of crops, prevention of consumption, but one point is seldom mentioned, which is how to stop the flow of drug traffic monies, since if the dope mob lacked the ability to hide these monies, business couldn't function. We think there is a certain complicity of the banks, both at the national and international level, to protect the names of the accounts and the origin of the money. What do you think?

Sgambatti: An interesting question. We spoke initially of the Venezuelan position of seeking the unification of our legal instruments to act in concert, as one man. One of the important things was not just facilitating extradition, but also easing the confiscation of wealth belonging to drug dealers, and, of course, within that wealth, investigation of money. That includes going much further and changing, modifying the burden of proof, not waiting until the definitive sentencing, but instead, if they have a flow of money whose provenance they cannot explain, they have to explain where it came from and, in the meantime, the state or the judicial branch will seize all the wealth they have illicitly acquired. This would be an emphatic and intimidating decision.

EIR: And in respect to economic policies, don't you think that, for example, the International Monetary Fund by applying its conditions to certain countries, in a sense, affects the real economy, but also forces the drug traffic to appear to be a possible economic option?

Sgambatti: No, I don't think so. I simply believe that obviously the drug trafficking problem is a problem of a transnational entity without scruples, without morality, without ethics, which not only targets the psychological health of a country, but also the institutions, the state, which it wants to subjugate. Therefore I think that the government as such, and each of our governments of this Andean Pact, all have to help each other, and cooperate to combat, destroy, attack at the very heart those individuals who degrade the human being.

EIR: There have been some politicians who have been benevolent about having a dialogue with known traffickers or, as in the case of Colombia, Ernest Samper Pizano, who was the secretary of Lopez Michelsen's presidential bid in the past elections, conducted a campaign favoring the legalization of marijuana. Don't you think that this type of attitude favors the growth of drug trafficking and means that the drug mob is starting to get political back-up?

Sgambatti: I think as an official of the Venezuelan executive, which simply has to do with fighting drugs, and must carry out a war without quarter, without looking over our shoulders, and never, never can be an interlocutor [of the drug traffickers].

Behind Mexico's big

by Josefina Menéndez

In a historically unprecedented crackdown against the drug mafia in Mexico the week of Nov. 8-15, federal agents backed by Mexican army troops uncovered and destroyed numerous fields and depots where the production, processing, and packaging of some 9,000 tons of marijuana and poppy were ongoing. The estimated value of the captured drugs on the black market, according to the Mexican authorities, was as much as \$10 billion. "Operation Pacific," as the anti-drug drive has been dubbed, was carried out in several different municipalities in the state of Chihuahua, located in northern Mexico, whose principal political controller is the National Action Party, or PAN.

Thanks to the vast proceeds from the illegal operations in its bastion, the PAN succeeded last year in "winning" elections in five municipalities of the state, including the border enclave and capital, Ciudad Juárez.

Confidential reports from the states of Chihuahua, Sonora, Nuevo León and Sinaloa, reveal that with Operation Pacific, the PAN has virtually lost the congressional and municipal elections scheduled to be held nationwide next year, in view of the billions of dirty dollars that would have gone to finance their electoral campaigns but which instead went up in smoke. Additional rumors that have begun to circulate are claiming that prominent political figures not only from Chihuahua but from neighboring states as well have been identified as up to their necks in the massive drug operations uncovered.

The three most important drug complexes discovered in the vicinities of Ciudad Jiménez, Ciudad Camargo and Ciudad Delicias—cities not unexpectedly controlled lock, stock and barrel by the PAN—are El Búfalo, with 4,000 tons of marijuana; Sierra del Chilicote, where another 4,000 tons were discovered, and Julimex, with 1,000 tons. Each drug depot was in the midst of a vast concentration camp.

Buried within the Sierra mountains, the drug fields and processing facilities were discovered to have some of the most modern installations available to agriculture generally. Once dried, processed and packaged, the drugs departed for the U.S. in giant trailers, primarily along the Ojinaga and Ciudad Juárez highways which border on the state of Texas. Trucks abandoned at the drug centers were found to carry Texas and Arizona license plates.

Like Nazi concentration camps

The thousands of peasants—men, women, and children—lured to work in the drug camps from around the

narcotics bust

country, had been submitted to levels of exploitation worthy of Hitler's Auschwitz. The peasants were forced to work as much as 16 hours of slave labor a day, without any pay, with mere crusts of bread and beans for food, and a vile bed of marijuana leaves to sleep upon at night. Hundreds reportedly died victims of malnutrition, some of tuberculosis due to inhalation of the drug, and many others from the violent treatment they suffered at the hands of the camp guards. Several trenches were uncovered with dozens of corpses of the peasants who died at the hands of the drug mafia.

The Mexican authorities estimate that more than five thousand peasants labored in these camps, at least half of whom are currently wandering lost in the Sierra Madre, terrorized by the police searches. Several government institutions have been mobilized to locate these pathetic souls and return them to their homes before they die of cold in the gigantic Chihuahua mountain chains. The authorities have also declared that criminal responsibility for the illegal drug operations will not fall upon these desperate fugitives, but upon the owners of the camps, the most important of which unfortunately are already fled into clandestinity.

PLM charges confirmed

With this clean-up operation in the stronghold of the PAN, the charges which the Mexican Labor Party (PLM) has sustained for more than a year against the "party of drugs" have been more than confirmed. As this publication has detailed on several occasions (see *EIR*, March 6, 1984) the PAN is anti-constitutional because it sponsors drug trafficking and similar illegal activities, and because it defends the genocidal austerity policies of the International Monetary Fund.

It was precisely these charges which formed the basis of the campaign the PLM ran in the 1983 elections in Baja California Norte, Sinaloa, Puebla and Tamaulipas, where the PAN had hoped to capture several mayoralties. When it was clearly demonstrated—with abundant and documented proof—that the PAN was illegal, that it received money from the U.S. FBI, the U.S. State Department and from the illegal drug trade, its defeat was overwhelming. More than one year later, and only three days before the federal authorities dealt this devastating blow to the mafia, the PLM crowned its mobilization by nationally distributing more than 300,000 leaflets against the PAN.

An excerpt from that leaflet reads as follows:

"The contrabanded weapons that are arriving in Mexico

to set off the violence which the PAN has threatened, are coming from the international drug mafia. In the northwest of the country, the most violent and radical PANistas are those who are directly tied into the drug trade, as in the case of Manuel J. Clouthier who unashamedly aspires to the governorship of Sinaloa despite the fact that in 1978 a warehouse of his was discovered filled with marijuana. Similarly, in Sonora, the PAN godfather Agustín 'Chato' Antúnes, who has been convicted of crimes against the public health, contraband, and who openly promotes the export of drugs, actively supports the candidacy of PANista Adalberto Rosas López for the governorship of that state.

"Recently, the PAN mayor of San Luís Rio Colorado, Sonora, Fausto Ochoa Medina, was exposed for hiding in his home his son-in-law Arturo Viveros Monge, who belongs to the most powerful drug trafficking bands in the region and was being sought for a double murder.

"The forces that back the PAN internationally are the same Sinarquist international network which controls the pseudo-Catholic sect Tradition, Family and Property (TFP), which has just been banned by the government of Venezuela for violating that country's constitution and for suspected conspiracy to assassinate Pope John Paul II. It is also the same network which controls the Universal Christian Gnostic Church of Colombia, whose political godfather, ex-President Alfonso López Michelsen, is committed to converting that country into an enormous marijuana and coca plantation to pay the foreign debt. It is the same network which controls the Maoist terrorist gang Shining Path of Peru, which is intimately linked to the cocaine mafia of that country."

PAN status in question

The mass circulation of this leaflet, which was also reproduced in the majority of the state newspapers in the north, center and south of Mexico, as well as by radio and even on television, created a nationwide environment in which the population began to openly identify the PAN with the Nazi policies they practice and advocate, and with the drug trade. It was in the midst of this political ferment that the giant drug busts were carried out. Now the population is awaiting the second phase: The withdrawal of the PAN's registration as a political party.

Not surprisingly, one of the most prominent leaders of the PAN, Jose Angel Conchello, has publicly associated himself with the theories of Hitler's economics minister, Hjalmar Schacht, who viewed slave labor as simply one more means of raising production levels in the short run. Similarly, the PAN has consistently defended the thesis of the IMF and of Milton Friedman that the foreign debt should be paid with the sale of drugs. It is no accident that the famous television news broadcaster and PANista Jacobo Zabłudowsky of "24 Hours" could scarcely contain his rage in reporting that the Mexican authorities had burned \$10 billion worth of drugs. Perhaps he was thinking of where his next paycheck would come from.

Oligarchy's TFP cult banned in Venezuela

by Carlos Méndez in Caracas

On the afternoon of Nov. 13, the government of Venezuela resolved to proscribe "the functioning of the Civil Association Resistencia (Asocire), also known as Tradition, Family, and Property (TFP), in all its activities and operations throughout the national territory." The government resolution, taken "by disposition of the Citizen President of the Republic," Jaime Lusinchi, and released to the national television and news media by Justice Minister José Manzo González (and also signed by Interior Relations Minister Octavio Lepage), included the immediate "closing of all locales where the cited TFP operates."

With this decision, the Venezuela government has cut off an important head of that hydra of the international oligarchy known as "Tradition, Family, and Property," whose leading visible head is the Brazilian Plinio Corrêa de Oliveira, and which is otherwise backed by the pretenders to the throne of Portugal and Brazil, the Braganzas. The cult's tentacles extend into several countries of Ibero-America, but for the time being, in Venezuela at least, there will be no more frightening TFP houses where children are brainwashed behind closed doors, or walls hung with the Braganza family lion which the TFP displays as its official emblem.

Rumor now has it that the attorney general of the nation intends to apply Article 174 of the Venezuelan penal code, which says: "Any person who reduces another person to slavery, or who subjects that person to an analogous condition, will be punished with imprisonment of between 6 and 12 years." In possible anticipation of such application of the penal code, Civil Judge IV, Alirio Abreu Burelli, has already ordered all leaders of Resistencia-TFP to be prohibited from leaving the country for at least the next 30 days.

The initial investigations of the anti-constitutional activities of Resistencia-TFP in Venezuela were launched last July, when the justice ministry received denunciations from several parents whose sons had been stolen from their homes by the sect. Since then, the justice ministry, through its department on religions, put together a dossier of nearly 1,000 pages, copies of which were then made available to President Lusinchi, the Cardinal Archbishop of Caracas, and the papal nuncio of Venezuela.

Among other things, the dossier suggests that Resistencia-TFP is capable of an attack on the life of Pope John Paul II, who will be visiting Venezuela next January, and that it is a sect and not a religion, whose principles are against the concept of sovereign republican nation-states and in favor of

the restoration of oligarchic monarchies, such as that of the Braganza family, among others, who aspire to the throne of Brazil.

On Nov. 7, the Commission on Internal Policy for the Chamber of Deputies, presided over by deputy David Morales Bello, spent as much as five hours interrogating the heads of Resistencia-TFP in Venezuela—Francisco Dorronsor, Luis Herrera Aguerrevere, and Francisco Berrizbeitia—an interrogation in which ex-members José Luis Salas Abad, José Luis Duarte, and Raúl Bravo also gave testimony.

"With this decision, the Venezuela government has cut off an important head of that hydra of the international oligarchy known as 'Tradition, Family, and Property.'"

Salas Abad reported, among other things: "When Paul VI died, I was at the time in Brazil. We [TFP] applauded his death for 10 minutes because, according to them, the Pope was possessed by the devil and deserved therefore to be in Hell."

The Caracas newspaper *2001* recently reported that Cardinal Eugenio Sales of Rio de Janeiro, Brazil, assisted Venezuelan authorities in acquiring the evidence needed to shut down the TFP. According to *2001*, the Cardinal sent Venezuelan security forces written testimony accusing the TFP in both Brazil and Venezuela of plotting to kill the Pope. The *2001* account also links the TFP to the Blue Army of Fatima, a connection originally exposed by this news service.

If confirmed, the Brazilian Cardinal's collaboration will prove especially significant: Brazil has always been the stronghold of the TFP internationally, and, due to the sect's influence through the Braganza family and other old European nobility, it has remained relatively untouchable by the authorities of that country.

It is important to note that when Manuel Peñalver, secretary general of Venezuela's ruling AD party, issued the first report on the Lusinchi government's decision to ban Resistencia-TFP for activities in violation of the Venezuelan constitution, Peñalver also declared: "We will also be examining other sects that act illegally in the country and which have continued to be a problem for the Venezuelan family."

One such sect, the Gnostic Church, is in fact presently under investigation by the Venezuelan Congress. The Gnostics have been intimately tied to the M-19 guerrilla movement in Colombia, whose representatives reportedly met recently with their Venezuelan counterparts, *Bandera Roja* (Red Flag), and threatened the lives of both Justice Minister Manzo González and President Lusinchi himself.

Egypt prepares for new U.S. peace bid

by Thierry Lalevée

A new page in Egypt-Israeli relations may soon be opened. The "cold peace" which has existed between the two countries since Ariel Sharon succeeded in invading Lebanon in June 1982 is expected to come to an end. In protest over Lebanon, the Egyptians withdrew their ambassador. Though it still may be too early for full restoration of relations—Israel occupies a large part of the south of Lebanon—talks are already under way.

On Nov. 8, Israel's ambassador to Cairo, Moshe Sasson, met with Egyptian Prime Minister Kamal Hassan Ali and Foreign Minister Esmat Abdel Meguid. Thereafter, Sasson flew back to Jerusalem to brief Israeli leaders. Rumors spread that a high-level Egyptian envoy may soon be on his way to Jerusalem.

As Radio Jerusalem commented Nov. 12, such an initiative is essential to prepare for a new peace initiative from the Reagan administration. "Egypt is committed to easing tensions, to give the Americans no pretext not to lead a new initiative," concluded the commentator. Indeed, the general feeling in the region is that after more than a year and a half of paralysis, it is time the United States act.

This was item number one on the agenda during the Middle East tour of Defense Secretary Weinberger just prior to the U.S. elections. Favorable to such a move is the general wave of support for the re-election of President Reagan, greeted with a sigh of relief in Israel, Egypt, the Gulf, and even Iraq. Baghdad, which broke diplomatic relations with the United States in 1967, is expected to resume them later in December when Iraqi Deputy Prime Minister Tariq Aziz meets with President Reagan.

The Egyptian gambit

Egypt, however, is in the lead. During the past 24 months of American passivity, Cairo felt alone and without the support implied by its commitment to the Camp David treaty. The Egyptians frequently experienced the uneasy feeling that some in Washington want them to go the way of Iran. They are impatient for their allegiance to Camp David to be rewarded by a concrete peace initiative. Abdel Meguid told the *Financial Times* Nov. 9: "I hope that now that Mr. Reagan . . . has won a very strong mandate from the American people, we will see his words translated into action for the sake of peace and stability."

In a private message on Nov. 7, President Mubarak congratulated Reagan on his re-election, but emphasized that the

"deteriorating situation demands urgent action." Abdel Meguid stressed that Egypt favored the Soviet-proposed Middle East conference, but "this will not be very practical as Israel refuses to participate."

Hence, in a not very diplomatic way, Cairo is moving on many fronts against those in Washington tempted to think Central America more important than the Middle East.

For example, Osama al Baz, political affairs adviser to President Mubarak, created a diplomatic incident by questioning the validity of Camp David. Interviewed by *Al Akhbar*, he said bluntly: "The Soviet Union may soon enter the Middle East picture . . . with a revival of a Geneva-type Middle East conference. Washington may lose the monopoly it has enjoyed in Middle East peacemaking. . . ."

It is doubtful that this reflects a fight inside Egypt between pro-American and pro-Soviet factions. More to the point was the commentary of the *Jerusalem Post* on Nov. 9: President Mubarak "has so far refrained from backing openly the idea of a Geneva conference as an alternative to Camp David." Mubarak "has been using al Baz as a stalking horse, testing positions he is not yet ready to adopt, but which he may yet do if the American peace efforts remain deadlocked."

The new Palestinian initiative

As Abdel Meguid stressed to the *Financial Times*, Egypt's attitude is now "much better appreciated, with a silent majority of Arab states supporting Cairo." Egypt has achieved reconciliation with Jordan, and soon, with Iraq and other Gulf states. And then comes Israel, whose government is said to have "shown a new flexibility." Peres wants to negotiate an immediate Lebanon withdrawal.

One country very unappreciative of this is Syria. An Israeli withdrawal would call Damascus's bluff on also withdrawing, and would shift the Arab-leadership balance back toward Egypt—something Assad's Soviet friends do not want, at least not under American auspices.

And third, there is Yasser Arafat, displaying all signs of wanting to join the new Egypt-Jordan axis. Arafat has announced his intention to convene the Palestinian National Council in Jordan on Nov. 22, a decision seen by Assad as a double-insult—timing and location. Palestinians based in Syria have already received a message from Assad announcing that if they go to Amman to attend, they will "not come back to Syria alive." An Oct. 19 assassination attempt against Arafat, as his sabotaged plane had to make an emergency landing, provoked the PLO chief into saying: "The enemy and some brothers are participating in the conspiracy. . . . I will not bow to Syrian pressures."

Were Arafat to convene such a meeting with even a small majority, it would represent a severe, if not fatal defeat of the Syrian-controlled Palestinian faction, and send Israel as well as the United States the unmistakable message: "We are ready to negotiate!"

These are the kinds of messages the Reagan administration can no longer afford to ignore.

Schiller birthday celebrations bring joy and music to four continents

by Nancy Spannaus

"Reading the reports coming from all over the world—Mexico, Paris, Stockholm, Rome, Germany, and many cities throughout the United States—you realize that there has never been any event as joyful as these Schiller celebrations were," said Schiller Institute founder Helga Zepp-LaRouche. She was evaluating the impact of the worldwide celebrations of Schiller's 225th birthday on the weekend of Nov. 9-11.

"It just proves that the population is really sick and tired of all these problems of cultural pessimism and demonstrations against the United States," Mrs. LaRouche added. "Given a choice of something better, some positive idea, people will, with the exception of a few evil people, take the higher idea."

Indeed, the gala events which were put together by the Schiller Institute in Europe, Ibero-America, and the United States were unprecedented in scope. Tens of thousands of individuals were reached by parades that moved through the center of all the capitals of Europe (except London), and many of the major cities in the United States. While each country added its own reflection of the republican influence of Schiller and the American Revolution, the common thread through all was a reading of Schiller's poetry, and the singing of the most popular musical setting of that poetry, Ludwig von Beethoven's "Ode to Joy."

Surge of cultural optimism

In calling for the celebrations, Mrs. LaRouche had emphasized the need for a joyful day of celebration of the ideas of freedom and beauty, ideas expressed in a more universal way by Schiller than by any other great poet. Thus, politics as such were not to be found at the events. Aside from a moment of silence to commemorate that great republican Indira Gandhi, the events were completely devoted to poetry, music, drama, pedagogical museums, and short presentations on the significance of Schiller and the American Revolution.

This universal appeal, on the basis of recognizing Schiller's contribution to culture, evoked an extraordinary reaction in the United States among what could ordinarily be considered the most cynical layers of the population—the politicians. Governors from 12 states signed proclamations designating Nov. 10 Schiller Day, some of them actually composing the text of the proclamations themselves. In addition, the mayors of cities—most of them Democrats of the Mon-

dale persuasion, and therefore politically hostile to the Schiller Institute's high-profile campaign against Henry Kissinger and the nuclear freeze—in many cases responded to being contacted by a Schiller Institute representative by drafting their own resolutions.

The power of the republican ideas of Schiller to bring together such disparate forces—which also included statements of support from the President of Colombia and the Rabbi of Munich—says a great deal about the potential of the Schiller Institute's organizing approach. What became evident was the cultural bond which unites citizens from Western Europe, Ibero-America, and the United States against the bestial ideas of colonialism and tyranny—and which can inspire them to fight to preserve the freedoms which their forefathers won for them, and which they have recently let be eroded to the virtual vanishing point.

Clearly cognizant of the threat that this fighting spirit represents was the Soviet leadership, which took to the pages of one of its international journals *New Times* to attack the Schiller Institute in mid-October. Soviet response to the successful weekend celebrations is not yet recorded.

Horses, bands, and wreaths

It was the intent of the Schiller Institute to bring the largest number of people possible into these celebrations, while at the same time not diluting the content of the culture which the Weimar Classic (Schiller's period in Germany) and the American Revolution represented. This objective was clearly achieved.

Probably the largest parade occurred in Rome, where individuals dressed up as Schiller, Verdi, and Benjamin Franklin led a procession throughout the city. Thousands of tourists stopped to watch, and the parade was featured on Italian television, as well as in several dailies.

But perhaps more people became aware of Schiller's birthday in Seattle, Washington, Los Angeles, and Houston, Texas, where airplanes and a Goodyear blimp carried the message "Happy Birthday, Schiller" high over the cities.

In Chicago and Baltimore, the parades extended at least four to five blocks. The Chicago parade featured two marching bands, fire engines, horses, police cars, two troops of scouts, and a column of cars. But the prize item was a huge float which contained a statue of Abraham Lincoln, surrounded by an American flag, a German flag, and then smaller flags

from many republics. In front of the statue was a big open book, on which was written in large letters Schiller's statement, "Man must be greater than his own destiny."

The Baltimore parade was led by two Schiller Institute members riding on horseback, carrying American and German flags. Its float featured a scene from Schiller's most famous play of the struggle for republican freedom, *William Tell*—another universally popular aspect of the celebrations. Further back in the procession came a Pershing Rifle unit from Morgan State University, and then an 80-piece Southern High School marching band.

The breadth of participation in the Baltimore-Washington joint festival, held Nov. 9, demonstrated that the Schiller Institute had been particularly effective in bringing black Americans into the celebration of Schiller, the Poet of Freedom. A 60-person Youth Symphony from Washington, D.C., gave a performance that totally moved the audience of over 200.

In cities which have statues of Schiller, ceremonies of wreath-laying were held. This occurred most frequently in

"The gala events which were put together by the Schiller Institute in Europe, Ibero-America, and the United States were unprecedented in scope. Tens of thousands of individuals were reached by parades that moved through the center of all the capitals of Europe (except London), and many of the major cities in the United States."

West Germany, where many cities have Schiller statues, but was also possible in Chicago, Minneapolis, and New York City. In New York, the Schiller statue is located at the end of a long pedestrian boulevard in Central Park near an open amphitheater. The boulevard is a testament to the great culture that flourished in the United States' largest city during the period around the Civil War, as it is lined with statues of Beethoven, Shakespeare, and Dante, among others.

Another feature of the celebrations was the planting of linden trees in Schiller's honor, wherever the towns would permit it. It was amazing how controversial the donation of a tree became in some towns, including Leesburg, Virginia. But trees were successfully planted in Elizabeth, New Jersey; in a couple small cities around Los Angeles; and in Dortmund and Hannover, West Germany.

And in the Third World

It is one thing to evoke the memory of the American Revolution, the Weimar Classics, and collaboration between America and Germany in the so-called industrialized world. It is quite another to generate celebration around these ideas in the Third World.

But it was done. Large celebrations featuring the music of Beethoven and selections from Schiller's plays were held in Mexico City and in the northern Mexican state of Sonora. Alfredo Mendoza, president of the Mexican branch of the Schiller Institute, was also interviewed for one hour on a state-wide television station.

In Mexico City, the Schiller Institute had a ceremony before the Beethoven monument on Sunday morning (the Schiller statue having been "lost," according to the government). Beethoven's "Ode to Joy" was sung, and poems were read. Schiller Institute representative Marivilia Carrasco was interviewed by a reporter from the daily newspaper *Universal* at the site. Carrasco sharply challenged the reporters' assertion that the Mexican people prefer mariachi music to Beethoven, telling him that in the last century the republican circles around Mexican President Benito Juárez were more cultured than Mexico's leaders today. In the journals of Juárez's movement were translations of the poems of Schiller and Poe. If the government were to embrace such universal culture again, she stressed, it would be loved by its people.

This point was demonstrated vividly in the celebrations held in the largely rural areas of the country. In Ciudad Obregon in the state of Sonora, 220 people gathered in the Municipal Library to hear Schiller's poems, watch scenes from Cervantes, and hear a children's chorus singing classical music. In the nearby state of Coahuila, 50-60 farmers also came out for the celebration, expressing their special joy at the classical music. "What beautiful music you have brought us," one farmer exclaimed, contrasting it with the rock and roll and mariachis, brought by political parties.

Joyful celebrations were also held in Lima, Peru; Bogota, Colombia; and Caracas, Venezuela.

Cultural warfare

The friends of Henry Kissinger throughout the governments, newspapers, and institutions of the world, of course, have no shame. They mobilized heavily to prevent the Schiller birthday celebrations, particularly in the Soviet-dominated stronghold of West Germany. Choral societies, civic groups, and just plain citizens were told that their participation in the festivals would brand them as allies of the "right-wing," "neo-Nazi" LaRouches.

In some cases it worked. But in every location where celebrations were planned, they occurred. One can imagine the chagrin of Henry Kissinger and his friends in the Kremlin when they get the full reports on the tens of thousands who smiled and hummed along at the "Ode to Joy." For the barbarians, it is the beginning of the end.

India: Rajiv Gandhi asserts leadership

by Linda de Hoyos

Defying the international press commentary that he is weak and inexperienced, Rajiv Gandhi, the new Prime Minister of India, has demonstrated that he is firmly in command, and it is through his leadership that India has survived the grave shock delivered by the Oct. 31 assassination of Mrs. Indira Gandhi.

On the day that Mrs. Gandhi was murdered by members of her own security guard, Rajiv Gandhi was impressed into service as the next Prime Minister. On Nov. 8, he also took over as the president of the Congress (I) Party. On Nov. 11, he announced national elections for Dec. 24-27, a plan that should ensure him a mandate to follow through on his determination to "bring India into the 21st century."

Within his two weeks in office, Mr. Gandhi has taken swift action to end the destabilization of the country sparked by Mrs. Gandhi's assassination. When mass violence against Sikhs swept New Delhi Nov. 1-4, Mr. Gandhi issued orders to the army to quell the violence, and removed the lieutenant governor of the capital for his inability to maintain order in the city. Amid reports that the police were often lax in stopping the violence and that the riots were led by elements of the Congress (I) Party, Gandhi has declared that every person involved in the organized revenge killing shall be prosecuted, no matter what their political or religious affiliation.

To safeguard his own security, he has overhauled the entire security and intelligence apparatus, whose laxity was at least in part responsible for the brutal gunning down of Indira Gandhi at her own home. Mr. Gandhi is himself under the direct threat of assassination. From London, Jagjit Singh Chauhan, the self-styled president of "Khalistan" (the non-existent Sikh separatist state), has been delivering threats of Mr. Gandhi's imminent assassination by Sikh terrorists. "As Mrs. Gandhi invaded the Golden Temple [the Sikh holy shrine in Punjab June 6]," Chauhan declared to the press Nov. 8, "she would not be allowed to live. That is a fact of history." The same goes for her son, he added.

The Indian government has demanded that the British place Chauhan under arrest for incitement to violence; Chauhan's demands for the murder of Mrs. Gandhi and her family have been broadcast by the BBC since June. The British government has refused, instead placing Chauhan under 24-hour security protection against alleged Indian hit teams. Now, more than ever, the survival of India depends upon maintaining the security of its leadership.

The talk among the opposition to Mr. Gandhi in the Western press is that once the Congress Party is assured power, Mr. Gandhi will be swept aside. However, in the brief period he has been in office, Mr. Gandhi has made clear that he does not think of himself as a caretaker head of state—he has a strong commitment to India's moral purpose based on the striving toward full-scale industrialization and the realization of each individual. "Our greatest wealth," Mr. Gandhi declared in his speech announcing national elections in a challenge to the Malthusians, "is our people. We must enable individuals and families to realize their potential to the full."

From this standpoint, Mr. Gandhi declared that the "basic objective" of his government is the "speedy removal of poverty," and reaffirmed his adherence to socialism and planning. "Without planning," he said, "we could not have reached where we are. Our aim is continuous modernization, higher productivity, and rapid advance of social justice.

"The public sector has played a historic role in laying the foundation of a modern economy," he continued. "It has to shoulder greater responsibilities and to become more efficient to generate surpluses for investment." Mr. Gandhi lost no time in beginning to implement his drive for encouraging initiative in the Indian economy. One of his first acts in office was to streamline the procedures for acquiring licenses for new projects, thereby decreasing the waiting time by three to twelve months.

He has also declared war on the inefficiency of the bulky bureaucracy bequeathed to India by British colonialism. "I am committed to improving the quality of service to the people. . . . No quarter will be given to the corrupt, the lazy, the inefficient. Our administrative system must become more goal-oriented. A new work ethic, a new work culture must be evolved in which government is result-bound and not procedure-bound."

In answer to the ethnic and religious tensions pulling at the Indian state, Mr. Gandhi reaffirmed that "secularism is the bedrock of our nationhood. Vested interests, both external and internal, are inciting and exploiting communal passions and violence to divide India." Mr. Gandhi also pledged to uphold the tradition of non-alignment and commitment to peace that marked the foreign policy of Jawaharlal Nehru, the founder of the Non-Aligned Movement, and Mrs. Gandhi, the movement's most recent chairman.

As did his forebears, Mr. Gandhi has a vision of what India must become. On the day that he scattered the ashes of Indira Gandhi over the Himalayas, Rajiv explained: "Indira Gandhi loved and respected the Himalaya. . . . The Himalaya is not merely a mountain, it is part of India's mind. The immensity of the hills of the Himalaya helps us to discover ourselves. It reminds us how small we are in comparison to universal greatness, but at the same time that we can have an unbeatable will. This is what allows Man to transform the impossible into reality."

Debate on SDI in the open

A faction in favor of beam-weapon defense systems has finally begun to assert itself.

After the smashing victory of Ronald Reagan in the Nov. 6 presidential elections, U.S. Defense Secretary Caspar Weinberger lost no time in publicizing the defense policy at the foundation of Reagan's landslide victory: the Strategic Defense Initiative (SDI). On Nov. 7, Weinberger exploited the pages of the leading conservative daily of the Federal Republic, *Die Welt*, to call upon the Bonn government to join the effort to develop an efficient defense against ballistic missiles.

Such a system, wrote Weinberger, "would help to create big uncertainties in the mind of the aggressor, and thus help to decrease the probability of a successful conventional attack on Western Europe and even the probability that the Soviet Union may consider such an attack as its first option. An efficient defense against ballistic missiles could improve the security of the Federal Republic of Germany considerably by protecting her against the threat posed by Soviet missiles. . . ."

Concluding the article, Weinberger strongly reaffirmed the U.S. commitment to the defense of Western Europe and Germany by saying that the 325,000 American troops in Europe are here to stay.

With this article, the Reagan administration has intervened most forcefully into a debate on strategic missile defense in the Federal Republic which has become more and more open over recent weeks—after 18 months of fearful silence imposed un-

der Soviet pressure. Franz-Josef Strauss, Bavarian minister president and chief of the Christian Social Union, was the first to publicly suggest German participation in the U.S. research and development program. In the first week of November, the West German parliament discussed the issue, and although spokesmen of all parties in the main warned against "escalating the arms race into space," a faction in support of the SDI also asserted itself.

Most clear was Count Huyn, the defense-policy spokesman of the Christian Social Union. Along the lines of the Weinberger article, he declared it in the interest of the Federal Republic of Germany to participate in the American effort. Count Huyn emphatically made the point that the SDI increased the security of Western Europe and West Germany.

With Reagan's election and the shaping up of a potentially strong pro-SDI faction within the Christian Social and Christian Democratic parties, as well as German military and military-related industry, the Soviets have two choices: 1) open negotiations with the United States on the basis of a joint and concurrent development of strategic missile defense systems; 2) escalate their present confrontation mode against the United States globally. At the moment, the Soviets have chosen the second.

Speaking for the Kremlin, it seems, is West Germany's weekly magazine *Der Spiegel*, whose latest

issue features a cover-story attack on Reagan, picturing him on the cover in the costume of the villain Darth Vader from the movie *Star Wars*. The article makes a number of points almost word for word what Soviet propaganda says about the SDI:

- It repeats the threats first issued by the KGB's chief scribbler, Fyodor Burlatskii, in July 1983, that the continuation of the SDI would constitute a *casus belli* for the Soviet leadership.

- It names Henry Kissinger as the man who inspired President Reagan to offer to share beam-weapon technology with the Soviets.

- It depicts the Soviet Union as a country which is falling behind in the technological arms race.

The last two points represent the wildest form of disinformation. Such claims must be seen as a desperate Russian attempt to get Henry Kissinger into the position of dominant influence over the Reagan administration the Soviets want him to have.

Kissinger's policy is, of course, to kill the SDI altogether, by treating it as one of the "bargaining chips" in new arms-control giveaways to Moscow.

From the standpoint of the Western Alliance, there is no choice. The election victory of President Reagan has shown to the world that the population of the strongest industrial nation in the world stands firmly behind the so-called Star Wars defense policy. The conservatives in Germany should take heart from this.

And, after all, what got the President his landslide victory, after "peacenik" Walter Mondale seemed to be gaining in the polls in the early going, was his decision to go on the offensive around the beam-weapon program—another example Germany's conservatives would do well to follow.

'New Right' backs Red Brigades

Shocking admissions from some self-styled defenders of "European civilization" in France.

I feel closer to these people—the Baader-Meinhof gang in Germany and the Red Brigades in Italy—who died with their weapons in their hands for their ideas than to these liberals who are in ecstasy in front of Reagan and John Paul II,” said Pierre Vial, editor of the GRECE magazine *Elements* and a leading figure in the French “New Right,” at a gathering at Versailles on Nov. 11. GRECE, an acronym for the pompously titled “Group of Study and Research on European Civilization,” is in fact dedicated to the total destruction of European civilization and its Judeo-Christian roots, as Vial’s statement reveals.

A report on the event in the leftist newspaper *Libération* announced: “For the New Right, the fight against Marxism is outdated. The true enemy is liberalism which feeds into individualism and leads to the Americanization of society.”

The French New Right, a hard core of Nazi, racist “intellectuals,” looks forward to the convergence of the extreme-left and extreme-right wings of politics against “the Americanization of society,” against equality, progress, and rationality, and heralds the creation of a new European empire, between the Eastern and Western empires. And it deems the Soviet Union its best ally in that direction.

“Déjà vu”? The New Right’s main intellectual sources are the intellectual inspirers of the Hitler Nazi movement, the spokesmen for the “conservative revolution” like Armin Mohler and the late Moeller Van der Bruck, proponents of racialist theory based

on “blood and soil” and the Darwinian idea of “survival of the fittest.” Likewise, they loathe the republican ideas rooted in Judeo-Christian morality. At the Versailles meeting, the GRECE speakers wanted to rehabilitate the idea of “revolution” against “egalitarian ideology,” “the natural equality between human beings, the power of reason, the meaning of history and the belief in progress,” according to a leading figure of GRECE, Alain de Benoist. Another protagonist, Guillaume Faye, rejoiced at the coming of “a neo-pagan ethic,” already announced by the “renewal of anti-egalitarian ideas in the education system . . . and the appearance of new sociological schools based on the imaginary and the irrational.”

The New Rightists are ready to embrace the left. Jean-Pierre Chevènement, leader of a faction (CERES) of the Socialist Party, was quoted favorably by the GRECE orators, as “elitist, voluntarist, and anti-American,” commented the leftist *Libération*. Indeed, Chevènement has been a positive reference for GRECE at least since 1980 because of his strong hostility to the United States. He thinks that Europe must seek a third way between the United States and the U.S.S.R., but if one had to choose, he would choose to side with the Soviet Union, like GRECE. Recently, the French Communist Party also talked of the “decline of the West,” like GRECE. Pierre Vial stresses that GRECE wishes to overthrow “the bourgeois system” with “a common front of revolutionaries from the left

and from the right.”

Their strategic perspective is shaped by the geopolitics of the British Lord Halford Mackinder, and reads that Europe, East and West, has to reunify to constitute a Third Empire between the American and Russian empires. Others call that the neutralized *Mitteleuropa*. A few months ago, GRECE called for a break with Atlantic solidarity (and added, “as well as with the temptation to submit to the Soviets,” a somewhat rhetorical qualification). GRECE backs the German neutralists and *pacifists*, and claims that the best of the Third Way proponents in Europe is the Greek chief of government, Socialist Andreas Papandreou, who behaves as the most blatant Soviet asset!

Indeed, if forced to choose, GRECE would prefer to see Europe a satrapy of the Soviet Union, explained Alain de Benoist in a lengthy theoretical review of the cultural differences between United States and U.S.S.R. (*Elements*, March-April 1982, “The Main Enemy”). De Benoist wrote that “for us, the principal enemy would be bourgeois liberalism and the Atlantic-American West.” In contrast to that idea, he wrote, Russian communism is “susceptible to evolution.” This means, as many fascists understood in the 1920s, that the essence of policy should be an *Ostorientierung* (east orientation), based on the laws of geopolitics. “The center of continental Europe drifts toward the East, i.e., Russia. As Europeans we are on the side of the masters of the land, against the masters of the sea. . . . America is not a new Rome, but a new Carthage. We always will be for Rome [Russia], against Carthage.” De Benoist explained that GRECE opposes Christianity because it is the common matrix for communism and liberalism, two kinds of “egalitarianism.”

Communists rush to support austerity

Visentini's plan to tax small businesses into extinction would not have survived without PCI backing.

It is the Communist Party of Italy and its trade union allies who deserve the major share of the credit for the fascist fiscal package that Finance Minister Bruno Visentini has managed to impose on independent shopkeepers and family enterprises. After the successful strike against Visentini's plan organized by the main shopkeepers association, the Confcommercio, a discussion had begun in the Italian Parliament which might have led to Visentini's resignation, had not the Communist and Socialist-linked trade union federations intervened to call for a general strike in support of Visentini's package.

Visentini's fiscal plan was opposed in particular by the Christian Democrats and the Social Democratic Party (PSDI) because it would tax some 40% of the gross income of all non-employees, particularly hitting small shops and family businesses. These proprietors and enterprises would not survive that prohibitive tax rate.

For those who refuse to pay, Visentini has announced special measures, which include imprisonment on the basis of mere circumstantial evidence. For a reluctant small shopkeeper, it would be enough to be denounced by the "fiscal brigades" organized by the trade unions, according to a proposal by UIL union secretary Giorgio Benvenuto; the shopkeeper would be jailed first, before being given an opportunity to prove his innocence.

That's the reason why the shopkeepers association Confcommercio

went on strike with such slogans as "We don't want the KGB in our house" and "Down with the left dictatorship!" When the Christian Democratic Party, the largest party in Italy's coalition government, and the PSDI presented amendments to Visentini's plan, Visentini declared that he would not change a single comma, and if the plan were not completely accepted, he would resign. The same threat was issued by Giovanni Spadolini, Defense Minister and Visentini's colleague in the Republican Party.

Then the trade union federations, pushed by the Italian Communist Party, jumped in to save the Visentini plan by calling for a general strike to support it on Nov. 21. Italy's political parties felt obliged to undertake a round of discussions in order to come to a "compromise solution" and avoid the government crisis that would follow on a general strike.

If the DC and the PSDI give in to the Communists and the Republicans in the parliamentary discussion, which now has been postponed to the week before the scheduled strike, the door will be open to the fascist "government of the technocrats" which Visentini and his political allies have long sought for Italy.

Bruno Visentini is the former president of the Olivetti corporation; along with the current boss of Olivetti, Carlo De Benedetti, he is an enthusiastic champion of the view that Italy must be a "post-industrial society," according to the policy prescriptions laid down by the oligarchical financier families historically based in Venice,

Switzerland, and London. Before he proposed to tax the shopkeepers out of existence, Visentini's principal accomplishment was gutting the cost-of-living escalator in trade unions' contracts, thereby allowing the workers to be freely looted through inflation.

Nevertheless, at Communist urging, the unions supported the man who had just picked their pockets. In Italy, too, the slogan "equality of sacrifice" is useful in lowering living standards, while different groups in the working population are pitted against each other by the "technocrats"—and the government, industry and labor "co-determine" the degree of austerity required. This was Mussolini's model.

The Confcommercio and other non-wage earners' categories are determined not to give up their fight. They have now threatened a two-day strike which would shut down all the shops in Italy, and have announced an alliance with the artisans, the lawyers, and the newspaper-kiosk salesmen—the latter are supposed to pay 39% of their gross income although they receive only 20% of the cover prices of the papers they sell. Both the lawyers and the artisans in Milan have announced strikes on their own.

But flush with the support he got from the trade unions, Visentini has announced another measure hitting family enterprises: a 10% tax increase on real estate.

To demonstrate that there is no limit to his rapacity, Visentini has also announced a special three-tier tax on dogs: they will be divided, in three categories: "luxury" dogs, "semi-luxury" dogs, and "low-class" dogs, according to their breed, the purpose for which they are kept, and their relationship with the owner. Those who possess dogs for no other reason than personal affection will pay the highest tax rate.

Death of a murderer?

Reports that Abu Nidal is dead will do little to change the mercenary business popularly known as international terrorism.

Even among those who offered him shelter in Baghdad, Damascus, and Tripoli, few can be expected to have shed any tears at the news that international terrorist Sabri al Banna, a.k.a. Abu Nidal, reportedly died around Oct. 20 of heart disease. News of his death is still shrouded in mystery, and may be just a ploy.

It is known that last June, Abu Nidal had entered a hospital in the suburb of Baghdad, probably not far from the Al Karkh quarter's numerous warehouses and garages where he maintained his international headquarters for years, even when shifting operations to Damascus or Tripoli.

According to Iraqi sources, his return to Baghdad last spring was permitted for "humanitarian" reasons, with the understanding that he would not personally engage in any terrorist operations.

As news of his death spread, anonymous followers in Damascus announced that the "struggle will continue." Evidently, the death of Abu Nidal will have as much affect on international terrorism as did the death of his alter-ego, Waddi Haddad, in an East Berlin hospital a few years ago: none.

The reason is simple. Contrary to the mythology of international terrorism, the Abu Nidals of the world, far from "dedicated revolutionaries" or champions of oppressed peoples, are mere puppets, mercenaries deployed by international forces more evil than those purchased merely to pull the trigger.

That Abu Nidal was nothing but a mercenary is evident in his shifts from one employer to another. "Black June," created in 1976 in Iraq, was deployed against the Syrians, primarily for their invasion of Lebanon. Later, Abu Nidal's Al Assifa was deployed by the Libyans, and then again by the Syrians, against Arafat's PLO and his personal collaborators.

It was on behalf of the Syrians and their Soviet allies that Abu Nidal murdered Issam Sartawi in April 1983, as he murdered numerous PLO representatives in Europe after 1978. Sartawi's murder was deemed necessary as he alone had dared to reveal the true reasons behind the attempted assassination of Israeli Ambassador Shlomo Argov in London in June 1982—the operation which triggered the Israeli invasion of Lebanon.

The Argov operation was ordered jointly by the Syrians and then Israeli Defense Minister Ariel Sharon, who had already plotted a partition of Lebanon! Sharon needed the pretext of the Argov assassination to "retaliate" against the Palestinians in Lebanon. Neither Syria's Assad nor Sharon could allow a PLO leader to come forward with such revelations. The murder of Sartawi was ordered.

Hidden behind mystery and mythology, the real story of the creation of "Abu Nidal" has never been told. Nor do we know many details. However, as we do know and revealed in September 1982, Abu Nidal's family had extensive connections to the early

Freemasonic networks in Palestine around the Grand Mufti of Jerusalem, Adolf Hitler's chief ally in the Middle East. It was such networks that went into the "Arab Legion" of the Abwehr, and such networks which were co-opted after the war by Allied intelligence services, but remained intact as assets of the Lausanne, Switzerland-based Nazi International, now in alliance with the Soviet Union against the West.

Abu Nidal was a product of the Nazi International. It was out of the Nazi International networks emerging after World War II that Abu Nidal and many of his associates received their first military training, as well as their first targets. And many times since, the path of Abu Nidal has crossed Lausanne's François Genoud, Nazi International banker and also creator of Algeria's Ahmed Ben Bella.

Abu Nidal's path also frequently crossed that of Genoud's Belgian friend, François Thiriart, whose "European Brigades for Palestine" became breeding grounds for Abu Nidal's mercenary team.

That so many countries welcomed help from such as Abu Nidal says a lot on what fundamentally has to change in the Middle East if peace is ever to be achieved. In the meantime, we will have to watch Abu Nidal's heirs carefully:

- The "Arab Revolutionary Brigades," created in the spring of 1983, which claimed responsibility for the sabotage of a plane in September of that year in which 113 passengers died.

- The followers of Abu Ibrahim and his "May-15" group, who specialize in bombings rather than machine-guns.

- The associates of Abu Nizer, based in Damascus, whose number-two man recently sold himself to Iran's Khomeini regime.

OAU divided as continent starves

The summit called for fast action on the famine, but felt the impact of the "New Yalta" divisions also wracking the continent.

The 20th summit meeting of the Organization of African Unity (OAU) in Addis Ababa, Ethiopia, opened on Nov. 14 with a walk-out by Morocco, one of the founding members of the organization, to protest the seating of the Polisario Front, the movement fighting for the independence of the former Spanish Sahara, now part of Morocco. The Polisario seating—meaning recognition as a state—has now led to the breakdown of the last two OAU summits.

What shifted the balance against Morocco was Nigeria's decision to back the Polisario's demand for a seat. Nigerian Foreign Minister Ibrahim Gambari tried to explain: "For the past few years, we have all watched helplessly as our organization has been paralyzed by the seemingly intractable problem of the Western Sahara. This unfortunate development has led to the abysmal neglect of other pressing challenges facing Africa. I need only mention the devastating drought, the famine . . . as well as political problems such as the disturbing developments in southern Africa."

True as that may be, there is a danger that Morocco's withdrawal from the OAU may split the continent into an "Arab" north versus an "African" south. This would conform to the global "New Yalta" package-deal between the Anglo-American and Soviet oligarchies: Northern Africa would be part of the Soviet sphere of influence, and the south under American influence with South Africa as the "gendarme" of the region.

Trilateral Commission member

André Fontaine hinted at just such a scenario in France's *Le Monde*. Citing Soviet problems in Afghanistan, Poland, and the Soviets' own agricultural problems, he asked: "Has the Kremlin come to the conclusion that it does not have the means to conserve the zone of influence it has created for itself in southern Africa since the American debacle in Vietnam?" Fontaine notes that Soviet allies Ethiopia and Mozambique are suffering a famine in which Moscow has done nothing to help, and that Angola has been forced to enter into talks with South Africa to try and end guerrilla warfare waged by the Unita organization.

The Moroccan walk-out was supported only by Zaire, with other African states considered conservative, such as Ivory Coast and Senegal, staying put, apparently to "punish" Morocco for its alliance with Libyan dictator Qaddafi.

The second day of the summit heard the OAU's secretary general, Peter Onu, give a grim description of an economic crisis, "unparalleled in history." He summed up the picture: "Millions of our people are starving and hundreds of thousands dying because we are no longer able to produce our own staple foodstuffs." He said that Africa's growth rate in food production had declined from 3.4% per year in 1982 to 0.4% this year, and that owing to Africa's \$150 billion foreign debt, many countries were practically bankrupt, unable to buy the food they desperately need.

Onu called for an emergency conference of drought-affected countries

on the continent to discuss the famine threatening tens of millions. He suggested that experts from other drought-affected nations such as Australia and Brazil should participate.

A special fund to fight famine was created at the summit, on the initiative of Algeria which immediately donated \$10 million.

On the same day, the latest U.N. Food and Agriculture Organization (FAO) report on Africa was released. It warned that five African countries were already in the grip of famine: Ethiopia, Chad, Mali, Mauritania, and Mozambique; 27 African countries are now totally dependent on foreign food aid, while altogether, 36 African countries face "critical food shortages."

The lack of development in these countries combined with severe austerity policies imposed by the International Monetary Fund has led to a situation in which millions will die without immediate action.

The *Observer* newspaper of London recently predicted that 10 million African children would die in 1985—which, given that all the means are at hand to save them, means only that the British elite is planning such genocide. Indeed, at the recent Madrid meeting of the International Union for the Conservation of Nature and Natural Resources, delegates announced that famine in Africa has resulted from the fact that "land throughout the continent is over-used." Prince Philip, president of the World Wildlife Fund, opened the conference by saying: "We hear daily of so-called natural disasters such as the drought in Ethiopia and the Sahel countries, but the fact is that a proper concern for the conservation of nature and natural resources over the years might well have limited the severity of the drought and its tragic consequences."

The KGB in the Parthenon's shadow

Igor Andropov's embassy has a weak driver-education program, but a very strong grip on Greece.

With Igor Andropov's arrival, the "Scythian policeman" returned to Athens after almost exactly 2,400 years. As a senior KGB official, Andropov is rapidly transforming the Greek capital and its environs into a KGB "exclusion zone." According to one report, the KGB is establishing a training school in Athens specializing in electronic communications interceptions. Andropov's embassy recently purchased an extraordinary amount of ultramodern equipment.

Following this report, the following three police blotter items appeared in the Athenian press; bear with their boring text, the punchline comes at the end:

Item: "On 11/8/84 at 16:30 hours, automobile with license plate XA4150IXE belonging to the Soviet embassy in Athens, driven by Victor Dragonov, 32, clerk of aforesaid embassy, driving along Schinia Avenue in the direction of Athens and on the 44th kilometer, diverted leftward from its course, crashed into a tree and subsequently turned over resulting, in injury to its driver."

Item: "On 11/8/84 at 16:45 hours, automobile with license plate DS3768EIX, belonging to the Soviet embassy in Athens, driven by Alexander Savenko, driving along Schinia Avenue in the direction of Athens and on the 44th kilometer, diverted leftward from its course, crashed into a tree, resulting in material damage to the vehicle."

Item: "On 11/8/84 at 16:50 hours, automobile with license plate YY2880FIX, driven by George Stath-

opoulos in the direction from Athens to Schinia, collided, at 44th kilometer of Schinia Avenue with another automobile driving in the opposite direction with license plates DS3778 belonging to the Soviet embassy in Athens and driven by the Russian national Valerin Nestorovits Aniurin, 40, a diplomatic officer of aforementioned embassy, tel. no. 6725235, resulting in injury of the driver."

The punchline is: The tree and everything else at the "44th kilometer of Schinia Avenue" is right across from the major United States Naval Communications base at Nea Marki, near the ancient field of Marathon, considered to be the most important U.S. naval communications base in the Eastern Mediterranean.

It turns out that Valeri Aniurin, officially first secretary of Andropov's embassy, is a lieutenant-colonel of the GRU, Soviet military intelligence, and the other two unfortunate drivers are his subordinates, though formally members of the KGB. The most obvious conclusion to be drawn is that the "KGB school in Athens" has a very weak driver-education section.

The aftermath of the public side of this was a brief statement by the Greek Minister of Public Order, Mr. John Skoularikis: "Reports on the three consecutive traffic accidents of Soviet diplomats near the U.S. base on Schinia Avenue bear no relation to reality."(!)

The Russian KGB's grip over the current Greek government is shown by a recent confidential report of the Greek air attaché in Washington,

Brigadier-General Ph. Makedos, on the political "unreliability" of the Greek-American community: "Greek Americans," the air attaché says, "have attached their interests to those of U.S. imperialism and they thus engage in opposition to efforts of socialization of Greece, thus becoming agents of American interests and of ruthless capitalism. In their politics, they have become brainwashed and appear to be worshippers of cold-war militarism imbued with an intolerable fascist mentality which surpasses the fascist mentality of Americans themselves. . . . Many are hirelings of American secret services. These men can be characterized as dangerous. . . . In the context of the general imperialist strategic and geopolitical effort of the United States to effect an encirclement of the Soviet Union belongs also the strong American interest to exert control over the nations of the Eastern Mediterranean. The Americans, with their diseased anti-communism, are unable to tolerate the slightest tendency of independence on the part of Greece. . . . Therefore, they would be happy to overthrow our present political reality and to reverse our current orientation. . . ."

This impertinent and uncouth brigadier general is but one typical example of recent decades of educational reforms in Greece. In my time, I have known more cultured and more articulate private enlisted men in the Greek air force, persons capable of thinking without the aid of either slogans or that special Marxist nourishment known as "koutohorto." To declare Brigadier Makedos *persona non grata* would be a compliment. I therefore propose he be declared *flora non grata*. He and his colleagues under General Kouris have been turned into fodder for the "Scythian policeman," Andropov's mount.

Why some U.S. hawks hardline Sweden

Some recent attacks on Sweden by hawkish Americans are helping Palme push the country into the hands of the Russians.

Two recent interviews with representatives of the U.S. political establishment conform to a pattern of apparently hostile American policy toward Sweden and the other Northern European countries. Published on Nov. 12 in the liberal tabloid *Expressen*, Sweden's largest-circulation daily newspaper, the interviews are very helpful in assisting those, like socialist Prime Minister Olof Palme, who want to sow distrust in the United States and push the Scandinavian countries into the hands of the Soviet Union.

The two U.S. political spokesmen interviewed at Harvard University are both of the species labelled "Soviet experts": Richard Pipes, an ostensible Reagan Republican formerly associated with the National Security Council, and Marshall Goldman, a Mondale Democrat and former advisor of Jimmy Carter. Their message to Sweden is simple.

"Do not count on any sympathy from the U.S.," Richard Pipes tells the Swedes. "Finland is very popular in the U.S., whereas Sweden is considered a spoiled kid. It is a socialist country creeping for its big socialist neighbor." To Pipes, there's no difference between the Soviet-leaning Palme, who indeed crawls in the mud to please the Kremlin, and the largely pro-American population, of which four-fifths regard the Soviet Union as hostile.

"The Soviets are planning to use the Swedish archipelago as a shelter in the event of war," Pipes gloats, referring to the swarms of Soviet submarines penetrating Swedish coastal

waters. "If you fail in guarding your waters, Moscow will come to conclusions that will be uncomfortable for you. Your neutrality is in big danger." It sure is, but where does Pipes think Sweden should go, if there's no constructive U.S. friendship?

"Sweden has to do something about the submarines," Marshall Goldman echoes Pipes. "It is obvious that the Soviets want to turn the Baltic Sea into a Soviet lake." Goldman admits that this would not be in U.S. interests: "The sea north of northern Norway belongs to the most critical waters in the world. It is of considerable importance to the Soviet navy, and thus, to the United States. The Baltic entrance to the Atlantic is also of strategic importance. This means that the strategic position of Sweden becomes increasingly important."

"Sweden has to sink a submarine!" Goldman gallantly exclaims. Fine, but that doesn't replace a credible security policy.

Interviewer Per Ahlmark, a former chairman of Sweden's liberal party, depicts the U.S. political establishment as "considerably united in its view on Sweden." Although there is "great worry that darker days are to come for Sweden," there is also "secret satisfaction" in the United States over repeated Soviet threats against Sweden, because of Stockholm's criticism of the Vietnam War, but "discreet silence" on the Afghanistan invasion.

Pipes and Goldman's statements continue a policy of abandonment of Northern Europe, the most provocative proponent of which has been U.S.

Undersecretary of Defense Richard Perle. During his frequent travels to Scandinavia, Perle has distinguished himself by destructive statements designed to alienate potential U.S. allies and friends.

At a Copenhagen press conference June 8, Perle referred to domestic resistance to Denmark's contribution to the NATO budget, saying that this is comparable to people who refuse to pay their taxes. "Such people are put in jail in the U.S.," Perle asserted.

The same approach was taken by Edward Luttwak of Henry Kissinger's Georgetown University Center for Strategic and International Studies, who caused an uproar Sept. 25 by calling for Denmark's expulsion from NATO. Luttwak argued that NATO ought to "prefer a neutral but strong Denmark—like Sweden—to a weak Denmark as a member of NATO."

Aided by such efforts to undermine any confidence in U.S. policy, neutralists and Soviet agents of influence have an easy time "improving" Soviet-Scandinavian relations. Despite official talk of a cooling off after the many submarine incidents, Soviet Food Industry Minister Lein visited Sweden at the end of October on the invitation of Alfa Laval, the large Swedish agricultural machinery producer.

At the same time, the Scandinavian airline SAS invited Soviet Aviation Minister Boris Bugaev to visit Sweden, including an on-site inspection of Arlanda, the large Stockholm international airport. Unbeknownst to most Westerners, Bugaev is also an active duty marshal of aviation in the Soviet air force, and, as head of the Soviet "civilian" airline, Aeroflot, was in direct command of two-thirds of the Soviet military air transport capacity deployed in the massive Russian invasion of Afghanistan.

International Intelligence

Marcos warns: 'We're no banana republic'

Urban guerrillas raised the ante in the Philippines by assassinating a mayor in the southern island of Mindanao early on the morning of Wednesday, Nov. 14. The murder of Zamboanga Mayor Cesar Climaco is the gravest political assassination in the Philippines since the murder of Benigno Aquino in August 1983. Climaco, although sharply critical of President Marcos, was a national figure, and his old-style political machine in Zamboanga played a stabilizing role in Mindanao, scene of most of the guerrilla warfare between the government, the Muslim Moro National Liberation Front, and the Communist-backed New People's Army.

Only 24 hours before the Climaco murder, President Marcos bluntly told U.S. Sen. Christopher Dodd that his government had no intention of seeking U.S. aid in fighting the stepped-up NPA insurgency. Marcos told Dodd the Philippines "should not be lumped with some South American countries considered as banana republics." What the U.S. should do, he said, is increase economic assistance.

The guerrilla insurgency is putting extreme pressure on the government, especially since the indictment of 28 military leaders, including Chief of Staff General Ver, for complicity in the Aquino assassination. Acting Chief of Staff General Ramos told a press conference on Nov. 13 that rebels are operating in almost all 73 provinces and 765 soldiers have been killed in clashes since the beginning of the year. When asked about a split in the military, Ramos said only, "No comment."

Soviets seek 'absolute control' of Pacific

The U.S. commander in Japan, Lt. Gen. Edward Tixier, warned on Nov. 14 that the Soviet military buildup in the Pacific poses

a growing threat to Japan. General Tixier's remarks were made to the American Chamber of Commerce in Tokyo. Tixier's remarks followed two incidents within less than 24 hours on Nov. 12-13, in which first 40, then 32 Japanese jets scrambled to prevent Soviet bombers from violating Japan's airspace.

Tixier said the Soviet buildup will include deployment of several advanced warships and attack aircraft, and "reflects Soviet concern about China and their Far East maritime provinces." The Soviet strategic objective is "to maintain absolute control" over access points to the Pacific for the Soviet fleet based at Vladivostok, such as the Soya Straits which separate the Japanese island of Hokkaido from Soviet Sakhalin. Besides the Soviet air and naval buildup at Cam Ranh Bay, Vietnam reveals its intention to tighten control over the South China Sea, he said.

In numbers, Tixier reported that the Soviet Pacific air force includes 2,100 aircraft, including 70 Backfire bombers equipped with air-to-surface missiles. Three out of four Backfires are less than 10 years old. SS-20 medium-range missiles will soon number 144, with the completion of a new Soviet base. In naval forces, Tixier said the 800-vessel Soviet Pacific fleet includes 87 major combatants, 2 nuclear aircraft carriers, and will probably be joined by a top-of-the-line Kirov-class missile cruiser. In submarines, the Soviet Pacific fleet outnumbered the United States two to one.

'Greens are no Nazis' claims liberal paper

To compare the Greens with the Nazis is "infamous," says Otto Schily, former defense lawyer of the Baader-Meinhof terrorists and now Green deputy in the West German parliament, in an interview with the liberal daily *Frankfurter Rundschau*. These claims, says Schily, "are easily exposed as a divisive maneuver, since large parts of the [ruling Christian Democratic] CDU/CSU come from the right-wing tradition, which

paved the way for the Nazis."

The counterattack on the Christian Democrats comes after some leaders of the government party joined the attacks on the Greens as fascists, following the lead of the Schiller Institute, which on Oct. 17 distributed 1.5 million leaflets in Europe, warning of a Green takeover of West Germany.

On Nov. 13, the *Frankfurter Rundschau* defended the Greens in a long feature. "It is unjust to compare the Greens to the Nazis," the paper quoted four "scientists," among them psychoanalyst Horst Eberhard Richter, spiritual father of the anarchist-terrorist movement. They have a different relation to violence than the Nazis, writes the daily, and do not fight the parliamentary system in the name of another authoritarianism as the Nazis did.

The Greens' respect for the parliamentary system was seen again in early November. A parliamentary decision went against the Greens' demand to "rotate" their deputies after half of the legislative term in the parliament of Lower Saxony. Green deputy Rudolf Groescher refused to leave the podium. After 50 minutes, he had to be carried out, feet first, by three stewards—a scene unprecedented since the 1930s.

In a letter to the French daily *Le Monde* on Nov. 14, Schily complains bitterly that this "newspaper of international reputation" printed an ad of the Schiller Institute demanding the outlawing of the fascist Greens.

Britain's Prince impatient to rule

Anyone who believes the British monarch occupies a strictly ceremonial position ought to take a good look at the Nov. 12 issue of the London *Daily Express*, which devoted its center page to "the royal dilemma that is troubling the Palace." The problem is "the Prince of Wales, who is tired of acting as a ceremonial figure." Prince Charles is quoted: "My great problem is that I really don't know what my role in life is. At the moment, I don't have one. But somehow, I must find

one for myself." Charles "realizes that another 20 years or more long years stretch ahead before he will become king. The Queen at 58 appears enviably healthy, still enjoys ruling after 32 years, and has always scoffed at suggestions that she might abdicate in his favor."

Prince Charles was brought up by his father Prince Phillip's uncle, Louis Mountbatten, a leader of the Fabian one-worldists who introduced the father, the Duke of Edinburgh, and the offspring Charles to the Torre e Tasso family's international operations.

"Under the British system, abdication does not happen. The monarch remains monarch for life," an official is quoted. The *Express* then quotes former Prime Minister Alec Douglas-Home, himself a Scottish oligarch: "It would create a very dangerous and undesirable precedent if the Queen were to abdicate. *Once is enough*. As a newly married man with a young family, he should be allowed to enjoy his private life now. There will be plenty of time for him to learn the craft of monarchy later." "Once is enough" refers to the abdication of the overtly pro-Nazi King Edward VIII in the late 1930s, allowing the royal family to have pro-fascist and "anti-fascist" branches.

Cyrus Hashemi hit by new scandals

An article, appearing in the Oct. 21 *Observer* of London, reports on new scandals associated with "Dr." Cyrus Hashemi, who once sued *EIR* and affiliated publications for printing the truth about his role in supplying arms to the Iranian dictator Khomeini. The suit was thrown out of court.

The article by Michael Gillard reports that Hashemi, a fugitive from U.S. justice and described as the Iranian turned Dominican, owes £4 million to London casinos. Hashemi is understood to owe £1.5 million to the Trident-owned Clermont as well as the same amount to the Park Lane and Ceockford's, another £500,000 to the Ritz,

and about half as much to Maxim's.

Most of these debts relate to bank drafts issued by Hashemi's Canterbury Credit Bank and Trust of Anguila and then not met. Hashemi is facing a threat of bankruptcy from the casinos owned by Lonrho. Merrill Lynch has obtained a judgment totaling \$570,000 against Hashemi's companies.

The *Observer* further noted that Hashemi is a fugitive from arrest following his indictment on 18 counts of breaking a U.S. embargo by supplying arms to the Iranian government during 1980 and 1981, as revealed in this publication.

Catholic university honors Sun Myung Moon

Despite livid protest from the Vatican, the Catholic University of La Plata, Argentina, conferred an honorary degree on cult leader Sun Myung Moon at a ceremony held at the United Nations' headquarters in New York on Nov. 15. Since Moon is currently serving a jail sentence for tax fraud, the award was received by his wife, Hak Ja Han Moon. Also honored with a degree, for "his contributions to Latin American unity" and "to science," was Moon's chief lieutenant, Bo Hi Pak, who heads the Moonie media empire that stretches from Washington and New York to Uruguay.

The awards were conferred by Nicolas Argentano, president of the university and a frequent participant in Moonie conferences, despite feverish last-minute protestations from the Vatican through its Nuncio at the United Nations, Giovanni Chelli, and its Nuncio in the United States, Pio Laghi. The Vatican also put pressure on La Plata Archbishop Antonio Jose Plaza, another Moon fan, to revoke the award, but Argentano defied their protests and proceeded with the ceremony.

The Moonies, who have established a strong business presence in Uruguay, Paraguay and Bolivia, much of it related to the drug trade, are now making a major push into Argentina.

● **LORIS FORTUNA**, a Socialist parliamentarian linked to the drug mafia, has presented a bill to the Italian parliament to legalize euthanasia. According to Fortuna, the sick person should just sign a statement in which he says he wants to die with dignity. The final decision on the case would not be left to the doctors or to the family, but "to a sort of popular jury." Fortuna is known for previous bills to legalize dope and abortion "on demand."

● **SVETLANA** Stalin is not the only defector to return to Moscow. Two soldiers who deserted from the Soviet army in Afghanistan and were granted asylum in Britain under the sponsorship of right-wing cultist Lord Bethell earlier this year, are going home to Mother Russia—clad in the black leather jackets Bethell bought for them.

● **BELISARIO** Betancur, the president of Colombia, agreed on Nov. 16 to implement the extradition treaty between the United States and Colombia. The first step will be the extradition to the United States of drug traffickers Herman Botero Moreno and Manuel Antonio Garces, who are being sought by American justice. The American Embassy in Colombia has increased their security in the expectation of attacks from enraged drug traffickers as a result of this.

● **A SUDANESE** tribe of 750,000 risks becoming a "forgotten group," according to relief experts, because of the ongoing drought and famine in East Africa. "There are hardly any children under two; they've died," says one medical expert, adding that "though numbers are obviously smaller, individual suffering is as bad as it was in Biafra."

The U.S. policy disaster looming in Central America

by Timothy Rush

“The most probable point at which a limited Soviet military operation into West Germany would occur, would be the launching of U.S. military operations in the Caribbean. Shifting our forces would give the Soviets a golden opportunity: Europe’s defenses would be at their weakest, and the Soviets could claim that they were merely responding to ‘U.S. aggression’ against a ‘friend of Moscow’ in the Caribbean. And Henry Kissinger and his friends like General Gorman [of the U.S. Southern Command] are now pushing for just such a U.S. Caribbean adventure to occur around the time of the U.S. election, or later in 1984.”

So went the warning issued by Independent Democratic presidential candidate Lyndon LaRouche in a nationally televised broadcast Sept. 30. And, as the election results began pouring in, the wire services began to buzz with the story: “Soviet MiGs Headed for Nicaragua.” The *New York Post* summarized the situation in its banner headline Wednesday, Nov. 7: “Triumph and Crisis.” From that moment on, in a series of escalations and counter-escalations on both sides, the crisis grew until by the end of the following week, anonymous “senior administration officials” were being quoted in the press saying that the crisis was growing “just the way the Cuba missile crisis of 1962 developed.”

LaRouche contended that the reason the Kissinger-aligned Eastern Establishment in the United States wants the Reagan administration tracked into a disastrous Central American war is that Establishment’s “New Yalta” agreements with the Kremlin to abandon Europe, and reduce America’s area of influence to only a misery- and war-wracked Western Hemisphere. The irony is that the faction around Defense Secretary Caspar Weinberger, which has correctly understood the im-

portance of an enhanced U.S.-European alliance and a NATO-wide commitment to beam defense systems, is now swallowing the Central American bait offered by the Soviet Union.

The first thing to go in a major commitment of U.S. fighting forces to Central America will be America’s ability to fend off the Warsaw Pact’s pressures on Western Europe. Do Weinberger and company really want to bear the responsibility of having “won” Nicaragua—and lost Europe? The next thing to go will be America’s friends in South America. Do they want responsibility for having “won” Nicaragua—and lost all of Ibero-America?

The pace of escalation

The initial alarms about imminent arrival of Soviet MiG-24s, a plane suited to offensive as well as defensive operations, led to a “Watch on the Caribbean” for three days while a Soviet ship was unloaded in the Nicaraguan port of Corinto. It became apparent that the MiGs were not aboard—although Czech training planes and Soviet M-24 Hind helicopters may have formed part of the stepped-up flow of supplies which the Soviets timed to coincide with Reagan’s re-election.

Over the following week, State Department, Pentagon, and White House officials confirmed the following U.S. actions:

- A new round of U.S. military maneuvers in the area, including sea exercises, and land exercises in Honduras, involving some of the same units involved in the Grenada invasion of October 1983.
- A series of high-altitude reconnaissance flights with a surveillance plane known as the “Blackbird.”
- Lower-flying incursions to create patterns of sonic

booms from one side of Nicaragua to the other, mistaken in some areas for aerial bombardment.

After charges by Pentagon and White House spokesmen that there was now "sufficient evidence" that Nicaragua planned to invade its northern neighbors, Honduras and El Salvador, Pentagon spokesman Michael Burch stated that if either country requested military assistance, "we would respond with whatever assistance was necessary."

As first reports about the arrival of "offensive weapons" proved unfounded, what remained in place was a sharply scaled up mobilization of U.S. capabilities in the region. A "Grenada style" invasion is very much "in the air." Visitors to the Army War College outside Washington, D.C. reported that in the corridors of the College, "the talk was not of *if* there would be a U.S. invasion of Nicaragua, but *when*."

On the Nicaraguan side, the Sandinista leadership—*in step* with new Soviet supply shipments—put the entire population on maximum alert. All high school students were put through special arms training, and tanks moved into special positions ringing Managua. Defense Minister Humberto Ortega explained Nov. 13 that the regime had called the maximum alert not because they knew for certain that a U.S. invasion was imminent, but because the junta wanted to "fortify the general readiness of our people."

Soviet role

On Nov. 15, Soviet Foreign Ministry spokesman Vladimir Lomeiko asserted in a U.N. press conference that the Soviet Union did not send MiGs to Nicaragua. He charged that recent U.S. actions were "a crude violation of international law, a manifestation of a policy of state terrorism, [and] an encroachment on the rights of the Nicaraguan people."

But even Nicaragua's fanaticized leaders, prepared for the ecstasies of martyrdom by the resident Jesuits of their government, know better than to believe they are anything more than bait on a Soviet fishhook. "I don't expect that the Warsaw Pact is going to come defend us if we're invaded," said junta member Sergio Ramirez Nov. 13.

The real Soviet game is revealed by an "Open Letter" in the KGB organ, *Literaturnaya Gazeta*. In its Nov. 7 issue, senior-analyst Fyodor Burlatskii, who issued the KGB's endorsement of Mondale in November 1983, outlines an agenda for U.S.-Soviet relations which demands that the United States drop the "Star Wars" Strategic Defense Initiative as a matter of "a fundamental interest" in U.S.-Soviet relations. If the United States does so, Burlatskii writes, the Soviets will look the other way on matters of "passing and partial interest." Nicaragua, perhaps?

The implied "New Yalta" offer recalled the famous Andropov interview with *Der Spiegel* magazine in June 1983, in which he suggested that the West shouldn't mind what Russia was doing in Afghanistan—it had "the same kind of interest as the U.S. had in Nicaragua." Invasion, anyone?

While such hints of a "deal" are thrown out to feed illusions in some Washington quarters that it will be possible to

quarantine a "new Grenada" from unpleasant side consequences, the Soviets are smilingly monitoring and encouraging a massive international outbreak of repudiation of any U.S. military move. Willy Brandt, Social Democratic Party chairman in Germany and leader of the pro-Soviet wing of the Second International, returned from a tour of 11 Ibero-American nations at the beginning of November to lead giant rallies against U.S. involvement in Central America. Brandt's more-and-more overt coalition partners, the Green Party, have longstanding ties to the Sandinista regime. A U.S. invasion of Nicaragua could well be the trigger incident for an early-1985 toppling of the Kohl government by a "Red-Green" coalition, which Moscow is counting on to pull West Germany out of NATO.

As Burlatskii summed up Soviet perceptions: "Pan-Americanism has become unacceptable for U.S. allies—the West European countries and Japan."

As the Soviets also well know, direct U.S. military involvement in Central America will provoke an even more profound wave of anti-Americanism in Ibero-America, with spectacular opportunities for expansion of Soviet operations and influence.

The peace efforts of the Contadora nations, so blatantly undermined by State Department maneuverings in mid-October and the war fever kicked off by the MiGs scare, rallied sufficiently at the annual Organization of American States meeting in Brasilia Nov. 12-16 to re-open some room for negotiations. However, Mexican Foreign Minister Bernardo Sepúlveda repeated a warning that if "generalized conflict" occurred in Central America, "it would bring with it death and destruction at the expense of the security of the nations of the area, of their sovereignty, and independent life." Such a "conflagration" would "worsen inter-American relations *for many years*."

Is awareness of the Central American trap getting through to anti-Kissinger forces in Washington? An unnamed administration official was quoted in U.S. newspapers Nov. 11 wondering why Soviet supply shipments to Nicaragua were being made so directly and so blatantly. An Evans and Novak column of Nov. 14 revealed that the sensational first news of the possible arrival of the MiGs was leaked election night by "White House aides not responsible for National Security." The syndicated column noted that Weinberger and Casey had wanted a quieter approach. Both know this terrain—both have had run-ins before with the "Palace Guard" operations of Deaver and Baker.

The leading effort to open eyes in Washington before it is too late has fallen to the international policy forces of Lyndon and Helga LaRouche, meeting in Washington D.C. Nov. 24-25 under the auspices of the Schiller Institute. The conference will stress the economic policies—based on removing the IMF from the region and re-establishing the basics of American System economics—which could stabilize the region in short order without the need for direct U.S. military involvement.

Reagan wins massive personal mandate

by Lyndon H. LaRouche, Jr.

Nov. 11, 1984

Nearly a week after President Ronald Reagan's "landslide" defeat of the Mondale-Ferraro ticket, the three most important facts of last Tuesday's election-results are clear. First, President Reagan's Strategic Defense Initiative (SDI) won a devastating, "landslide" victory over the "Nuclear Freeze" posture of the Mondale-Ferraro ticket. Second, except for a few key races, the congressional slate of the Republican Party barely maintained its pre-election strength. Third, Mrs. Pamela Churchill Harriman's circles in the Democratic Party leadership led the Democratic Party to its most humiliating defeat since 1972.

The meaning of these three results is seen most clearly by examining the differences between the two League of Women Voters' "presidential debates." In the first, President Reagan was not truly himself, except in one or two interludes; in the second, he was the real Ronald Reagan. In the first, President Reagan was carrying out what had been, generally, the Republican Party's electoral tactic for the 1984 election; the result was nearly a disaster. In the second, Ronald Reagan as himself, was a clear triumph; Walter Mondale's campaign was turned into a rout, during the remaining two weeks.

In the aftermath of the "landslide" for President Reagan's personal candidacy, two features of the "second debate" stand out. First, President Reagan counterattacked in support of his strategic-defense doctrine; this was the only policy which the President featured strongly in that "debate." Second, on the other questions presented during that "debate," the President consistently took a position for "traditional American values"; the President pinned this down most memorably in his closing remarks.

The reaction to my own prime-time network broadcast of Oct. 23, two days after the "second debate," underscored the way in which President Reagan reached the minds of much of the population on the evening of Oct. 21. To various press and related sources, the Mondale campaign, at the national and local levels alike, confided that my broadcast would cost Mondale a significant number of votes. Following my broad-

cast, the Mondale campaign scrapped much of its featured advertising campaign against "Star Wars." By the latter part of that week, the Mondale rout was clearly under way.

This pattern is confirmed by vice-presidential candidate Billy M. Davis's reports on post-election reactions from contacts of the LaRouche-Davis campaign. Sample indications are, that most of the voters who were sympathetic to the outlook of my nationwide television broadcasts, voted against Mondale-Ferraro by voting for President Reagan. It is perhaps impossible to measure, at this point, how much our campaign contributed indirectly to President Reagan's margin of victory. The Mondale officials said the impact of the Oct. 23 broadcast would be "significant." What does "significant" mean in this case? One percent? Two percent? One-and-a-half percent? More? Who knows? The important point is that the President's remarks, on SDI and traditional American values, before a nationwide television audience on Oct. 21, were seen by many citizens as more or less identical to the positive policies featured in my broadcast of Oct. 23.

By contrast, the Republican Party's campaign was evasive on what Mondale and Democratic Chairman Charles Manatt defined as the principal issue of the 1984 campaign: "Star Wars." Most of the Republican campaigns we examined based themselves on the widespread perception that a skyrocketing economic recovery was in progress. Granted, the majority of the population appears to believe that an economic recovery is in progress, although the experience of a very large minority of the population is that no economic recovery has occurred. Since Mondale did not argue that the "economic recovery" was in any way an exaggeration, the Republican Party's electoral tactic could not have accomplished much more than enable the Republicans to hold their own, more or less, as it turned out they did by and large.

In the congressional races, three elections were clearly of national significance: the defeat of Governor Hunt's efforts to unseat Sen. Jesse Helms; the defeat of Sen. Charles Percy in Illinois; and, in the House of Representatives, the defeat of "Percy-like" Rep. Clarence Long (D-Md.) by Republican Helen Bentley. In all three cases, the principal issue was foreign policy, not domestic policy.

The leading issue of the campaign thus proved itself to be U.S. foreign policy: the desire of the citizens that President Reagan be supported on military and foreign policy, against the Percy-like policies of both the Democrats and the U.S. State Department. It is on this point that the President's election-night mandate is clear.

What will be the effect of the election on the second Reagan administration? What is certain is this: One of the toughest factional battles in modern history is already raging inside the administration and among congressional circles. Inside both the administration and the Congress, the issue will be Kissinger versus Reagan. The Kissinger Republicans, the Kissinger "clones" inside the State Department, National Security Council, and sections of the Defense Department,

and the Kissinger Democrats aligned with the Mondale campaign, will use every trick available to them to attempt to intimidate the President into capitulating to a Kissinger-like military and foreign policy. Who will win? Whichever faction is the tougher.

Already, the Kissinger faction has argued that the election gives the President "no clear mandate." The argument in support of this absurd opinion is the evidence that "the President failed to carry the Republican congressional slate on his own electoral coattails." In reality, had the Republican congressional candidates generally followed the President's policies on SDI and traditional values, rather than treating these issues as political liabilities, the President would have carried more Republican congressional candidates to victory. The failure was not the President's; the failure was the electoral tactic of the Republican Party. The President won a "landslide" victory, despite the warm-dishwater politics of the Republican Party generally.

If President Reagan uses his election-mandate effectively, the Kissingerians in his administration will lose much of the power they have exerted inside the administration for more than a year and a half. If not, the second Reagan administration will not be much different in results than a Mondale administration might have been.

A citizens' policy toward the administration

The defeat of Walter Mondale saved the United States from a catastrophe, and left us with a mere potential disaster. The election is ended, but the fight to determine the shape of policy over the next months, the next four years, has merely begun.

Don't sit back and ask for predictions of the result of the present factional affray inside the administration. Help make your wishes come true, by affirming your support for the SDI and "traditional values" which carried President Reagan to his reelection victory.

The things which ought to be uppermost in the citizen's mind are the following.

First, we must mobilize our efforts to keep the President alive and safe. The last President to threaten to dump the doctrine of Mutual and Assured Destruction, President John F. Kennedy, died very suddenly. The Soviet government is in a very ugly mood now, determined to crush everyone in the "West," from President Reagan on down, responsible for pushing through the Strategic Defense Initiative. This does not mean that the Soviet KGB will directly organize an attempted assassination against the President, but it will hint very strongly to its friends in high places in Europe and the United States that President Reagan must be removed quickly from office by any means necessary.

Second, we must mobilize to halt the Soviet strategic onslaught now being accelerated. The Soviets can be induced to stop this, on condition that they are convinced that we are strong in both material means and in will.

Third, be prepared for a general financial collapse, at some time during the months ahead. This financial collapse is not absolutely inevitable; however, it is inevitable as long as the government of the United States continues to tolerate the "Volcker policies" of the Federal Reserve System and the austerity policies of the International Monetary Fund. If "Volcker policies" and IMF policies are continued, the probability is that the financial collapse would hit during the first half of 1985; it could occur almost any time during that period, and could even occur before the end of 1984, although that does not seem very probable at the present moment.

When and if this crisis hits, President Reagan must take the kind of sudden emergency measures I have outlined during the 1984 campaign.

Fourth, unless IMF policies are reversed soon, expect most of the regions of the world to explode with coups d'état, civil wars, and local wars. Unless IMF policy is drastically changed, the effects of IMF and World Bank austerity will throw most of the countries of the world into crises of massive and worsening social upheavals.

President Reagan won the election by a "landslide." That victory prevented a catastrophe; that is good. The President was right on some of the important issues, but his administration is wrong on other issues, especially economic issues. Unless the President corrects certain errors of policy, especially errors in economic policy, there will be a disaster during the coming months and years. For that reason, the 1984 LaRouche campaign must continue on matters of policy. For us, the election has ended, but on the policy issues of the campaign, we have merely begun to fight.

The forces behind the *New Republic* magazine have recognized this fact; hence the lie-riddled cover-story attacking me in their Nov. 19 issue. Although the *New Republic's* article is saturated with deliberate falsehoods, that publication leaves no doubt that its great fear is the possible influence of the 1984 LaRouche campaign on the perceptions of available policy-options around a second Reagan administration. The thinking citizen's duty is to help to cause the *New Republic's* worst nightmare to come true.

President Reagan is now reported to be 73 years of age. During the Oct. 21 broadcast, he concluded his remarks by presenting to the citizens of this nation the problem of composing a letter to be placed inside a time-capsule, to be opened by our descendants, a hundred years from now. It is clear, that he was referring to what the second Reagan administration will accomplish, to leave behind it for generations yet to come. Therein lies the essential goodness of President Ronald Reagan, a goodness which exists whether the President is either right or badly mistaken in various of the particular policy-decisions he makes. Let us hope we have what is truly a new Ronald Reagan administration, and let us bend our efforts to make certain that the mistakes of that administration are as few as possible.

Key races confirmed Reagan's mandate

by Susan Kokinda

Three of the most closely watched and closely decided Congressional races settled by the voters on Nov. 6 were determined largely because the electorate responded to the national security issues stressed by President Reagan in his second debate. The re-election victory of North Carolina Republican Sen. Jesse Helms and the defeats of Illinois Republican Sen. Charles Percy and Maryland Democratic Rep. Clarence Long were strong indicators of the American people's ability to respond to the imperatives of national defense.

The results in each of those elections stands in stark contrast to the pattern seen in other congressional races. There, the Republican Party failed to follow the lead of President Reagan, who stressed defense matters and traditional values. Instead, Republican candidates ran glossy, hyped-up Madison Avenue campaigns around a non-existent economic recovery, all the while apologizing for support of military spending.

The net result of that strategy was a loss of two seats to the Democrats in the Senate, a barely noticeable gain of seats in the House, and an overall strengthening of the KGB wing of the Democratic Party.

President Reagan will have to exercise his mandate as never before, mobilizing the American population to terrify Congress into supporting the MX missile, the Strategic Defense Initiative (SDI), and defense spending in general.

Foreign Relations Committee chairmanship

The foreign-policy stakes were most far-reaching in the interplay between the Helms and Percy races. Chuck Percy has been chairman of the Senate Foreign Relations Committee since the Republicans took control of the Senate in 1980. As the voters knew, his defeat, and Helms's victory, would put Helms in line for the chairmanship.

Percy, from the outset of his Senate career in the 1960s, was one of the leading Kissinger followers in the U.S. Congress. For nearly 20 years, Percy has championed the insane doctrine of Mutually Assured Destruction (MAD).

As a young senator, he led the fight to pass the Anti-Ballistic Missile (ABM) Treaty which banned defensive weapons—at least, U.S. defensive weapons. Most recently,

he gave free rein on his committee to the opponents of President Reagan's Strategic Defense Initiative (SDI). Percy's other claim to infamy is his unending support for the genocidal policies of the International Monetary Fund. He was the floor manager for the 1983 passage of legislation continuing U.S. participation in that institution of austerity.

Ironically, Percy was defeated by a liberal Democrat, Paul Simon, whose defense policies are much worse than his own. But voters understood the implications of removing him as chairman of the Senate Foreign Relations Committee. Next in line to become chairman is Sen. Jesse Helms, the old-line, anti-Kissinger North Carolina conservative, who was himself engaged in a bitter and expensive election campaign.

While it is still in doubt as to whether Helms will give up his chairmanship of the Agriculture Committee to move over to the Foreign Relations Committee, his victory over Eastern Establishment-backed North Carolina Gov. James Hunt ultimately revolved around the themes established by President Reagan. Helms, who raised over \$14 million in his campaign to return to the Senate, tied Hunt closely to the national, anti-defense posture of the Democratic Party. Television commercials run by Helms attacked Hunt as a "Mondale liberal." In the last weeks of the campaign, Helms drummed up the endorsements of two dozen former and current U.S. ambassadors to foreign nations, who testified to the importance, for U.S. foreign policy, of re-electing Helms.

While Helms, with typical conservative ideological weaknesses, has been duped by enemies of this nation and of our allies on all-too-many occasions, on clear-cut issues such as support for the Strategic Defense Initiative, opposition to the MAD doctrine, to Henry Kissinger, and continued U.S. support of the IMF, his record is unequalled in the U.S. Senate.

Jobs and foreign policy

On a less nationally imposing level, the defeat of arch-Malthusian Clarence Long in Maryland's second congressional district reflected the same phenomenon. Republican Helen Bentley defeated Long in a cliff-hanger election, on her third effort to unseat him. Long, who chaired the powerful Foreign Operations Subcommittee of the House Appropriations Committee, was a leading supporter of the notorious Malthusian policy statement—Global 2000. This translated into concrete policy for his constituents in the staggered port city of Baltimore, when incredibly, he opposed funding for the Export-Import Bank, upon which the exports of Baltimore depend. Bentley campaigned on a strong, pro-growth platform of support for exports and jobs.

Long's loyalties to something other than his constituents and his country were further established when he joined a minority of extremist congressmen in opposing President Reagan's Grenada rescue mission. He also attacked President Reagan for the terrorist assault on U.S. Marines in Beirut.

The Democrats' smashing defeat in Texas: Will the lessons be learned?

by Harley Schlanger

In no state of the union did the Democratic Party suffer a defeat as smashing as it did in Texas. While President Reagan received over 64% of the vote, the Republican Party retained the Senate seat of retiring Sen. John Tower and gained four seats in congress. In 1980, Texas had 22 Democratic congressmen to only 5 Republicans; today that total has changed to 17 to 10.

But the magnitude of the sweep goes beyond the vote totals in the presidential and congressional races. This is not the first time that a Republican presidential candidate carried Texas. What has most Democratic Party officials in hysterics is the depth of the rejection of Democratic candidates.

For example, there will be a Republican sheriff and a Republican county commissioner for the first time in the history of Tarrant County (Fort Worth). In both Harris County (Houston) and Dallas County, a majority of the Democratic judges lost their seats. The Republicans gained 17 seats in the Texas House of Representatives. And in parts of East Texas and West Texas, even the so-called "Yellow Dog Democrats" (those party loyalists who would even vote for a "yellow dog" if it was on the Democratic ticket) went for Reagan and Republicans in local races.

As might be expected, the Harrimanite Democratic party leadership in Texas has put forward the same inane nonsense as the liberal national media to explain this defeat. State chairman Bob Slagle, a flunkey of party national chairman Charles Manatt, attributed the defeat to "Reagan's popularity" and "problems with Mondale's national organization."

Many of the moderate-conservative wing of the party, including the so-called Boll Weevils, reject these as self-serving delusions and are preparing for a brawl over control of the party. Their motto is "move to the center." However, they have yet to demonstrate that they have learned the lesson of the Reagan landslide. As one long-time party leader commented about them, "They are making the same mistake all over again. They are concentrating on strengthening their opposition position in the party, acting like a bunch of opportunists." He added: "The problem they must address is

what's necessary for the nation to survive, not for their faction of the party to gain power."

The seeds of the November 1984 Democratic Party election collapse in Texas were planted in September 1980, when the Democratic Party elected Bob Slagle state chairman over Travis county commissioner Dave Samuelson, who was a farm activist supported by the growing number of "LaRouche Democrats" in the state. At this time, Samuelson echoed LaRouche's warning that the Democratic Party must reject the disastrous economic policies of Federal Reserve chairman Paul Volcker or face large-scale desertions from traditional Democrats.

Again in 1982, Slagle's only opposition came from a LaRouche Democrat, state leader of the National Democratic Policy Committee Nick Benton, who told the state convention that the control of special-interest groups over the party ("gay rights," etc.) was a cover for the racist and anti-technology policies associated with the Harrimanite Democrats nationally.

Benton challenged the delegates to restore to power in the party the "coalition of producers," the real FDR coalition, which had been the backbone of the Texas Democratic Party for years.

Slagle's re-election was followed by two suicidal decisions on his part.

First, he endorsed Mondale early in 1984, and began twisting the arms of Texas Democrats to follow suit—in the thuggish manner he had learned from former national party chairman Bob Strauss.

Second, he enthusiastically endorsed Manatt's declaration at a Washington press conference that all Democratic presidential candidates must support the "nuclear freeze."

By these two acts, he sealed the doom of Democrats in Texas in 1984. Of course, Mondale was not popular in Texas to begin with, both due to his association with the hated Carter administration and because of his past opposition to a strong U.S. defense, highlighted by his attacks on President Reagan's Strategic Defense Initiative (SDI).

The first warning signal that the official party was headed for disaster was the May 5 primary election. In the general primary, LaRouche Democrats received more than 125,000 votes running for 18 different posts. Of the 24 LaRouche Democrats running for the position of Democratic Party county chairman, 13 received more than 25%, with five receiving more than 40%. In Slagle's home county, Grayson, a LaRouche Democrat received 42%! Billy Willibey won the Democratic nomination for Congress in the 7th Congressional District, and more than 40 LaRouche Democrats won election as precinct chairmen.

As revealing of the Party's weakness was the extremely low attendance at the caucus meetings the evening of the May 5 primary to choose delegates to the national convention.

The nomination of Mondale in San Francisco was not greeted with enthusiasm by many of the state's Democratic elected officials. Several congressmen, including Hightower, Wilson, Ralph Hall, and Sam Hall, refused to even attend the convention, let alone endorse the national ticket. They and others said that Mondale-Ferraro could not win in Texas, and they warned that it would bring other Democrats down. In particular, they stressed that the anti-defense posture of the platform, especially the "nuclear freeze," would alienate Texas voters, not to mention party positions favoring homosexuality and abortion.

The second sign that the Manatt-Slagle party in Texas was headed for disaster was the success of a Texas committee of Independent Democrats in their petitioning effort to place Lyndon LaRouche on the ballot as an independent for the November general election. Over 80,000 mainly Democratic voters signed petitions for LaRouche, more than the number of voters who participated in the delegate-selection caucuses. With the success of this committee, Mondale's slim chances of winning in Texas were doomed.

The Mondale campaign could read the hand-writing on the wall. Instead of spending the \$1.2 million originally allocated by the national campaign for Texas, less than \$200,000 was spent. One state campaign official said that the national Mondale campaign committee decided to write off Texas once LaRouche was on the ballot.

Since no Democrat has ever been elected President without carrying Texas, this decision indicated to many that the Mondale-Ferraro ticket was not serious about winning.

The lessons

The election brought down several good Democrats along with Mondale. Rep. Tom Vandergriff of Arlington and Hightower of Wichita Falls were both conservatives who had backed Reagan on defense policy. In both cases, they did not get much support from the Democratic Party machine; Representative Vandergriff lost by less than 2%. Commenting on his defeat, the congressman noted that in some cases, including his, "The Democratic Party and not Ronald Reagan

was responsible for the losses of Democrats."

Will Democratic leaders in Texas learn from this humiliating defeat? Rep. Charles Stenholm, a "Boll Weevil" leader from Stamford, is preparing a challenge against House Speaker Tip O'Neill. Six defeated Texas assemblymen held a press conference in Austin yesterday to call on the party to "return to its traditional conservative base" if it wishes to remain the majority party in Texas. And Gov. Mark White, who campaigned heavily for the Mondale-Ferraro ticket, has been trying to distance himself from it ever since, saying that the party must "move to the middle."

Yet, there is no sign yet that there is any content to these calls to action. There is a general sentiment to dump Slagle, of course, but that will not solve the problem. It is clear that the underlying problem is still the lack of a program to rally voters back under the banner of the party—by virtue of the voters' recognition that the program is in the national interest.

Only LaRouche offered such a program, and he received over 14,000 votes for his independent presidential campaign in Texas, despite the fact that many LaRouche supporters pulled the lever for Reagan.

In an election-eve broadcast shown only in Texas, LaRouche addressed the concerns of the voters in this state. After thanking his supporters for their votes in the primary and the votes for LaRouche Democrats more generally, he outlined a program for Texas in terms which address the crises facing the nation. He offered a program to solve the endemic problem of drought for west Texas agriculture, the NAWAPA project (North American Water and Power Alliance), his Operation Juárez proposals to expand trade with our neighbors to the south and build a second Panama canal, among other Ibero-American development projects. Such a second canal, relieving the over-congested existing channel, would open the Asian Basin for trade from the ports on the Gulf of Mexico.

Finally, he stressed the importance of defeating Mondale and his Soviet-sponsored defense policies: "Mondale's policies cannot be supported by any patriotic Democrat," he said, explaining why the development of beam-weapon defense systems (the Strategic Defense Initiative) is essential for U.S. national security.

LaRouche concluded by saying, "If someone asks you what a strategic missile defense will do to benefit the state of Texas, tell them that Lyndon LaRouche is fully committed to shooting down any Soviet missile that is aimed at any part of Texas, and that LaRouche thinks that President Reagan is committed to that, too."

By the way the voting turned out on Nov. 6, it is apparent that more voters in Texas believe LaRouche than they do Mondale, Slagle, or anyone else from the Harriman faction. The future of the Democratic Party in Texas depends on whether or not the moderate-conservative Democrats in Texas have learned this lesson.

Catholic Bishops do it again: demand Mondale's economic program!

by Kathleen Klenetsky

Under the leadership of Cardinal Joseph Bernardin of Chicago, the Roman Catholic bishops of the United States issued a pastoral letter on war and peace in May 1983 which greatly helped to legitimize the KGB-controlled nuclear-freeze movement in the United States and Europe, and added another major obstacle to the West's ability to shore up its defenses in the face of increasingly ominous Soviet threats. Now, with their release on Nov. 12 of a draft pastoral letter on economic policy, the bishops have provided fresh ammunition to those forces that want to undermine the United States, both militarily and economically.

The bishops' statement, officially entitled "The Pastoral Letter on Catholic Social Teaching and the U.S. Economy," amounts to an American version of "liberation theology," which has recently been denounced by both the Vatican and the Pope. It focuses on the failures of the American economy, including the inadequacies of the welfare system, the lack of sufficient jobs, and other obvious problems. But instead of recommending a high-technology-vectored economic gear-up, and the kinds of tax and credit policies which would make that possible, the document uses these problems to justify an "experiment in economic democracy" which smacks of the kind of corporatism associated with Mussolini and the Mondale wing of the Democratic Party.

Austerity and defense cuts

Among other recommendations, the pastoral specifically calls for solving poverty in the United States and in the developing sector by massively redistributing income, taxing consumption, and setting up more worker-ownership and co-participation schemes—schemes pioneered by the British Tavistock Institute and other centers of social engineering for the express purpose of getting people to reduce their own standard of living. It also demands deep cuts in American defense spending, implicitly charging that the Reagan administration's military budget increases have further impoverished America's poor.

The document might just as well been penned by the chief economist at the International Monetary Fund, given its per-

vasive emphasis on austerity, albeit cloaked in rhetoric about helping the poor. One section of the draft is particularly telling: "A consumerist mentality which encourages immediate gratification mortgages our future. . . . Both our cultural values and our tax structures need to be revised to discourage excessively high levels of consumption and to encourage saving and consequent investment in both private and public endeavors that promote the economic rights of all persons." And while bemoaning the dire situation in the developing sector, the pastoral does not lay the blame where it actually belongs: on the IMF and its conditionalities policy, and the rest of the international financial community which, like the bishops, blame the American "good life" and U.S. defense spending for Third World misery.

Apologists for the pastoral are invoking Pope John Paul II's frequent attacks on materialism as the "higher authority" for the document's diatribe against "consumerism." But the Pope has repeatedly coupled such attacks with an insistence that industrial and agricultural development and technological progress are essential for meeting the developing sector's problems—a crucial point which the bishops utterly neglect.

Although the pastoral's release was held up until after the presidential elections, ostensibly to avoid partisan overtones, that in no way detracts from its obvious political intent. The bishops themselves announce in the draft that one of its two main purposes is "to add our voice to the public debate about U.S. economic policies." In his address to the bishops' conference in Washington, where the pastoral was publicly unveiled, Bishop James Malone, of Youngstown, Ohio, and president of the National Conference of Catholic Bishops, stated bluntly that the bishops have a right and a duty to speak out on public policy in four key areas: the arms race, economic policy, U.S. policy in Ibero-America, and abortion. "Neither the issues nor our ministry as bishops allow for passivity or timidity."

Father David Hollembach, a Jesuit who advised the pastoral drafting committee, says that while the document doesn't endorse "liberation theology" outright, since it "doesn't fit our [U.S.] reality," the bishops are nevertheless "calling for

a new American experiment in democracy, and to say that they are not proposing radical changes would be wrong." And theologian Bernard Cooke, of Holy Cross College in Massachusetts, predicted that the pastoral letter will have a far greater impact than the one on nuclear war. "What is new about this document," he says, "is that the bishops are suggesting that there be a very careful re-evaluation of the structure and implementation of American capitalism from an ethical point of view."

Attacking Reagan

While there are, no doubt, many among the 290 American bishops who sincerely believe that the pastoral will help ameliorate some of the gross injustices that exist in the U.S. and world economies, the actual architects of the document intend to use it for insidious purposes. The immediate objective is two-fold: to undercut the second Reagan administration, especially in the area of defense policy, and to foster the creation of a Green movement in the United States, modeled on the Nazi-communist Green Party of West Germany.

One giveaway is how the liberal press and the Mondaleite Democrats have greeted the document, praising it as a well-timed antidote to the administration's programs. The *Boston Globe* editorialized on Nov. 13: "The draft letter on the U.S. economy . . . is a bold statement of the moral necessity of advancing economic equality in the U.S. It challenges directly the economic and social policies of the Reagan administration. . . ." And Rep. Timothy Wirth, a liberal Democrat from Colorado who has led the Mondaleite assault on the American defense program on Capitol Hill, summed up the hopes of many of his cohorts: "The debate about the poor in this country could have come to a crashing halt after Nov. 6 [but] the bishops have kept it open and I think that's great."

That the pastoral letter should adopt this approach is hardly surprising, given that the five-member committee which drafted it includes some of the most liberal of the American bishops, such as Bishop Peter A. Rosazza of Hartford, and the committee chairman, Bishop Rembert Weakland. They are being assisted by the Jesuit Brian Hehir, who also played a key role in drafting the bishops' pro-nuclear freeze statement, and by a number of left-liberal economists.

Weakland's role is particularly significant. Now the archbishop of Milwaukee, Wisconsin, Weakland was formerly the abbot primate of the Benedictines. Founded by Gnostics who were forced to go underground in the fourth century A.D., the Benedictine order has historically functioned as one of the chief internal subverters of the Augustinian heritage of the Catholic Church. The Benedictines have been, and are, one of the principal forces behind the Western and Russian oligarchies. Adolf Hitler was trained in the Benedictines' Lambach abbey in Austria, and other leading Nazis, including one of the Strasser brothers, were also Benedictine products—as was the Nazi ideology.

Beginning in the 19th century, the Benedictines (whose anti-republican outlook was the subject of one of James Fenimore Cooper's most powerful books, *The Heidenmauer*) launched a massive influx into the United States for the purpose of subverting the American system. One of their chief outposts was St. John's Abbey in Collegeville, Minnesota, which to this day wields heavy influence over the state's political operations, and is reliably reported to share control of the Mondale machine with the grain cartel, which is also based in Mondale's home state.

True to the order's heritage, Weakland has defied the Pope by claiming that the ordination of women priests is a good idea, and has said that the bishops' pastoral on war and peace should have "taken a stronger stand" against nuclear weapons by calling for them to "be reduced to zero." More recently, in discussing the economic pastoral, Weakland stated that the Pope's views on the pastoral, "shouldn't color [the bishops] discussion" on it.

Building the Green movement

Weakland has also publicly allied himself to the Greens' vehemently anti-American activities. In June 1983, the archbishop addressed a mass demonstration in West Germany protesting the deployment of Pershing and cruise missiles to Europe. Appearing with Weakland at that KGB-inspired demonstration was Gerd Bastian, the former West German army general who has become a leading controller of the Nazi-communist West German Green Party. Bastian toured the United States in October with Green leader Petra Kelley.

Weakland's alliance with the Greens isn't limited to attacks on U.S. and allied defenses, but is being expanded through the new pastoral letter. *EIR* has learned that some of the key organizers of the nascent American Green movement have been directly involved in the development of the pastoral and expect it to give a major boost to their efforts.

Harry Boyte, founder and director of the Minneapolis-based American Green movement, disclosed recently that one of his chief collaborators, Joe Holland of the Jesuit-run Center of Concern in Washington, D.C., was a "key architect of the bishops' pastoral," and was permitted to introduce "Green ideas" into the document. Another individual who acted as a bridge between the U.S. Greens and the pastoral drafting committee is Monsignor Jack Egan, a protégé of the late radical activist, Saul Alinsky, whose "community-control" ideology has been adopted by the Greens.

In a recent interview, Boyte confidently declared that the bishops' pastoral "will really help us organize a Green movement in the United States," adding that it will give an undeniable imprimatur to their operation. As *EIR* founder and presidential candidate Lyndon H. LaRouche warned in an Oct. 23 nationally televised broadcast, the Mondaleites are now plotting to split the Democratic Party into "centrist" and "Green" offshoots.

Kissinger Watch by M.T. Upharsin

Heil Henry!

If it were an off-color joke, it might produce a ripple of laughter here or there. As reality, however, it is of the stuff that signals the end of morality and civilizations.

According to the gossip column of the *Jerusalem Post* Nov. 9, it has been decided that Henry A. Kissinger will head the American delegation to a world assembly in Jerusalem in May 1985. That assembly will commemorate the 40th anniversary of the defeat of the Nazis in World War II.

The decision was reached during a luncheon in Washington that Kissinger had with Israel's ambassador to the United States, Meir Rosenne, and was further discussed with Israel's consul-general in New York, Naftali Lavie, himself a survivor of the Nazis' Buchenwald concentration camp.

We were informed that a newly founded fact-finding organization, the Committee for Investigating the Phenomenon of Self-Hating Pro-Nazi Jews, queried Ambassador Lavie's office in New York about this outrageous designation. The committee's investigator was informed that the decision to invite Kissinger as U.S. delegation head came officially from circles in the Israeli government, mediated through a parliamentarian from the Likud-Herut Party, Dov Shilansky.

Shilansky is also a concentration camp survivor.

We are told that when the investigator suggested to the consular officials that Kissinger's appointment would be a desecration to the memory of all those Jews and non-Jews who died at the hands of Hitler's regime, the reply was: "That is a minority view."

Those Israeli officials who have made the decision now risk transforming the celebration of victory over the Nazis into a celebration of Nazism. As one wag suggested to *EIR*: "If somebody in Israel were clever, they could turn this about in a spectacular way. They could have Henry Kissinger himself arrested as a Nazi, and put on trial!"

There is nothing facetious or light-minded in this suggestion.

To note one irony: By the time this conference rolls around, Israeli sources inform us, Israel's economy will be in a state of shock from the chain-reaction effects of the shutdown of the construction industry in creating unemployment throughout broader parts of Israeli society. Israeli commentators are warning about threats to the "social fabric" and to the "democratic process" of the country because of the economic crisis.

One Israeli insider forecasts a continuing rise in the curve of support for the Kach movement of Rabbi Meir Kahane, who calls for removing all Arabs from Israeli soil.

This process of potential fascist transformation is being overseen from the top by Kissinger and his buddies in the State Department and in the "Jewish Establishment" organizations like the Anti-Defamation League.

On Nov. 19-20, a State Department-Israeli joint task force on Israel's economy—to destroy it with more austerity—is meeting in Washington. U.S. Secretary of State George Shultz, who reportedly is taking "personal responsibility" for the work of the group, has assigned W. Allen Wallis, undersecretary of state for monetary affairs, to oversee the work.

Wallis' first known policy paper

was delivered in 1933, before a group at the New York Museum of Natural History, funded by the Harriman family, which was praising the eugenics/race superiority policies of the Nazi regime. Wallis' paper was on the subject of the "statistical distribution of the Nordic racial stock," so it is hardly surprising that one of his ilk would be running such a program!

To the same effect, according to *Jerusalem Post* gossip Mark Segal, the decision to have Fat Henry head the U.S. delegation to the conference came around the same time as a cocktail party affair in New York hosted by Lally Weymouth, daughter of *Washington Post* publisher Katharine Graham, and attended by Kissinger and Kissinger's wife, Nancy; Britain's Lord Weidenfeld (a business partner of Kissinger in real-estate scam operations on the West Bank); "financial wizard" Felix Rohatyn of Lazard Frères; AFL-CIO President Lane Kirkland; Fiat Corporation head Gianni Agnelli; Mrs. Vincent Astor; and others.

Mrs. Astor is, of course, from the same Astor family which, through the Cliveden Set, cultivated Hitler's Nazi party and ran the support operations bringing them to power on behalf of the racist Anglo-Saxon oligarchy, so it is hardly surprising they would be conspiring with Kissinger.

After all, the policies of the U.S. State Department and the National Security Council under Kissinger's tenure and under direction of Kissinger's allies since then have caused more deaths globally than Adolf Hitler's regime ever contemplated.

Is that what the events in Jerusalem in May 1985 seek to commemorate?

National News

LaRouche files to set aside NBC judgment

Attorneys for Lyndon H. LaRouche, Jr., filed papers on Nov. 13 in Federal Court to set aside the \$3 million judgment awarded to the National Broadcasting Company by a jury in Arlington, Virginia, recently. The motion to set aside the judgment shows that the jury's verdict is not supportable as a matter of law and evidence, and further that the verdict was a result of "passion, prejudice, or other improper influence."

The jury in LaRouche's libel case against NBC and the Anti-Defamation League of B'nai B'rith (ADL) deliberated for 13 hours before returning the \$3 million verdict against LaRouche for "interference" in NBC's business relations. Even pro-media libel experts were astonished by the size of the award: \$2,000 in actual damages and \$3 million in "punitive" damages.

The contamination of the jury by inflammatory press coverage and the "hearsay" evidence presented at the trial was evident in the size of the punitive damages, and the motions filed by LaRouche's attorneys argue that courts have traditionally set aside such excessive judgments rendered by juries where prejudice or improper influences have operated.

A hearing on LaRouche's motion to set aside the verdict is expected to be held Nov. 30. Following that, an appeal will be filed on the libel judgment itself, a judgment which LaRouche's attorneys are certain should be overturned on the basis of numerous errors made by Judge Cacheris during the nine-day trial.

New York Times says optimism spurs suicide

The *New York Times*, the paper that found so much to admire in Adolf Hitler during the 1930s, featured an op-ed on Nov. 16 by a leading theologian from the Presbyterian-run Princeton Theological Seminary blam-

ing "cultural optimism" for the wave of teenage suicides in the United States. He demanding that the same ideologies of pessimism that produced Nazism be inculcated in American youth.

Seminary Emeritus Professor George S. Hendry writes: "The philosophical form of the question [of teenage suicides] is to be found in the age-old debate between optimism and pessimism. But this debate is virtually closed in America, because here we are constitutionally committed to optimism. The inclusion of 'the pursuit of happiness' among the rights bestowed on us by the Creator is an affirmation of optimism, and even though the Declaration of Independence mentions the pursuit of happiness, it is nevertheless implied that happiness is an attainable goal.

"We Americans have clung to this belief throughout our history, and nothing apparently has been able to shake it. . . . Moreover, the philosophical case for pessimism—presented brilliantly in Europe by Schopenhauer, and reflected in the thought of several later writers, notably Freud—made little impression in America. . . .

"We have been led to believe that there is no problem we cannot overcome if only we apply to it sufficient energy, skill, and money. . . . If we assume that optimism has been declared the winner in the debate with pessimism, we leave our young people, who are on the threshold of maturity, unprepared for the negative elements in life."

LaRouche campaign seeks probe of bank's theft

Gerald Rose, treasurer of Independent Democrats for LaRouche, announced that the campaign organization was filing a complaint in district court in Newark on Nov. 13 against First Fidelity Bank NA of New Jersey and requesting an FBI investigation of the bank's theft of campaign funds.

Lawyers for the campaign will seek a temporary restraining order against the bank's seizure of the campaign account as well as damages of \$5 million actual and \$5 million punitive for losses suffered by con-

tributors and the campaign as a result of cancellation of a prime-time broadcast on national television which had been planned for election eve.

"We have caught the First Fidelity Bank NA of New Jersey red-handed stealing money from the campaign funds on deposit from the bank for Independent Democrats for LaRouche and its predecessor for the primary period, The LaRouche Campaign," Rose said. "Basically, we were informed *ex post facto* that this bank had appropriated the campaign funds of hundreds of contributors, hours before they were to certify a check to pay for an election-eve broadcast Nov. 5 on CBS."

"When I was told the funds were missing from the account with no explanation given on the morning of Nov. 2," Rose said, "I could only conclude that something illegal was occurring. My suspicions were confirmed when I was advised at 5 p.m. that the bank was terminating the account and holding on to the funds. The bank has since admitted confiscating \$170,000 worth of campaign contributions. Our lawyers will file a complaint against this bank today that calls for 1) a temporary restraining order against seizure of the account, and 2) damages of \$5,000,000 actual and \$5,000,000 punitive for losses suffered by contributors and damages to the campaign as a result of losing an election eve prime-time broadcast," Rose said.

Aquarians push U.S. green movement

The same "Aquarian Conspiracy" network that spawned the counterculture and its offshoots is now avidly pushing the formation of an American Green movement.

The "Leading Edge Bulletin," one of the Aquarian Conspiracy's major organs, has published an article on "The Greening of America: Germany's Green Party in the USA," reporting that Green and Green-style groups are popping up all over the United States, and hailing this trend as one which "may signal the emergence of a post-liberal, post-industrial political party."

Briefly

One such group, the Greens of Los Angeles, formed in September by a former Rand Corporation economist named John Stein, runs an organic farm that teaches "self-sufficient farming techniques" to Central American refugees and organizes demonstrations in southern California against the use of pesticides to destroy crop-wrecking fruit flies.

"Redesigning the environment based on a vision of appropriate size and scale is pivotal to the Green movement," says Paul Glover, a member of the Los Angeles Green movement. "The first step is decentralizing the industrial base so people can produce the essentials of life closer to their own neighborhoods. By creating self-sufficient bioregions, we might reduce competition over natural resources and encourage world peace."

The LA Greens also have a friend in *Los Angeles Times* theater critic Robert Koehler: "Because of the pioneering work of the ecology and peace movements, we feel the ground is fertile for an American movement."

The article also quotes Hazel Henderson, a well-known "futurist," saying that the Greens could become the country's first viable third party.

To boost this operation, Petra Kelly will return to the U.S.A. in January. Her schedule includes a major teach-in at New York University on Jan. 18. Sponsored by "Disarm America," the teach-in will also feature Paul Wamke, Ramsey Clark, and Daniel Ellsberg.

U.S. ASAT test works; Moscow unhappy

According to the Nov. 15 *Defense Daily*, the U.S. Air Force successfully tested the most crucial elements of an anti-satellite (ASAT) missile launched from a McDonnell Douglas F-15 Eagle. This test had been delayed because of President Reagan's meeting with Soviet Foreign Minister Andrei Gromyko in October.

While the ASAT missile was not tested against an actual satellite, the missile's

launch from the F-15, booster, booster guidance system, and miniature-vehicle flight sensor were demonstrated. The infrared ASAT sensor successfully acquired and tracked a predetermined star.

On the same day, Radio Moscow denounced the United States for conducting the ASAT launch, saying that the launch was part of Reagan's program "to militarize outer space."

The Pentagon said that the two-stage rocket carrying the weapon was fired on Tuesday night, Nov. 13 from a modified F-15 fighter flying over Vandenberg Air Force Base in California. The self-guiding warhead, only a few inches long, was propelled about 500 miles into space before crashing into the Pacific.

New moves on 'umbrella' arms-control proposal

On Nov. 15, White House press spokesman Larry Speakes said: "We believe this is a time in the U.S.-Soviet dialogue at which a broad exchange of the type proposed by the President in his speech before the United Nations on Sept. 24 would be useful."

Speakes was responding to a lead article in that day's *Washington Post* entitled, "Soviet Terms U.S. Arms Plan Unprecedented," reporting on statements made by a senior Soviet embassy official in Washington that a Reagan administration proposal for broad "umbrella talks" on arms control "must be studied."

One week earlier, a senior White House official listed six areas for such "umbrella talks": intercontinental ballistic missiles, medium-range missiles in Europe, weapons in space, chemical weapons, confidence-building measures, and conventional forces in Europe.

Secretary of Defense Caspar Weinberger came out opposed to the idea of naming a "czar" to oversee weapons-reduction programs. "What we need is essentially what we have," he told the *Los Angeles Times* in an interview. He also reaffirmed his opposition to any moratorium on testing of anti-satellite (ASAT) weapons.

● **REAGAN** did not win a mandate for anything but a defense-budget cutting spree, according to the *Washington Post* editorial published on Nov. 15, which further claims that U.S. voters picked the President only "not to raise taxes."

● **WASHINGTON** decided, in a surprise move on Nov. 14, to upset the Franco-Libyan deal for the destruction of Chad and of central Africa. While both Paris and Tripoli were claiming that they had withdrawn their troops, the United States supplied the Chad government with satellite photos which show that not only had the Libyans not withdrawn but were actually reinforcing their military potential by building a new runway in the northern Chadian desert.

● **ASTRONAUT** Buzz Aldrin says that the United States will build a permanent, manned space station on the moon by the end of the 1980s, it was reported on Nov. 15. Aldrin, the second man to walk on the moon, said during a visit to NASA's Marshall Space Center in Alabama: "I believe that is what President Reagan meant when he said 'You ain't seen nothing yet' . . . And I believe he wants to see that lunar base set up in his own lifetime, if not during his final term of office."

● **MICHAEL STEED**, the Democratic National Committee's national director, was picked by DNC head Charles "Banker" Manatt to go to Moscow on Nov. 16 to confer with Soviet Party and government officials as an official representative of the Democratic Party. In a statement to the press, Steed said he was not aware of any Democratic Party officer ever officially visiting the Soviet Union before. He said the visit is "very exciting, given Mr. Manatt's feeling that the party should become involved in international affairs."

International bankers' conspiracy!

The pattern is clear as a bell. Within the month before the presidential elections in the United States and in the weeks after them, there began a brand new pattern of slanders against *EIR*'s founding editor, Lyndon H. LaRouche, Jr. LaRouche's long-term enemies had gone into a new and more intensified level of attack.

Perhaps the most notable of the new wave of slanders and dirty tricks was the pace of articles coming out of Switzerland. At least three slander pieces on LaRouche have been published over the last month in papers such as the Lausanne-based *Le Matin*, not to mention numerous articles in private intelligence newsletters.

The line has generally been that LaRouche and *EIR* are "the most sophisticated KGB operation yet." The latest in *Le Matin*, however, charges LaRouche with operating for the CIA. More honestly, these articles express trepidation that *EIR* and LaRouche have exposed Swiss dirty operations, and maintain policy input into the White House.

This signal from the center of international banking has not gone unnoticed in the United States. During the week before the election, there surfaced an incredibly brazen new assault on organizations associated with LaRouche. Operating on the flimsy pretext of an NBC-run media hype on alleged "credit card fraud" by LaRouche's presidential campaign committee, a number of banks in which publications associated with LaRouche have their accounts began to simply *steal* the money.

Subsequently, it has become clear that the banks are even more nefariously involved. In numerous cases already documented, banks have actually called contributors to LaRouche's presidential campaign, or subscribers to publications such as *EIR*, and tried to organize them to *charge back* their contribution or subscription!

What LaRouche is facing is an international bankers' conspiracy. Aided and abetted by the FBI, the Anti-Defamation League, NBC, and other associates of the Dope Lobby and the KGB, the major U.S. banks are attempting to shut down all publications and organizations associated with LaRouche through the method

they know best—financial warfare.

The question that may cross your mind is—why?

The answer is that these international bankers—from Switzerland to London to New York and Moscow—live in mortal fear that LaRouche will succeed in giving major policy guidance to the second Reagan administration. In particular, they fear that with LaRouche around, the Reagan administration might well *carry out the crash program for the Strategic Defense Initiative which Moscow fears.*

Indeed, the re-election of Reagan has put these bankers in a potentially dangerous situation. The Reagan administration knows, of course, that LaRouche's attacks on Mondale's subservience to Moscow were critical in getting him the vote margin which he won. It is also aware that LaRouche is the only individual who understands the full strategic and economic implications of the Strategic Defense Initiative.

Thus, given LaRouche's breakthrough in the mass media through his 16 half-hour television shows and other media coverage during the presidential campaign, the bankers have everything to fear from LaRouche's continued policy input.

The *New Republic* slander, timed to come out at the time of the election, admitted what the international oligarchy fears. For the first time in the Eastern Establishment press, it was admitted that LaRouche and institutions such as the Fusion Energy Foundation and *EIR* had major input into the formulation of Reagan's Strategic Defense Initiative policy. In other words, the Eastern Establishment, attempting to preserve its deal with the Soviet KGB, is desperate to prevent that input from continuing.

Without LaRouche's policy input, it is virtually assured that Reagan will *not* do what is necessary. Confronted on his ideological blindspots—with budget deficits, Central American hotspots, and the like—he will stick to the IMF austerity policies which hold the seeds of destruction of the SDI, as well as of nations throughout the world.

So the bankers have chosen to try to knock out LaRouche. Any patriot who realizes the stakes, must make LaRouche's fight his own.

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