

# EIR

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Our Special Report this week consists of a chapter by Helga Zepp-LaRouche from *The Hitler Book*, which I had the pleasure of helping to rush to the printer this month. Mrs. Zepp-LaRouche, whose statements have often appeared in *EIR*, is chairman of the European Labor Party, and founder in 1982 of the international Club of Life.

Born and educated in West Germany, she was the first Western journalist to travel to China after the Cultural Revolution. At the 1974 Population Conference of the United Nations in Bucharest, she outraged John D. Rockefeller III and Margaret Mead by intervening publicly to charge the conference with plotting genocide against the underdeveloped nations. She is noted in Europe as a scholar and writer on the 18th-century poet and historian Friedrich Schiller and the 15th-century philosopher and ecumenical leader Cardinal Nicolaus of Cusa. Those intellectual and moral qualities drew her into collaboration with *EIR* founder Lyndon H. LaRouche, Jr., whom she married in 1977. She is now in the midst of establishing Schiller Institutes in West Germany and the United States, as part of the effort to reverse the current “decoupling” of Europe from the United States, not least by defining the basis for military, economic, and scientific cooperation.

That potential cooperation has been a persistent theme of *EIR*'s coverage. We have been the leading international publication to document the fact that Western Europe and Japan can only achieve real defense and war-avoidance through a commitment to join with the United States in developing a shield of energy-beam anti-missile systems. In our International and National sections, we describe the latest technological and political breakthroughs on this front.

In our Economics section, you will find a report on the crimes and follies attempted by Donald Regan and Paul Volcker against the emerging debtors' cartel, and Argentina in particular. We are happy to report that there is now a national spirit of mobilization against the IMF in Argentina, where Lyndon LaRouche is regarded as a hero for his “Operation Juárez” contributions to debtors' cartel strategies.

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Susan Johnson  
thout

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NSIPS

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## Argentina's rebuff to the IMF panics bankers

by Vin Berg

On June 15, the U.S. Treasury refused to extend its guarantee of \$300 million in loans to Argentina by other Ibero-American debtors because Argentina has refused to sign commitments to wrenching austerity with the International Monetary Fund. On June 21-22 in Cartagena, Colombia, Argentina with those debtor nations and others will convene the first ministerial level meeting of their debtors' cartel. The Treasury's action makes June 30 the date of a confrontation between debtors and creditors, and a major financial crisis if neither backs down.

Argentina, for one, certainly will not. "The debt of Argentina and of other Latin American nations is the product of perverse mechanisms that lend us money in order that we do not develop ourselves. . . ." Those were the words of Argentine President Raul Alfonsín, who arrived in Spain on June 11 on an official visit, delivering a stirring speech the next day before the Spanish Parliament (*Cortes Españoles*) on his country's decision to defy the International Monetary Fund and take the lead of the emerging debtors' cartel.

"The Argentine debt is equivalent to two-thirds of Argentina's Gross National Product. The distortion of the international financial system has signified for my country and for all Latin American countries the paradox of the underdeveloped sector being bled, shipping out its resources in order to feed the financial accumulation in the developed world.

"We are transforming ourselves into actors of an historic epoch in the unity of Latin American peoples, in which each of our peoples individually affirms national unity."

The speech was the strongest public statement made yet by the head of a major debtor nation, a "debtors' club" nation. It is symptomatic of the debtors' fighting mood in the wake

of the London summit of creditor nations June 7-9, which gave no hint of debt relief.

Alfonsín signed a "Madrid Declaration" with Spanish Premier Felipe González, in which Spain pledged to support Argentina's defiance of the IMF and called on the rest of Europe to do the same. Alfonsín also gave an interview to the Mexican daily *El Día's* correspondent in Madrid, saying: "We are not going to pay our debt by making our people hungry." Back in Buenos Aires, Argentine Foreign Minister Dante Caputo told an interviewer: "We Latin American countries are victims of an inverse Marshall Plan, given the fact that we are giving up \$150 billion to save the disintegrating United States economy."

### Who'll buckle under?

As recently as the end of May, most financial analysts were complacently asking themselves when Argentina would buckle under to the IMF, signing a letter of intent so that its creditors could roll over the roughly \$500 million in interest payments due June 30, and the U.S. Treasury could maintain its guarantee of the \$300 million in loans to the country by Brazil, Mexico, Venezuela, and Colombia, to permit Argentina to meet its March 31 payments.

Now, analysts are asking themselves if and when the creditors will buckle under to Argentina, which is not only flatly refusing to sign anything remotely acceptable to the IMF—"making our people hungry"—but has submitted its own, independently drafted program to the Fund on a take-it-or-leave-it basis.

The ball was thus thrown back to the Treasury and the creditors "real hard," as one bank economist commented—

“harder than anybody thought,” said another. The Treasury’s withdrawal of the guarantee puts the U.S. banks in a position of either rolling-over the Argentine debt June 30 or facing a crisis in the U.S. banking system.

If the banks and IMF do not give in and lend Argentina some \$500 million in June, Argentina will be over 90 days past due on \$500 million or more in interest payments to foreign banks. U.S. money center banks would have to absorb over \$300 million of that loss directly in a drop of their second quarter profits. Federal Reserve Chairman Paul Volcker madly told the Senate Banking Committee June 14 that losing such “fairly limited interest payments” is “not terribly significant.”

European depositors, however, are already primed to execute a mass run on U.S. banks if such loss occurs. Manufacturers Hanover, already subject to a European depositor run May 24, will lose some \$20 million, a full 25% of its quarter’s income, and Chemical Bank, Bank of America, and Citibank a similar 20-25% of income. Such losses would “further damage U.S. bank shares,” and panic depositors, the London *Financial Times* commented June 4.

Asked June 14 what the government would do faced with “many Continental Illinois bank runs at once,” Treasury Secretary Donald Regan told *EIR* “that’s too many ifs.”

Indeed, Regan stupidly delivered an “ultimatum” on the IMF issue to Argentina June 8, believing that Argentina would have to immediately repay its neighbors the \$300 million without a U.S. guarantee. But Argentina is now part of a debtors’ cartel with those very neighbors.

European banking sources observed that Regan had “painted himself into a corner.” Extension of the guarantee past June 15—it was already extended from June 1—in the face of Argentine defiance of the Treasury and the IMF would have discredited both as collectors for the banks; but withdrawal of the guarantee not only threatens an early crisis in the U.S. banking system, but is certain to radicalize the debtors’ cartel members.

Debtor radicalization is already afoot following the London summit, which pledged no change in support for the IMF’s brutal austerity policies and a case-by-case approach to forcing debt repayment out of Ibero-America, promising only to “reward” with longer payment schedules those debtor nations which accept the IMF boot—“concessions” designed only to split key nations out of the cartel.

Colombian Foreign Minister Lloreda Caicedo called the summit a “disappointment,” and observed angrily that it did not even mention the letter sent to the summit by seven Ibero-American heads of state, proposing that “international agencies” like the IMF be replaced by nation-to-nation dialogue on the debt problem.

Sebastian Allegrett, the head of the Latin American Economic System (SELA), stated flatly that “to negotiate on a case-by-case basis would neutralize our collective actions,”

and called the talk of “rewards” for submissive debtors “colonialist language.”

The effect of Argentina’s defiance, wrote the June 15 *Wall Street Journal*, has been to “single-handedly gut the reward strategy before it barely got off the ground.” Who will take IMF “medicine” in return for “rewards” if the IMF can be successfully repudiated altogether? The *Journal* had to admit that Argentina is now threatening to destroy the very system which “called for IMF austerity programs paving the way for more bank loans, which countries used to make bank interest payments and keep the global banking network intact.”

In conclusion, wrote the *Journal*, the banks will just have to roll over Argentina’s debt, regardless of its domestic economic policies, or see some of the largest U.S. institutions badly shaken at very least; then they will face the same from other debtors. “Most agree with Johns Hopkins’s Mr. Roett that the least likely player to blink in this game is Argentina. Argentina’s public war with the IMF, he says, has left ‘little room for . . . Alfonsín to back down.’”

That Argentina and its neighbors suddenly hold the cards is the singular development in the world financial picture since May 19, the date of the four Presidents’ communiqué (Argentina, Mexico, Brazil, and Colombia). It signaled that the cartel formed in late March “to pay, not not to pay” Argentina’s debt service, had shifted purpose. All at once, the political fiction surrounding the world debt crisis, that the creditors have all the power, is exploded. If the debtors collectively default, the creditors are bankrupt, and the weapon created by the creditors’ usury is suddenly the debtors’ to wield.

Alfonsín’s Madrid speech implied what Foreign Minister Caputo asserted outright: Argentina, Brazil, et al. are not bankrupt, but their creditors are and have been papering over the fact with subsidies from their Ibero-American debtors. The formation of a debtors’ cartel capable of calling a halt to those subsidies—called “debt service” on Wall Street—affected markets already shaken by the May 11 collapse of Continental Illinois, and was sufficient to produce a near-collapse of Manufacturers Hanover, rumors about Chase Manhattan and Bank of America and crashing stock markets all over the world, and equally exposed British banks scrambling to place their certificates of deposit at rates well above the normal—precisely what started the collapse of Conti.

Donald Regan could not be more ridiculous. He astonished the entire New York press corps during a June 14 briefing, when, under questioning from *EIR*, he said that relief to the debtor nations was “illegal.” In that case, so is reality: It is clear that the bankers won’t get the amount of debt service they expect from the Ibero-American nations over the June 30 and Sept. 30 payments periods—because payment is a physical impossibility. Panic and a crash of the entire system because these debts are actually non-performing, whatever sleight of hand might be devised by the regu-

lators, could erupt at any time over that period.

In that case, reported a senior U.S. official, "the decision has already been made. The Federal Reserve will float the banks off into the sunset on a sea of liquidity." But that, of course, means a crashing U.S. dollar, rising interest rates on inflationary expectations, and, its ultimate logic, Weimar Germany hyperinflation 1922-23 style.

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## Documentation

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### A 'revolutionary' move

*Le Monde, Paris, June 12:*

The doctrine laid down in London was called into question as soon as issued, by one of Latin America's leading debtors. . . . The initiative taken in Buenos Aires is interesting in many respects: It breaks dramatically with the orthodoxy requiring that economic improvement be obtained through a ferocious adjustment policy. . . . It places the IMF in a delicate position . . . and might cause new trouble for the U.S. banking system. . . . Mr. Alfonsín's move will strengthen Latin-American solidarity. . . . The Argentine government has said loudly what many others thought. His initiative is revolutionary. This brings us far from the London summit's conclusions, and the awakening might be hard.

*The Daily Telegraph, London, June 12:*

Argentina threw down the gauntlet yesterday in what could be the most serious development yet in the Third World debt crisis. . . . Argentina has decided to challenge the authority of the IMF. . . . The Letter [of Intent] is a slap in the face to IMF officials. . . . Argentina has in effect decided on its own terms. . . . Worse still, Argentina is prepared to blackmail its international creditors by considering a siege economy.

The problem for the rest of the world is how to deal with Argentina if it proceeds to renege on its international obligations. The key consideration will be to prevent Argentina's default contaminating other debtor countries. . . . Indeed, Western Governments may have little choice now other than to call Argentina's bluff, however harsh the consequences for their domestic banks.

*The Washington Post, June 12:*

If Argentina pushes too hard and actually propels itself into default, the economic consequences for the country will be

severe. It would mean an abrupt end of trade with most of the world. Argentines wouldn't starve, but their incomes would drop radically.

*The Times, London, June 12:*

The continuing drain of commercial deposits from the Continental Illinois Bank must be evoking some wry smiles of satisfaction in Buenos Aires where Pres. Alfonsín is playing a game of brinkmanship with the IMF. . . . U.S. banks could look sick if Argentina fails to make payments due. . . . Unless IMF negotiators suddenly start going soft, the creditor nations may find they have painted themselves into a corner.

*The Neue Zürcher Zeitung, Switzerland, June 8:*

[The situation] might go in the direction of the widely propagandized debtors' cartel . . . which would bring the debtor countries more damage than benefit, because it would shut down totally any access to the international capital markets and thus to trade credits, and would also push the creditor countries into a banking crisis.

### World's bankers at a loss

"The Role of the Commercial Banks in the Prospective World Environment" was the title of a "prestigious" gathering of international bankers at the International Monetary Conference in Philadelphia, Pennsylvania June 3-6. The Conference was confronted with the recent formation of an Ibero-American debtors' cartel in which Ibero-America's leading debtors pledged to set the terms under which they can continue to pay at all on their millions of dollars of foreign debt. In the face of this reality, virtually the only policy the assembled bankers could agree on was their desire to stay afloat.

The international banking community generally divides three ways on the approach to solving the international financial crisis looming over their heads in the form of unpayable Third World debt:

1) Stick to the "tried and true" methods of trying to bully its way into getting payment, by using the IMF and equity grabs;

2) Concoct a rescheduling scheme that will both stretch out the payments and write off a portion of the unpayable debt, the latter at the expense of the banks;

3) Organize a massive bailout operation through the international central banks, particularly the U.S. Federal Reserve Bank.



The “consensus” reached at the London Summit of Western heads of state reflected the first point of view, one also enunciated by IMF director Jacques de Larosière at the Philadelphia conference. Sample excerpts from the speeches of participants at the Philadelphia conference, reprinted below, indicate that such a “consensus” is in fact born of total ignorance by the bankers of what approach to take. They have chosen to apply the very same principles of austerity and looting that created the problem.

Not reflected in these excerpts is the extensive technical discussion of “banking reform” which occurred at the conference. These papers will be reviewed for EIR by *Kathy Burdman* in her upcoming columns.

*Walter B. Wriston, chairman, Citibank/Citicorp:*

No one has to tell this group that we have just passed through [sic] the worst economic conditions since the 1930s. Whenever there is a worldwide recession, loans to individuals and to companies that appeared sound when they were made drift into trouble. To quote an old Wall Street adage, “Whenever the tide goes out there are always a few dead cows on the beach.” . . .

The technical lending problem that surfaced in many less developed countries was the lack of equity. Too much was financed by debt and too little by equity. In many countries, this state of affairs was as much a political decision as an economic one, brought on by national policies that tended to equate foreign capital with exploitation. . . .

We all know that if the OPEC nations would drop the price of oil by \$10 a barrel, or if countries selling manufactured goods would cut their prices and stretch out their terms, or if industrialized nations would mount massive aid programs, then no doubt things would improve for the developing countries in the short run. But in the longer run, all these measures would tend to relieve the pressure to build solid economic growth. . . .

And so, too, would measures such as capitalizing interest on LDC debt. Whether you capitalize all future interest, or only that portion of it which exceeds a “reasonable rate,” you do not cure the problem. You only hide it. The global marketplace will not be fooled. If the market perceives that a particular country prefers to issue an unlimited amount of its own interest capitalization notes, rather than do what it, and only it, can do to regain its strength and discipline, then the market will shun this paper, no matter what its rate or tenor.

*Wilfried Guth, managing director, Deutsche Bank A.G.:*

I think it is crucial under such circumstances [tensions in the interbank market] that we commercial bankers, as well as

central bankers and government officials, do not succumb to any panicky mood or reactions but consider the problem coolly. But at the same time, it would seem to me more important than ever to continue and, wherever necessary, intensify the cautious approach with respect to the debt problem of making adequate provisions and securing a solid capital base which most of us have adopted. It is consequently essential that supervisory authorities in all lending countries induce banks to take these precautions and fiscal authorities allow them to do so without tax penalties.

None of us can say when and how our worries about overindebtedness will come to an end and I would, therefore, consider it a sheer waste of time to quarrel about the likelihood of more optimistic or more pessimistic forecasts. Personally, I think I would have to classify myself as an optimist by nature, but by profession I am a banker and I have learned from experience that it is preferable to be always prepared for a “worse case scenario.” . . .

In my view, the focus of our attention in these cases must be on the development of the countries’ *repayment capacity* [emphasis in original].

Broadly speaking, an improvement of the repayment capacity can be said to be underway, if the financing gap which has to be covered by fresh money in whatever form shows a definitely narrowing trend. If this could not be achieved and if the underlying discrepancy between a country’s debt service obligations and its economic performance, particularly its foreign-exchange earning power, were to increase rather than decrease over time, the therapy would have to be changed. In such a case the banks and all other creditors would, in my view, have to face the fact that the problem can no longer be solved by the method of rescheduling and new financing as practiced up to this time; other—certainly more painful—ways of restoring the country’s financial and economic viability would then have to be considered, not least from a political point of view.”

*C. Fred Bergsten, director, Institute for International Economics:*

. . . F. Conclusions

- 1) Probably need package approach: some of each.
- 2) Must recognize continuing nature of problem; may need supplementary sources of finance for many years, so prepare now.
- 3) Especially requires serious/sustained support for public international institutions—and possibly some changes in the policies and operating procedures of the institutions themselves (including much closer IMF-IBRD coordination).
- 4) Also need clarification of accounting/regulatory/ etc. implications of several of the proposals, especially regarding bank loans.

# Banks press Colombia to desert the 'troublemakers' of the debtors' cartel

by Javier Almario

Colombian President Belisario Betancur announced on June 7 to a meeting of the Latin American Energy Organization in Bogotá, "We stand united on the problem [of the debt], which was not created by our countries but by the international banks." Despite the fact that the President's speech was distributed to the assembled media by his press office, it was not covered by a single Colombian newspaper, or any other for that matter.

Betancur urged the strengthening of Ibero-American economic and energy integration efforts. He also referred to the letter sent by seven Ibero-American Presidents to the London summit of industrial nations, commenting, "God be praised, may they have ears!"

Colombia, the "well-behaved" and "prudent" Ibero-American country with the "manageable debt," surprised not a few bankers last month when it joined forces with the continent's largest debtors in demanding a unified solution to the debt crisis. It did not take long for a chorus of protests to be heard, both inside and outside the country, warning Betancur to disassociate himself from the continent's would-be "troublemakers" before he gets painted with the same brush.

Former President Carlos Lleras Restrepo wrote in a late May edition of his magazine, *Nueva Frontera*: "It is well known and repeated nearly daily that Colombia's foreign

debt . . . is notably smaller than that of other Latin American countries. . . . Colombia should not give an impression contrary to reality, that it is a debtor in unsalvageable difficulties. . . . What is important is to maintain and restore, to the extent it has deteriorated, the environment of confidence that the country's international behavior has so meritoriously earned."

The newspaper *El Tiempo*, in its editorial on May 25, also raised an alarm on Colombia's position with the new debtors' formation: "What bank will continue to extend credit to a country which could eventually participate in a declaration of moratorium? And what would happen to us if the little credit they are now renewing—our lifeblood—should suddenly disappear?"

*El Tiempo's* editorial followed by just two days a similar statement by Chase Manhattan representative in Colombia James Therrien, whose warnings that Colombia would irreparably stain her reputation and could even face a credit cutoff for associating with a debtors' association were reproduced in all the Bogotá dailies. The *Wall Street Journal* on June 11 made its point equally succinctly, citing a banker's admonition that "the key to [Colombia's] attracting loans will be differentiating itself from the rest of Latin America."

As with Mexico and Brazil, the international banks have



Colombian President Belisario Betancur: "The debt problem was not created by our countries, but by the international banks."

NSIPS

made last-minute offers of credit to Colombia with the unwritten condition that she abstain from joining the debtors' club. According to Finance Minister Gutiérrez Castro, nearly \$1 billion in fresh credit will be concretized next month, to complement further expected loan packages totaling \$2.2 billion by year's end. It remains to be seen whether these loan offers will end up shrinking to a mere \$210 million, which is all that Gutiérrez succeeded in signing up last year, despite his much-publicized globe-trotting for new capital.

Offers of credit from Spain, France, and Japan for non-dollar loans at low-interest rates were rejected out of hand by the discriminating finance minister, who insisted that Colombia's intention was to "reduce its foreign debt dependency."

The truth is that Colombia is hardly an island in a sea of troubled waters, despite bankers' insistence that Colombia's only problem is its "address." Colombia's debt problems, kept at bay during the López and Turbay administrations of 1974 through 1982 by the artificial swelling of reserves through intake of dollars from the drug trade, has now begun to show. As economist Carlos Martínez noted at a May 31 seminar in Bogotá on the foreign debt, "If one considers Colombia's debt using the parameter of debt per capita, then Colombia's debt is small. . . . However, if one takes as one's parameter the payment of debt service against exports, the Colombian debt is large indeed. In 1982, this ratio was 39.2%. I don't know the 1983 ratio yet, but it should be a good deal larger."

In fact, an analysis drawn from central bank and DANE (state statistical agency) sources by economist Carlos Rodado Noriega and published in the May 31 issue of *Guión* magazine reveals that last year, Colombia's debt/export ratio had already reached a whopping 50% (see table).

According to the reasoning of the major debtors and the Latin American Economic System (SELA), that a ceiling of 25% should be established on the amount of export earnings that goes to service the foreign debt, then Colombia appears to have a compelling reason for joining its neighbors in a debtors' club.

Studies recently released by financial specialists in Colombia reveal that the average interest rate on private foreign debts went from 7.4% in 1971 to 16.8% in 1982. The interest on the public debt went from 3.2% in 1971 to 10.2% in 1982. Colombia's protection from the debt woes of its neighbors in the past has been in large part due to the high percentage of its public debt represented by long-term, low-interest development loans from the multinational credit institutions, like the World Bank and the Interamerican Development Bank. That profile has now changed, however; the percentage of that debt to the total foreign public debt has shrunk from 86.6% in 1970 to 52.2% today.

### The IMF austerity option

Colombia's alternative to joining the debtors' club is submission to an International Monetary Fund austerity reg-

### Growth of Colombia's debt/export ratio (in millions of dollars)

Year	Amortization	Interest	Total debt service	Exports	Debt/export %
1970	143	92	235	736	31.9
1975	217	226	443	1,465	30.2
1980	346	651	997	3,945	25.3
1981	302	910	1,212	2,956	41.0
1982	437	1,062	1,499	3,214	46.6
1983	500	1,000	1,500	3,011	50.0

imen. As the *New York Times* of May 28 observed, "Some officials believe foreign banks may demand that Colombia work out a stabilization program with the International Monetary Fund before they provide new resources." But Colombia has already had a strong dose of IMF "medicine," thanks to Finance Minister Gutiérrez Castro, who proudly told the *New York Times*, "We have a tradition of being ahead of the game. We will anticipate all the measures that the IMF might want in a stabilization program. That's what we're doing now."

The drastic import reductions, budget cuts, accelerated peso devaluation, and other IMF-approved austerity measures have already begun to have a disastrous effect on the economy. Some 140 companies in Bogotá alone are currently undergoing bankruptcy reorganization. At least 12 companies, largely in the automotive and textile fields, have issued a formal request to the labor ministry for permission to lay off their personnel due to the impossibility of importing needed raw materials. The already high unemployment level of 14% can be expected to grow in the period immediately ahead.

Aggravating the situation is Gutiérrez Castro's IMF-dictated obsession to reduce Colombia's inflation rate at all costs. Pushing his theory that inflation is a "psychological" problem, the finance minister has announced that in 1985 inflation will be kept below the 9% level "without strangling the economy," even though it has already passed that mark so far this year. How will Gutiérrez accomplish his goal? By demanding that all wage negotiations establish a 9% ceiling.

In view of the labor movement's recent unified declaration in favor of a debt moratorium both for Colombia and for the Ibero-American continent, it is unlikely that Gutiérrez's plan will be successful. In fact, in view of Betancur's increased commitment to join forces with the continent's debtor nations, it appears increasingly likely that Gutiérrez will be leaving Betancur's cabinet when the upcoming annual shuffle takes place. Insiders report, however, that Gutiérrez already has his eye on a prestigious post with the International Monetary Fund. If his predecessor, Wiesner Durán, can land a directorship with the World Bank, why not Gutiérrez?

# 'Let us produce food and feed Africa': American farmers on European tour

by Garance Upham Phau

Two American farm leaders, Billy Davis from Mississippi and Don Scott from Ohio, are now on a tour of Europe along with two experts on African economic problems, to organize action on an emergency program for supplying a devastated Africa's food needs and at the same time reversing the collapse of agriculture in the United States and the European Community. The tour includes the cities of Rome, Paris, Rouen, Bonn, Münster, Wiesbaden, Stockholm, and Copenhagen; it takes place as Europe's farmers—perhaps the angriest and also the least communist-influenced on the continent—are in an uproar over the European Community's contractionary agricultural policy.

Billy Davis is an eighth-generation farmer, a nationally prominent agriculture spokesman, and the Secretary of Agriculture-designate in a Lyndon LaRouche presidential administration. Don Scott, a seventh-generation farmer from Ohio, won the U.S. congressional nomination for Ohio's seventh district in the May 8 Democratic Party primary with 60%-plus support. Davis and Scott are accompanied by Uwe Friesecke, a leader of the Club of Life, expert on development projects and candidate of the European Labor Party for the June European parliamentary elections, and by Reverend M'Dibala M'Polesha, representing the Eucumenical movement of Zaire and also a founding member of the Club of Life.

The visitors addressed audiences of 20 to 70 people in Rome, Paris, Rouen, Brussels, and Bonn. In the audience were farmers, businessmen, workers, and housewives, as well as representatives from African nations and student groups. They met farm leaders and government representatives.

"We are in Europe on a mission," said Billy Davis, in Paris, outlining an emergency action program to:

- 1) restore the conditions (including credit) necessary for farmers in America and in the European nations to relaunch production and stop the advanced stage of disintegration of agriculture throughout the entire developed sector;

- 2) enact such bilateral agreements as are required to ship food surpluses to Africa now, along with the infrastructure needed for Africans to expand and upgrade their own production.

## Why relief programs have failed

Uwe Friesecke took up the question why every past and present program for food relief by international agencies such as the United Nations Food and Agriculture Organization (FAO) has failed. "One hundred and fifty million Africans are threatened in the 24 most affected African nations today," said Friesecke. "FAO proposes to ship only 3.5 million tons of cereal, which would give to the Africans who are most threatened now less than the average food intake for the continent as a whole.

"The fact that the FAO has no intention of solving the hunger problem is shown in its own program. It envisions two scenarios: One expects 500 million individuals to be starving by the year 2000, the other envisions one billion to be starving in 2000. What program for solving hunger is this which plans for a billion human beings to go hungry?"

"The truth is that the FAO and the U.N. keep the African representatives hopelessly entangled in bureaucratic discussions while the IMF, the World Bank, and other institutions promoting usury carry out their genocidal work of destroying what is left of the economy of those nations."

What must be done today is to ship the existing food surplus amounting to 25 to 30 million tons of cereals to the most affected nations and to restore production in the advanced sector so that the same amount will be shippable next year. Furthermore, Africa must be provided with the infrastructural means to deliver the food to the countryside where the people live.

"All the existing programs destroy the fabric of society, the villages, by setting up camps where the African farmers must come to get food, abandoning what little production they had. What we must do instead is deliver trucks, vehicles, ships, and help the Africans build the railways, roads, and ports in a military fashion to carry the food to each and every village. This will create an infrastructure that will allow the Africans to uplift their own economy, to begin cultivating the millions and millions of acres of arable land with the level of labor productivity reached by the advanced sector."

M'Polesha proceeded to challenge several misconceptions about Africa. He observed that, according to the Bible, civilization first arose in Africa, which in times of antiquity

was a flourishing area—the Greeks, Jews, and Romans who traveled there bearing witness to that fact. The problem is that Africa never was freed from colonialism. Today, he declared, we must liberate Africa from the International Monetary Fund to allow her to cultivate the acreage which only needs a qualified labor force. Like Friesecke, M'Polesha spoke of the need to develop African cadre, agronomists, and engineers to employ the technology that would be initially sent there by more developed nations.

"The word development," said M'Polesha, "comes from the verb to develop; biologically speaking, to develop means to go from the embryonic state, the egg, to grow, to become adult. And to become adult means to grow. It is the same of a nation. A developed country is one that grows, gets greater, becomes adult." If the nations of western Europe and America shrink their economies and strangle their labor forces, they are no longer developed nations by that definition of the term.

The destruction of American farming and the need for citizens to take matters into their own hands were described by Scott and Davis.

### The response in Europe

The delegation met with Italian Undersecretary of Agriculture Zurlo following which the Italian Agriculture Ministry in Rome put out a press release expressing agreement with the program presented by the farmers. "The necessity of bilateral agreements between the American government, the EC, and African countries for the export of agricultural sur-

pluses to starving regions. . . . The establishment of a world parity price that would allow expansion in Western agricultural production . . . were the topics of discussion," said the communiqué. "The exchange of ideas in depth ended with a substantial convergence of strategies necessary to fight hunger. . . ."

In particular, Undersecretary Zurlo declared himself convinced of the necessity to reach an agreement between the EC and the United States on a program for expanded food production.

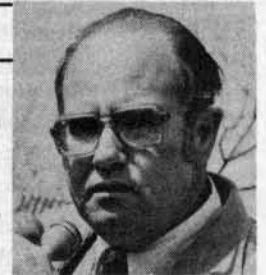
In Bonn, 33 press representative came to the press conference, and all over Europe the delegation's visitors had the opportunity to speak to the media and make their programs public. Agence France Presse, Ouest France, Germany's WDR radio, FNP, *Die Welt*, DPA, Agra Europe, Europa Redaktion, several Third World agencies, and Reuters were briefed on the crisis in American farming and the need for joint European-American action.

In Brussels, a rally took place in front of the EC headquarters to deliver the Club of Life's message. And from France have come reports of an unprecedented response from farmers to this initiative. In Normandy, a meeting has been called to discuss with European Labor Party leaders the state of agriculture in France and how a campaign can be launched for French farmers to link up with their American counterparts. One of the farmers is a member of the Order of the Cincinnati, a descendant of one of the officers who accompanied the Marquis de Lafayette to America to fight for the American Revolution.

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## Billy Davis

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# U.S.-European trade war is 'folly'

*At the Club of Life Paris conference on the international food emergency on June 8, U.S. farm leader Billy Davis described the need for European farmers to ally with U.S. farmers to save advanced-sector agriculture and feed a starving Africa. We reproduce here excerpts from his statements in Paris.*

We are in Europe on a fourfold mission predicated upon the simple moral principle that we are our brother's keeper and as such must immediately counter the absolutely immoral position of the FAO and other U.N. organizations that are systematically destroying the continent of Africa, most of Ibero-America, and southern Asia through their instrumentality, the International Monetary Fund (IMF) and its agent Henry A. Kissinger.

We say that it is sheer folly for the Western nations to pit their populations economically and morally one against the other in fictitiously created trade wars, when 70% of the world by our standards is malnourished and represents a market which we must address on two fronts:

- that of emergency food aid to those nations whose day to day survival is in danger, such as Mozambique;
- that of delivering to those countries the infrastructural elements that will both establish the conditions by which they themselves, without help, begin developing their countries along the lines which established the U.S.A. in its original form, and provide the technology and supportive educational institutions necessary to mobilize the populations of the respective recipient republics.



## A four-point program

Our mission endeavors to do the following:

1) To research and initiate bilateral agreements between the African nations and countries within the Western sector, especially the EC, and the United States, so that in the short-term emergency situation there begins a deployment of food to Africa with the efficiency and speediness realized by military exercises in times of war, for the situation in Africa is akin to a war-devastated area.

2) To begin dialogue among contacts throughout the European countries, jointly with American producers, for the formation of studies directed toward the establishment of a *system of parity* in trade among nations as well as the various productive sectors of the respective nations, i.e., agriculture, steel, etc.

3) To begin a liaison between farmers of the American, European, and African nations with the intent of solidifying a task-oriented project, that of solving common problems in agriculture, exchanging technical information in the spirit of friendship and common interest, such as was exhibited between General de Gaulle and General MacArthur.

4) To establish an *emergency commission* of the essential expertise in production, logistics, and infrastructural development directed toward the long-term development in Least-Developed Nations (LDCs) with emphasis on Africa for both the implementation of the emergency relief measures and long-term development.

French farmers have now reached the stage, along with their European brethren, which American farmers were in at the onset of 1979, as witness the destruction of notably milk production. European Community [EC] agriculture is caught in the same exact scenario as that which brought the American farmers to their deathbed, and action must be taken now if the process of destruction is to be stopped.

American farmers were targeted first, and the background was established in the mid-1950s to late-1960s when, through artifice, those who wanted to destroy farming, through propaganda and other means, through very lenient credit conditions, built a false sense of security in the American farmer—that somehow there was a vast market into which he could pour his products, without any concern as to how this production was to be sold. Every acre in sight was farmed. Then, with a massive production generator in place, farmers were put in a position where, because the lack of surplus capital within their sector of society, they were forced into the easy credit market to drive the production engine.

In August 1974, through the influence of the international banking community which interfaces with the Chicago Board of Trade as well as Brussels', London's, and Zürich's commodity market, the American cattle market was broken suddenly and without warning. *Within hours, the price per pound of slaughtered cattle went from 84.00 cents to 8.10 cents!*

During the succeeding two years, every commodity, be-

ginning with feed grain and even the vegetable market, collapsed in successive order as if they were dominos. Suddenly the farmer was no longer a welcome individual at lending institutions. Those who chose to continue were told by propaganda means that they were bad managers—that they themselves as individuals caused the problem! And farmers were pitted against each other as wolves fighting over a diminishing carcass.

The Eastern wheat farmer was told it was the fault of the Western wheat farmer, the Southern corn farmer was pitted against the Northern farmer as today the French against the Irish. Now, for example, there is propaganda blaming Brazil for the fall in soya prices, though Brazil produces less than the state of Arkansas, itself the tenth in the United States for soya production. We saw recently your Agriculture Minister Michel Rocard in the United States advocating free trade and the removal of every farm support policy in the EC and America!

European farmers will note the similarity of the scenario with their present plight, but the situation gets worse from there.

To continue farming, farmers were told by the lenders that, since they were such bad managers, they would (out of the goodness of their heart) again lend them money, but the lenders would have to have everything of value as collateral, particularly his land, with a ratio of two to one—loans with twice the amount in land collateral. This ridiculous situation unfolded—they went so far as to give them conditions under which they must operate their farms, i.e., which crop to plant or not to plant based on the experts and commodity traders, who held the farmer in actual contempt.

Simultaneously, an artificial land bubble began to grow, generated by real-estate speculators, so that the value of the land over the next three to four years skyrocketed, allowing a situation to develop where additional credit could be extended into agriculture with a gradual creeping up of interest rates. From the farmer's standpoint, participation in a higher debt-to-asset ratio was justified by false hopes generated by those same speculators, experts, and officials faithfully promising him—and showing their statistics—to indicate next year would be a much better year, and therefore would reduce his debt.

This practice of debt rollover and bridge loan techniques with each year bringing in more stringent conditionalities lasted for three to five years, depending on the commodity specialty of the farmer. However, in October of 1979, through the help of the alleged peanut farmer President Carter, Paul Volcker became chairman of the independent American Federal Reserve System. Volcker, over a period of just a few weeks, shot the American interest rates from the 8 to 9% range up to as high as 22¾% per year. Not only was this a devastating blow to the agricultural sector, it was equally a devastating blow to the entire capital-goods sector of the United States with steel as the main secondary target, much



as we see in your country of France today.

Meanwhile the real-estate bubble on land values has burst. We now have in the United States wholesale foreclosure and bankruptcies. The collective agricultural debt, during this 10 years grew from \$25 billion to \$250 billion, and if one takes U.S. Department of Agriculture estimates of \$16-\$18 billion net profit from American agriculture for 1984 and calculates the current rate of interest in agriculture at 14%, one can easily see that not only can we not service our debt, we cannot even pay the interest on the debt, and have not been able to do so since 1980.

### The alarming figures

American agriculture for the crop year of 1983, due to government agricultural programs such as PIK [Payment in Kind]—payments not to produce—combined with a devastating drought, is going under.

For example: Corn production for 1983 is down 48% which means a 24% decrease in world production; soybean production down 36%, 22% in terms of world production. Feed grain production down 44%, which means a reduction of 2 million head of cattle.

America today is a net importer of beef, since 54% of all beef consumption in the United States is imported! Land value has now plummeted just as our cattle market did in 1974, so that those few farmers who were surprisingly able to survive all these years are suddenly realizing that their assets-to-liability financial statement makes them technically, legally bankrupt through no fault of their own.

The agricultural cooperatives have been dealt such a financial blow that they now either have gone under or in fact have been taken over by the international grain cartel such as Continental Grain, Cargill, Laparouse, and Occidental Petroleum. The international banking cartel has in like fashion taken over control of the normal agricultural lending institutions such as productive credit associations and the federal land banks, now a mere façade of their own original farmer-owned structure.

American agriculture is now in the stage of final collapse, and when one considers that those [PIK-style and price-support phase-out] programs are still in place in even stricter form, along with NASA long-range weather forecasts predicting another bad year, then we see that we now approach the loss of the potential to regain control over our own productivity.

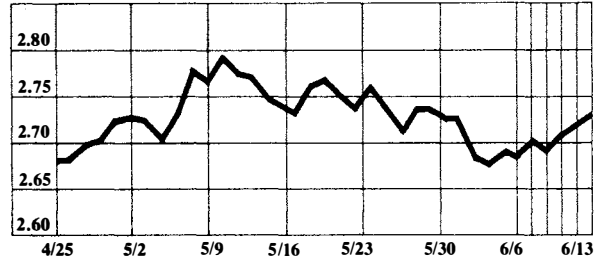
The above scenario is given for consideration by the European farm sector so that they may determine the exact position their respective nation is in as of this moment.

This scenario, with minor exceptions, has not changed in 3,000 years of written history. The destruction of the capabilities and potentialities of humankind has always and is today orchestrated by variations of the same oligarchical structure that not only brought about the Dark Ages but initiated and orchestrated two world wars.

## Currency Rates

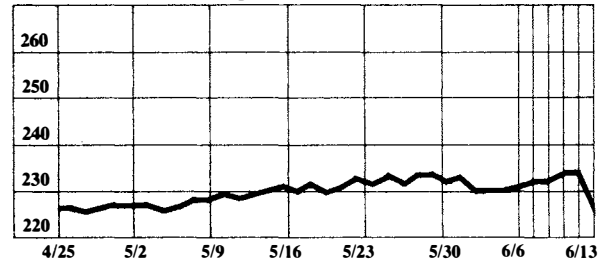
### The dollar in deutschemarks

New York late afternoon fixing



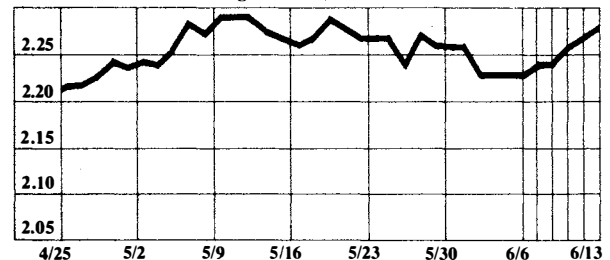
### The dollar in yen

New York late afternoon fixing



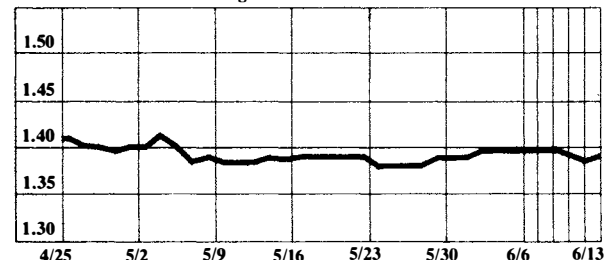
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



## The strange case of that SPR

*The Strategic Petroleum Reserve was always intended as a card to play in the "New Yalta" game. Now. . .*

**R**ecent escalations in the Persian Gulf war focus attention on the U.S. government's Strategic Petroleum Reserve. Last month, Energy Secretary Don Hodel announced that 400 million barrels of crude oil had gone into underground storage in Texas and Louisiana salt domes.

At the June 7 London Economic Summit, President Reagan made a plan for early and concerted allied draw-down of respective oil stockpiles a major focus.

The prevailing "wisdom" is that we are no longer vulnerable to a Persian Gulf oil cutoff. Rather, the argument goes, a wave of early panic buying in world markets could trigger a price balloon, some estimate to as high as \$100/barrel. Enter the Strategic Petroleum Reserve (SPR), which claims the ability to pump 2.1 million barrels per day (bpd) into the supply lines of the free world for several months, at least long enough to allow other oil producers like Mexico, Venezuela, or Nigeria to make up any Gulf shortfall.

It's useful to take a fresh look at this creature called the Strategic Petroleum Reserve. The heart of the problem is the fact that few realize the intended purpose of the SPR since its inception. Since the first oil began to go into those salt caverns in West Hackberry, Louisiana, and Texas during the Carter-Mondale years, the SPR has been an important, if misunderstood arm of Henry Kissinger's Tri-lateral Commission strategy for creating a "New Yalta" division of the world. The notorious Bernard Lewis

plan for unleashing an Arc of Crisis of Khomeini-type Muslim fundamentalism across the Gulf region was central to this deal between relevant policy circles, East and West.

In this context, Carter-Mondale energy czar James Schlesinger pushed creation of a colossal 1,000 million barrel government-owned SPR. One of the issues which forced Schlesinger's ouster was the widespread report that the oil was irretrievable in event of emergency because of faulty or inoperable pumps. What was largely missed at the time—as it still is today—was the actual geopolitical intent of the SPR. The reserve was to give the impression that the strategic tie of the Mideast to the United States is no longer essential.

Recent press headlines show how widespread is the illusion that, with only 3% of U.S. overall oil consumption coming from the Gulf today, there is little reason to worry about the spreading chaos in that region. Today, we import about 500,000 bpd from Gulf countries, primarily Saudi Arabia. In 1979, it was 2.2 million bpd. Technical specialists in the SPR program assured me that they could now pump 2.1 million bpd from the SPR in event of a new emergency.

Since Reagan's inauguration, we have been pumping almost 200,000 bpd every day into these huge underground salt caverns along our Gulf coast. Reagan has in fact quadrupled the amount in the SPR.

The strongest Senate advocate for an aggressive fill rate for the SPR has

been Senator Bill Bradley (D-N.J.). The fact that Bradley was trained at Princeton and Oxford is not irrelevant: Bernard Lewis was brought to Princeton to promote his Arc of Crisis policy for the Mideast.

Now, according to Bradley's office, the senator is pushing a new scam to put as much as 200 million barrels of SPR oil into speculative new oil "options" or futures trading markets. Bradley apparently has ties to New York Mercantile Exchange head John Treat, who has been trying to get his hands on SPR reserves. Treat and his cronies are setting up to both make a killing on a new Gulf crisis, and to ensure that any such crisis balloons the price of world oil.

Bradley, whose office boasts he is the only senator to have actually visited the SPR sites, persuaded Senate Energy Committee head McClure (R-Idaho) to study his proposal for selling SPR oil in options markets.

Even if we need to, it's far from clear we could ever get this oil into the pipelines. That's because the pipelines have just been sold! Two of three privately owned pipelines that the Department of Energy planned to use to move SPR oil from the caves of Louisiana to Midwest refineries have just been sold for conversion to natural gas, throwing the entire distribution strategy into disarray. When I questioned people at the DOE about this, they defensively claimed they could load 2.1 million bpd onto oil tanker ships instead. Industry experts are skeptical.

Secretary Hodel is asking Congress for an extra \$100 million, just in case, to build two new federal pipelines over the next several years and expand harbor facilities. The blunt fact is that the SPR delivery system has never actually been implemented, despite \$15.3 billion of tax dollar investment since 1976.

## One, two, many Conti Illinois?

*Volcker wants a crisis to enforce a banking reorganization; but he may get a banking rout.*

**T**he June 15 refusal by Treasury Secretary Donald Regan to renew a minor loan guarantee to Argentina could produce a panic in July dwarfing the deposit run on Continental Illinois bank in May.

Regan's "macho" challenge to Argentina represents a dangerous gamble by Federal Reserve Chairman Paul Volcker and International Monetary Fund Managing Director Jacques de Larosière, the real powers behind Regan. Volcker and de Larosière, themselves fools, plan to contain losses and use them to reorganize U.S. banks.

At Senate Banking hearings June 14, Volcker bragged that he is willing to have several major U.S. banks take losses in July. "What is at issue here is a fairly limited number of interest payments. . . . In itself, I don't think it's terribly significant," he said.

The IMF's de Larosière also told the bumbling Regan June 14 that a hard line is necessary, as Regan himself informed me. "I have never known this administration to lean on the IMF to make loans which the IMF in its judgment feels they can't live with. The IMF has to make that judgment," Regan said.

But hard reality is that if the banks and IMF do not give in and lend Argentina some \$500 million this month, Argentina will be over 90 days past due on \$500 million or more in interest payments to foreign banks on June 30. Under Volcker's prodding, bank regulators will bend no rules, U.S. money center banks will have to declare the loans "non-performing," and declare over \$300 million in lost income. That would be directly deducted from U.S. banks' second-quarter profits.

Manufacturers Hanover, already subject to a European depositor run May 24, will lose some \$20 million, a full 25% of the quarter's income, and Chemical Bank, Bank of America, and Citibank a similar 20-25% of income. Manny Hanny has some \$1.3 billion in officially reported Argentine loans, Chase Manhattan \$800 million, J.P. Morgan \$750 million, and Conti Illinois itself some \$400 million.

Chemical Bank, Bank of America, and Citibank don't have to report Argentine loans, since they are officially just barely less than 1% of assets, but I estimate them at \$700 million, \$1 billion, and \$1.3 billion, respectively. Aside from Manufacturers Hanover, Chemical and Bank of America have been most often mentioned in London boardrooms as "in big trouble" if Argentina goes, because of major additional bad domestic loans they hold.

That is, there could easily be a major, 1931-style run on the U.S. banking system. Large European depositors led by the same Lazard, Safra, and Deutsche Bank group who organized the run on Conti Illinois, will take the opportunity to pull deposits out of all these U.S. banks at once.

Asked June 14 what the government would do faced with "many Continental Illinois bank runs at once," Treasury Secretary Donald Regan had no answer:

Regan: Why should there be a run on their deposits?

Burdman: These banks are weak, there has already been a run on Continental and Manufacturers Hanover.

Regan: What do you mean, Manufacturers Hanover is weak?

Burdman: Manufacturers Hanover stock just dropped from 37 to 26 and if they take a \$20 million second-quarter loss on Argentina, and if Chemical takes a similar loss, then foreign depositors will move deposits out of these banks, as they did with Continental and you've got a deposit run on many banks at once. What will you do?

Regan: No comment—too many "ifs."

Volcker and de Larosière, oblivious to this threat, want to use a crisis to force mass of mergers and consolidation of U.S. banks. By weakening banks, this would put investment bankers (see last week's column) such as Henry Kissinger's American Express Shearson Lehman, which are expanding into financial supermarkets, in control of the U.S. credit structure.

The supermarkets and a few large "survivor" banks such as possibly Citibank, which has its technetronic infrastructure in place, would under Volcker's plan control all credit, by taking over most regional banks including large ones. This week, Belgian Rothschild scion Baron Lambert's investment bankers Drexel Burnham announced a prototype plan. Lambert and Armand Hammer's employee A. Robert Abboud proposed that the FDIC, now running Conti Illinois, dismember the bank altogether and sell it off in two pieces. One piece, a "bad bank," would be given all the bum loans and sold off a nickel on the dollar to speculators. A "good bank" with the rest would find kinder buyers.

Working with the Swiss-based BIS, Volcker and de Larosière also expect the ensuing credit crunch to weaken U.S. industry, bash the stock market, and make large U.S. industrial companies cheap for major European buy-ups.

# Business Briefs

## **International Trade**

### **EIR Forecast: U.S. subsidized by trade**

Independently gathered data on the U.S. economy for the LaRouche-Riemann model, highlighted in *EIR*'s Quarterly Economic Report this month, shows unit output 4.3% higher in 1983 than in 1982 (against 7% higher according to the Federal Reserve).

The analysis of the foreign subsidy to the U.S. economy during 1982, 1983 and 1984 shows that the physical pipeline of the American goods-producing sector depended upon "free" imports drawn increasingly from the developing sector.

LaRouche-Riemann analysis was used to re-create the trajectory of the economy without the increased trade-subsidy during 1983; the increase in subsidy for each year was deducted from net surplus, with significant results:

In 1982, the subsidy amounted to \$90 billion, rising to \$132.6 billion in 1983, and to a projected \$243.5 billion in 1984. Without the subsidy, U.S. output was down nearly 3%.

The *EIR* Quarterly Report, consistently the most accurate analysis and forecast since its inception in the last quarter of 1979, is available for \$1,000; \$250 to subscribers.

## **Debt Bomb**

### **SELA head hits creditor 'recolonization'**

Sebastian Alegrètt, head of the Latin American Economic System (SELA), denounced on June 8 what he called the "process of recolonization proposed by some of the countries of the North"—the idea that Ibero-American nations should pay their debt with public and private equity. These schemes "will not be accepted by the Latin American subcontinent, which is carrying out efforts to stop an international financial collapse," he said.

"The current recolonization, will lead to the denationalization of all Latin American industry," he warned. Those hoping that they will end up taking over the "steel industries, the telephones, or the airlines" of Ibero-America are engaging in wishful thinking.

"Latin American countries are passing from the phase of very serious assertive calls to that of action." He praised the "extraordinary fluidity" shown by the Latin American countries in coordinating actions on the debt.

In the name of SELA, Alegrètt gave his support to the June 21-22 debtors meeting in Cartagena. "It is evil to speak of awards and punishments," he said of a U.S. Federal Reserve and IMF scheme to pick apart the debtors' cartel by "rewarding good debtors. . . . It is a matter of each country paying within its possibilities. Decisions such as that taken by Bolivia are not taken capriciously but because of a reality which has been imposed on them. . . . This situation could become generalized unless a settlement is reached to avoid this outcome. . . ." The debt question is "political, not economic," he added.

## **International Credit**

### **Bolivia makes debt moratorium official**

Bolivian Minister of Planning Ernesto Araníbar announced June 9 that the international banks have now been duly and officially informed of Bolivia's decision to postpone by four years the payment of both interest and principal on the national debt. A telex message to this effect, he reported, had been sent at the end of last week to the 128-bank consortium, led by Bank of America, which constitutes Bolivia's foreign creditors.

Backing the government's move, Bolivia's major trade union organization, the COB, began organizing for a "regional trade union conference" to take place at the end of July in La Paz. The conference is aimed

at seeking joint actions by the trade unions of the the Southern Cone against the IMF.

Gustavo Fernandez Saavedra, Minister of Foreign Relations, emphatically denied rumors that Bolivia is being boycotted by the Group of Seven Latin American nations. "The boycott would totally contradict Latin America's spirit of solidarity. Some countries might have a more advanced position, and others a more moderate posture, depending on the circumstances. Consequently, it is necessary that the solidarity efforts of the continent take into consideration the situation of each particular country; however, there's absolutely no possibility of either a boycott or isolation concerning Bolivia."

Saavedra made his statement after a meeting in Brasilia with Foreign Minister Saraiva Guerreiro; he arrived there from Buenos Aires where he met Foreign Minister Dante Caputo. Both meetings discussed the issues that will be dealt with at the June 21-22 debtors' summit in Cartagena, Colombia.

## **Currency Rates**

### **U.S. official reports 1986 monetary conference**

A senior U.S. official—probably Paul A. Volcker or a top Treasury official—told the press in London June 11 that it is likely that a world monetary conference will be held in 1986 or 1987, and that studies for the conference are already under way, to be completed by mid-1985.

The unnamed American official stated that the conference will focus on ending the system of floating exchange rates which has been in effect since the U.S. went off the gold reserve standard in 1971. The conference has been endorsed by French President François Mitterrand.

"Ending the system of floating rates" refers to a plan by the Swiss banking community and their allies to end the U.S. dollar's hegemonic role in world trade. Last

week, Markus Lusser, the number-three man at the Swiss National Bank, called for American banks to sell their bad paper at 20% to 50% of face value. The conference is to establish a new exchange rate for the dollar at far below present values.

### **East Bloc Trade**

## **Moscow economic summit plans more war buildup**

On June 12, Konstantin Chernenko opened the first summit meeting of the East bloc economic organization, the Council for Mutual Economic Assistance (CMEA or Comecon), to be held in 15 years. The Comecon includes the Soviet satellite states of Eastern Europe, and Cuba, Vietnam, and Mongolia.

While the agenda for the summit has not been made public, Western commentators expect that Moscow will demand higher contributions from her satellites to finance the war mobilization, and at the same time insist on curbing economic ties with the West.

### **Inflation**

## **Margaret Thatcher to back hyperinflation?**

British Prime Minister Margaret Thatcher has been regularly meeting with Lord Harold Lever, the former brains of the Harold Wilson Labour Government, and the author of several plans for hyperinflating out of the debt crisis, according to London sources. "The Bank of England, for its part, is dithering—they're desperately anxious to avoid hurting the British banks which are in much more trouble than they had been willing to admit," a source close to Lever reported.

"More and more debtors quit the game, or threaten to, or quit the game as it's being

played. Playing out the hard line has incalculable consequences. Who would allow the five top U.S. banks to go bust? The Fed has to print money," explained a director of the free-trade-oriented Trade Policy Research Center in London.

### **International Finance**

## **Bundesbank chief calls for debtor austerity**

The Bundesbank's number two man, Helmut Schlesinger, gave a speech in Zurich on June 14, stating that "the debtor nations must lower their living standards to what level they can reach by themselves and use their exports not only to pay for imports, but also to meet their debt service payments."

Schlesinger stated that he was "not worried so much of the danger of a collapse of the international financial system," but rather by the possibility of "excess lending to LDCs" by the banks. He warned against a new, strong expansion of credit to developing countries."

To achieve such a credit-boycott against the Third World, Schlesinger recommended the establishment of "a common control mechanism over the Euromarkets," which another Bundesbank source revealed is a proposed minimum reserve requirement on the activities of Eurodollar banks, and a series of other proposals aimed at bringing the markets under central-bank control. As far as the banks are concerned, Schlesinger added, "They are prepared to take in losses" and provision their losses. The IMF's role "cannot be overestimated." It has proven more than essential, even if Third World countries "misunderstand it, reject it, and even, yes, hate it and damn it," since it prevents them from "covering up the real problems with ever-growing motion of the price spiral."

A "new phase of long-term consolidation" must emerge now, the central banker concluded, "even if this means uncomfortable consequences for the banks' profit and loss accounts."

## **Briefly**

● A U.S. official at the London Economic Summit said in a press briefing that the only economics offered by the participants was "Sni-mog: sustained, non-inflationary market-oriented growth." West German Economics Minister Count Lambsdorff, who delights in attacking the U.S. defense budget, quipped: "It's true that the U.S. economy is not quite straight . . . but it's solid—like the Leaning Tower of Pisa."

● FRITZ Leutwiler's surprise resignation from the Bank for International Settlements and Swiss National Bank is attributed by Geneva sources to his rejection of a Fed bailout package for U.S. banks. "Fritz has had sharp words with the Fed on what he called the irrecoverability of loans." The London summit decided on a debt-for-equity solution coupled with bail-outs. Leutwiler would prefer to let banks go under.

● 'CITICORPSE' chairman Walter Wriston may have stolen David Rockefeller's title of "New York's dumbest banker" when he dumbfounded the British press June 13 by saying: "Latin American countries are making headway in their struggle to repay billions of dollars of overdue debt. . . . The hard facts show that there has been substantial progress in the whole situation. . . . The news is getting better and your stories are getting worse. . . . Mexico is an enormous success story. . . . Brazil is very close behind. . . ."

● FED chairman Paul Volcker told the Senate banking committee June 14 that the United States will soon be the world's biggest debtor. There is "rapid movement" toward "becoming a net debtor nation" due to "substantial and growing capital inflows" from abroad.

## Philosophical roots of National Socialism

by Helga Zepp-LaRouche

The voluminous literature on fascism and National Socialism is dominated by two opposing views: Are we dealing here with a "sociological phenomenon," or with a specific form of a historical tendency whose spiritual predecessors can be identified in past centuries?

Proponents of the first version attempt to portray fascism and National Socialism as the more or less accidental emergence of an extraordinarily "charismatic" Führer figure, who seduced the masses with his demagogic and rhetorical skills. These masses' susceptibility to the "charismatic figure" is then usually explained psychologically, i.e., by referencing various aberrant forms of behavior within that population. This in turn leads to the assertion that Hitler was made possible by a specific "German national character."

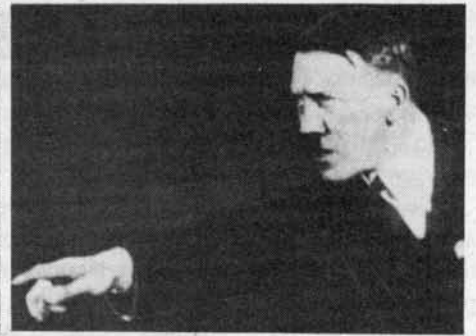
Labeling Nazism a genuine German product is, of course, a mental trick which allows us to maintain a moral distance—we see a Nazism with no past and no future. We are relieved of the burdensome responsibility to measure our present political currents against those standards which, at least in principle, had already been established at the Nuremberg trials.

Until now we have lacked a historically verifiable explanation of the actual characteristics of Nazism and fascism. This lack has made it possible for political forces vaunting themselves as the anti-fascist resistance to flaunt their own, verifiably fascist, policies, while their opponents' contrary policies are often denounced as fascist.

In this case as well, we can arrive at truth; as Nicolaus of Cusa correctly observed long ago, mere opinion is what blocks us off from recognition of our opinions. The major problem is that many writers are unconscious of the basis upon which they arrive at their own knowledge; hence what they present as judgments are often nothing but opinions.

We place the major blame for this dilemma on the artificially introduced separation between the sciences and the so-called humanities, between *Naturwissenschaft* and *Geisteswissenschaft*. This separation, dating from the period following 1815, has blotted out the necessary criteria for arriving at adequate knowledge.





*The dictatorship of the irrational, a combination of romantic wallowing in the boundlessness of emotion, and the hatred of the lawfulness of reason, is the common denominator of Nazism and today's "Aquarian Conspiracy." Shown is a demonstration against the Seabrook nuclear power plant in New Hampshire in 1979.*

NSIPS

Absurd theories such as Max Weber's "value-free science" or the pluralism of the Jesuits, found their way into scientific thought. It is therefore virtually impossible to provide modern readers with the conceptual geometry which would enable them to adequately explain Nazism and fascism.

### **Schiller's contribution to historiography**

Perhaps the best point of departure for investigating recent historical developments is that portentous turning point in modern history, when the American Revolution coincided with the birth of German classicism and the inception of the industrial revolution. This is because, in the final analysis, every political precursor of Nazism happens to have been directed against the after-effects of these three events. But we must extend the scope of our investigation still further, and it is no accident that it is Friedrich Schiller, the finest representative of that era, who points us in the right direction.

Schiller's work as a historian set new absolute standards for historiography. In his essay "The Legislation of Lycurgus and Solon," Schiller described two contrasting models for a state, models which shaped the outlines of every state during the succeeding 3,000 years. The Athens of the wise Solon, formulator of the first written republican constitution, was taken as the exemplary model for all subsequent conceptions of the state, and celebrating its brilliant triumph in the American Revolution. The Sparta of the tyrant Lycurgus, on the other hand, bore all the characteristics of a fascist state, and through the centuries has remained the oft-cited point of reference for everything which might be considered a precursor of Nazism. It was no accident that Hitler's opponents

## **In this section**

We publish as our Special Report this week the first chapter of *The Hitler Book*, a groundbreaking exposé soon to be published simultaneously in German and English by the Schiller Institute. The book, edited by Helga Zepp-LaRouche, tears away 50 years of mythology about the Hitler era to tell for the first time the real story of who put the Nazis into power and why. The study takes as its starting point the epistemological foundations of National Socialism since, as Mrs. Zepp-LaRouche points out in her Introduction to the volume, unless we comprehend these, how will we recognize fascism when it appears in a new guise, under new historical circumstances?

The chapter published here is entitled "The Philosophical Roots of National Socialism." Subsequent chapters of the book, written by a team of historical analysts from the *EIR*'s staff in Wiesbaden, West Germany, include: "The National Socialist World-View: Racial Darwinism, Gnosticism, and Mysticism," "Inside the Dulles Brothers' Network: Switzerland and the Third Reich," "The Grand Mufti and Hitler: National Socialist Networks in the Mideast," "Wilton Park and the Farce of German Re-Education," "Old Wine in New Casks: The German Secret Services," "The Nuremberg Trials," and "The Global Danger: Today's Nazi-Communists."

saw the “Third Reich” as the fulfillment of this essay of Schiller, and recognized that the Nazi regime was only a modern version of Lycurgus’ Sparta. These people had hoped that, following the long-awaited collapse of the “Third Reich,” Solon’s Athens would become the guiding model for the reconstruction of the German nation.

Using this conflict between forces representing Sparta and those in the tradition of Athens as our conceptual yardstick, we are now in a position to understand the history of the past 3,000 years—and probably the history of the previous millennia as well. This conflict epitomizes the bitter warfare between oligarchism and republicanism. The arrival of the Nazis on the political scene therefore in no respect represents a break with the past, as some historians of the first school would have us believe. For an explanation of Nazism, we can turn directly to history.

### **The oligarchical system**

In the oligarchical system, the idea of the state is identical with that of the empire. This is true not only for Sparta, but for its closely related predecessors such as the Assyrian Empire, Babylon, and Persia, as well as Rome, Byzantium, the Ottoman and Austro-Hungarian Empires, and the British Empire. A small oligarchical elite rules over a mass of subjects who are deliberately kept in a state of backwardness. The elite claims for itself the right to plunder this population, whether it be through the arbitrary setting of ground rent, control of a usury-based credit system, the mechanism of state power itself, or through the ruthless extraction of the last ounce of labor from their subjects, be they slaves, serfs, or other inferior beings whose death through exhaustion is viewed as a normal event.

Combing the works of most so-called scholars of fascism, one searches in vain for this central economic aspect, which runs like a red thread through every oligarchical empire and system. This economic aspect is in fact the primary and most crucial distinguishing characteristic of Nazism. Such systems are always dominated by extreme forms of monetarism, utilized by an autocratic and scornful oligarchical elite to maintain at all costs their usury-based, economically bankrupt monetary system.

From this perspective we can discern clear parallels with the Egypt of the pharaohs, who had no scruples about wearing out their slaves on the pyramids; Sparta’s bloody exploitation of the helots; the practices of the British East India Company; and the Nazis’ economic exploitation of forced laborers and concentration camp inmates. For the leading financiers in Switzerland, London, and New York, it was Hjalmar Schacht’s argument which clinched the matter: Only a drum-beater like Hitler would be capable of imposing the necessary drastic austerity and making it palatable to the masses. This was the principal reason for the massive financial support flowing into Hitler’s movement from abroad.

Whenever the maintenance of a currency and credit system is put before the maintenance of human life, we have the

clearest evidence that we are looking at a fascist system. Whoever sanctions the policies of the International Monetary Fund (IMF), which today is deliberately condemning millions of human beings to death with its infamous credit conditionalities, is morally no better than the Nazi war criminals who were condemned to hang at Nuremberg.

The oligarchical system views the world as a series of great, eternal cycles of birth and death, of construction and destruction. Death and destruction are considered highly desirable, since they have a purifying effect, killing off the weak and enabling the strong to survive. There is no place in this system for scientific and technological progress; indeed, such progress is viewed as the real enemy threatening the eternal cycle.

This corresponds to a conception of man as a creature incapable of change, whose “nature” is fundamentally inclined toward evil. Hence, the rule of men over men is derived not from an ontological natural law, but merely from the ability of this or that oligarchical elite to force its will upon its underlings. Law has no objective basis in this system; all that counts is the power to avoid responsibility for one’s own acts.

Such a system is workable, of course, only if the popular masses accept this state of affairs and the ostensible superiority of the oligarchical elite, and conceive of themselves as objects, not as subjects, of events. It is for this reason that the oligarchical system requires more precise and more ingenious mechanisms of mass control in order to protect itself against unwelcome surprises. The preferred mechanism of control is a web of mythology for the masses to believe in. These myths are carefully cultivated and applied by the elite itself, or by a designated caste of priests. Such mythologies, in harmony with the cyclical world outlook, have been interwoven with every pre-Christian “regional” deity—Cybele, Isis, Shakti, Mother Siva, Mithra, Thor, Wotan, to name a few. The dominant figure in these prevailing myths was usually a goddess who symbolized “Mother Earth” and thus provided the basis for an ideology of “blood and soil.” In northern ideologies, for example, this role was played by the so-called world ash tree, Yggdrasil.

### **The republican system**

Solon of Athens’ republican concept was quite another matter, and through Plato was passed on to the entire succeeding humanist tradition. In the republican state, all individuals are endowed with equal, inalienable rights founded upon natural law. The state is not an instrument of power, but rather serves the exclusive purpose of permitting the maximum unfolding of the potentials of each of its citizens, who, as citizens, are vitally concerned with development of the state as a whole. In the republic, leadership’s primary task is not to act as a parasite on the population, depriving it of its livelihood. Its task is to exert leadership on the basis of its acquired wisdom, on the basis of its fully developed understanding of law, and, above all, because of its readiness

to assume political responsibility and to act accordingly.

By its very nature, the republican system is the political expression of the physical universe as a negentropically developing continuum, as has been proven by modern science. Whereas scientific and technological progress represents a grave threat to any return to an eternally unchanging state of affairs—the characteristic feature of the oligarchical system's cyclical world view—this progress from a republican standpoint is the absolute precondition for the existence of the universe, as it is for human society.

The lawfulness of the universe, its negentropic evolution, is knowable and accessible to human reason and knowledge. Such knowledge, however, is not passive. Man, by virtue of his ability to think the higher hypothesis and make his knowledge increasingly correspond to universal law, is capable of altering this law itself, and in a lawful manner. Scientific progress is only another expression for this interaction between reason and the physical universe; the hypotheses formed by reason are efficient in the real world, and this allows us to conclude that there exists a correspondence between the macrocosm and the microcosm.

A republican state is therefore vitally concerned with the scientific progress of all its citizens, and with the improvement of their standard of living. This especially includes improvements in education and training, which raise the productivity of labor and thereby enrich the source of all social wealth.

For the oligarchical system, the sole source of wealth is the ownership of land and physical resources, the right to extract ground rent, and the ability to lend at usurious rates of interest. The system ultimately depends on maintaining the areas under its control in a state of permanent backwardness, in order to seize raw materials at the cheapest price. The scribblings of the "evil Parson Malthus" are but one of the numerous attempts to provide a rational justification for the oligarchical faction's policies, and to give them at least the veneer of legitimacy.

Anyone who thinks of the land as the only source of social wealth is apt to feel threatened by the arrival of every new individual into the world; such a person fears that the newcomer will want to share these resources with him, thereby decreasing what belongs to the ruling elite. This is the origin of the so-called overpopulation theory, which in turn supplies the oligarchical vision of a fixed system with a corresponding zero-growth ideology.

It is virtually impossible to distinguish any qualitative difference between Malthus's silly "law of population"—his rationalization for the practices of British colonialism—and the Nazis' classification of so-called "inferior races" as "useless eaters," and the Club of Rome's recommendation that the alleged population problem in the developing countries be solved by "natural means" such as denying them technology transfers or "raising the death rate" through hunger, epidemics, and deliberately incited regional warfare. Human life has no value in this system, and its proponents consider

it their own privilege if they wish to practice genocide, whether it be against Sparta's helots, the Jews, the Slavs, political opponents, 3 million people in Cambodia, or the 150 million people in Africa who have been "written off" by the IMF.

The republican system does not share this utter disregard for human life. The land and the soil, taken by themselves, have no significance. The sole source of wealth is the rise in the productivity of human labor effected through technological progress. Every newborn child, when viewed in this way, represents a potential enrichment of society, provided that that society develops all the potentials residing within that child. This in turn requires not only a high nutritional level, but a basic education which promotes character formation and a potentially never-ending higher education.

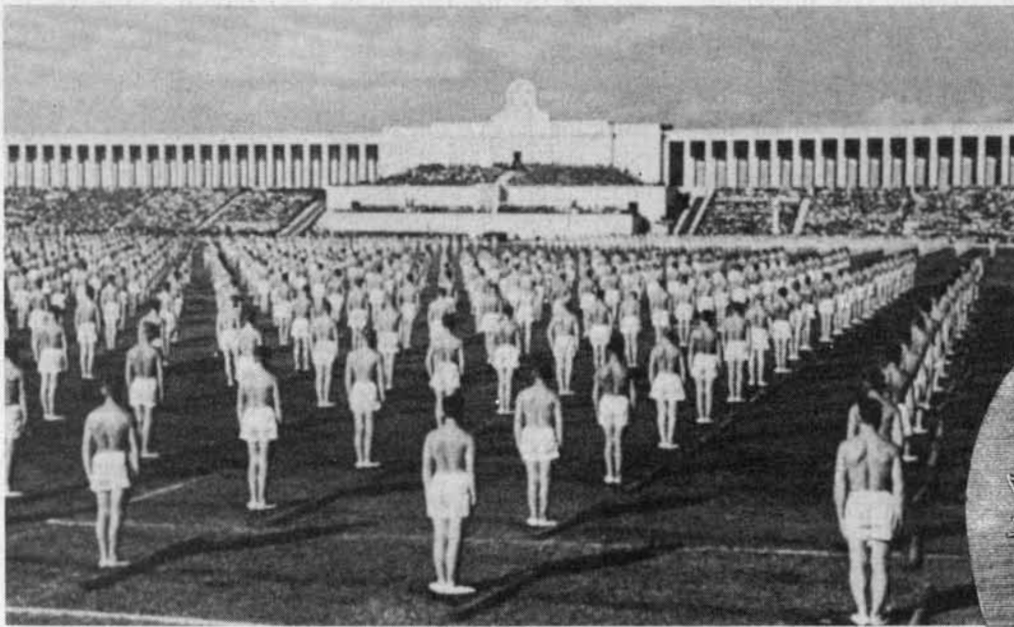
It has been entirely due to the work of republicans over the millennia that the earth's population potential has grown from approximately 5 million at the introduction of agriculture, to about 4½ billion today. The earth could easily have a population potential of several dozen billions, if currently existing technologies were vigorously applied.

This long chain of qualitative technical innovations has repeatedly enabled mankind to overcome limitations imposed by so-called natural resources. Human reason has conceived of new sciences and new technologies, defining and developing new raw materials, taking a little piece of dirt and turning it first into iron ore, and then into a transmitter of energy.

Republican society therefore puts the highest premium on that side of man which absolutely distinguishes him from the beasts; no beast has ever independently altered his "natural resources." Within this progress-oriented climate, geniuses have developed, men and women whose unique contributions have extended the limits of existing knowledge, and through whose individual accomplishments humanity as a whole has attained a bit of immortality.

This emphasis on the creative faculties of the individual, as was embedded in the legislation of Solon, has been a constant source of irritation to the leadership of the oligarchical faction, and they have always perceived it as a grave threat. It goes without saying that any efforts to instruct the so-called masses in reason calls into question the continued dominance of the oligarchical elite in the medium term. This was the reason for the murder of Socrates, whom his opponents hypocritically accused of seducing the youth of Athens, whereas his sole intention was to encourage them to use their own minds, as Plato reports to us in the *Apology* of Socrates.

Plato's dialogues contain everything which constitutes the essence of the republican system and European humanist culture: natural law, based on the ordering of existence and permanently guaranteeing the individual's God-given rights to life and personal development, and a cosmology which explains the development of the universe to the present day, along with a corresponding republican constitution which holds the rule of "philosopher kings" to be the prerequisite for social well-being.



**The oligarchical system:**  
*Spartan warrior and athletes in the Third Reich. Hitler's opponents saw the Nazi regime as the modern equivalent of the Sparta of the tyrant Lycurgus, described in Friedrich Schiller's famous essay, "The Legislation of Lycurgus and Solon."*



But it was Augustine who stated in his famous letter to Marcellinus, that only with the appearance of the person of Jesus Christ was Platonic philosophy able to assume unassailable authority over all other teachings. Christ, by becoming the perfected embodiment of the divine within man, laid the unshakable foundation for the inviolability and dignity of human life. It might seem tautological to state that without the person of Christ, 2,000 years of European Christian civilization would not have been possible; this, however, is of crucial significance for any historical investigation.

Through the idea of Man-become-God, from this time onward every human being participates in God (*capax dei*), on condition that he, as the Image of the Living God, strives to replicate on earth His most noble quality as God-the-creator. Creation is not understood as a single event—a “big bang”—but rather as a continuous process of creation, in which man’s creative capacity can be considered the arm of God.

Man, so understood as the image of God, must by his nature be fundamentally disposed toward the Good. From this flows his obligation to perfect himself. A refusal to develop all the creative faculties residing within him is therefore defined as sin.

Christian philosophy is therefore in perfect harmony with the republican system, and it should therefore come as no surprise that it was bitterly opposed by the oligarchical camp. The most blatant example of this was the Roman Empire itself which, boasting all the characteristics of a fascist state, used the most brutal methods in its attempt to exterminate the Christians.

What followed historically, to oversimplify a bit, were merely variations on either model. It is nonetheless fascinating to observe how conscious the protagonists of each side were of their respective predecessors. To be sure, such infor-

mation cannot be found in the usual history textbooks; original sources must be drawn upon.

The Italian Renaissance was buoyed by Plato and Greece; Jean-Jacques Rousseau, godfather of the Greens, praised the customs of Sparta. And the dark minions of the British imperialism have always sung exalted paeans to the empire of the Romans.

### The American Revolution

The American Revolution was a decisive historical turning point. The emergence of the Nazis and all other current political trends must be understood from the standpoint of this event. Our modern history books usually reduce this ground-breaking event to the trivialities surrounding the Boston Tea Party. In reality, it represented a decisive republican victory over the oligarchic system.

America’s Founding Fathers were not the backwoodsmen Hollywood would have us believe. Benjamin Franklin’s networks in America and in Europe represented a republican and scientific elite, and it was not without reason that Franklin was called the “Prometheus of the 18th Century.” The European republicans set great hope on the New World, where individual freedom and prosperity for the industrious, without regard to status or birth, were written on every flagstone. The revolution was triggered by England’s refusal to grant the American colonies the unlimited right to build its own manufacturing industry; this finally brought the American republicans to realize that their own economic development could be secured only by separating themselves from the mother country and fighting for independence.

A perusal of the writings of the America’s Founding Fathers makes it quite evident that their aim was nothing less

than victory of the republican economic system over the oligarchs' system. Examples of this were Alexander Hamilton's "Report on Manufactures" and the later writings of Mathew and Henry Carey. To this day, the U.S. Constitution remains the best republican constitution ever written, because it was of one metal, containing within it the spirit of the entire European humanist tradition.

But not only in America did the oligarchical camp suffer a painful defeat; their system seemed to be under assault on many fronts. Not only was the initial phase of the French Revolution threatening to follow America's example, but simple citizens were becoming scientifically educated in such institutions as the *École Polytechnique*. The largely uneducated oligarchs saw this as a brazen challenge, especially since the simultaneous flowering of the industrial revolution was threatening to shatter their old structures.

From a cultural standpoint as well, humanity was soaring to its most exalted heights, reaching a new pinnacle of development. Through its composers and poets, German classicism produced a breathtaking wealth of works of art, whose impact on the public had the effect of ennobling the individual as never before. A better ability to distinguish subtle shadings of emotion, coupled with a Promethean boldness of spirit—these were by no means contradictory, but were expressions of a perfected human character. Large sections of the population were especially swept up by the influence of music and poetry, as evidenced by the rapid spread of "house music" and the mass enthusiasm for the dramas of Schiller and others. It was understandable if the best minds of the age were convinced that humanity had arrived at the threshold of the Age of Reason.

## The oligarchy strikes back

The oligarchical camp, however, did not leave the field in defeat, but moved on all fronts to reverse these unpleasant developments. In America the British Tories stepped up their campaign of treason against the young republic, a campaign extending from the War of 1812 to the machinations of today's Eastern Establishment, which still spares no effort to unhinge the U.S. Constitution.

In France, agents of the British, Swiss, and French oligarchy took control of events in the French Revolution and crushed the republicans' initiatives during the Jacobin Terror. Robespierre's famous remark on the decapitation of France's humanist elite—"The Revolution does not need any scientists"—shows him to be an agent of the oligarchy. The fact that the employers of Danton and Marat sat in England, that Jacques Necker had ruined the French economy for the sake of Swiss financial interests, that the Duke of Orléans had organized the storming of the Bastille, and that Napoleon was manipulated into wanting to rule over a new world empire—all are testimony to the bitter counterattacks launched by the oligarchy, which under no circumstances was going to allow a repetition of the American Revolution on European soil.

The German republicans' resistance to Napoleon's imperialist ambitions managed to produce the best and most fruitful period in Germany's history. The actual impetus to this development, however, did not come from Napoleon's invasion. Even before Napoleon's troops had dealt the Prussian armies a humiliating defeat at Jena and Auerstädt—opening the way to the intervention of the Prussian reformers around vom Stein, Scharnhorst, and von Humboldt—humanist ideas had already become widespread. Friedrich Schiller, through his direct influence on vom Stein and von Humboldt, left a deep impression on this epoch. During the subsequent liberation struggles, above all others it was this beloved "poet of freedom" who lifted the spirit of the soldiers and the entire population.

Never had Germany been closer to becoming a sovereign, republican national entity. These Wars of Liberation, whose immediate goal was the defeat of Napoleon's tyranny, in fact represented a much deeper and broader constitutional movement within the population. The great ideal of republican freedom, in which a monarch would be "king among millions of kings," was their guiding star, as is attested to by the voluminous, impassioned personal correspondence of the period.

Schiller, in his letters on *Don Carlos*, had described the American Revolution as the "favorite subject of the decade." Conversations inevitably dwelled upon "the spread of a more pure, more gentle humanity, the greatest possible freedom for the individual within the greatest flowering of the state—in short, humanity in its highest state of perfection, as this is attainable within its nature and powers." A quarter century later, this ideal was given new life.

Without question, the course of German history would have been immeasurably more positive, and we would have never experienced the horrors of the 20th century, had the population's hopes for a victory over Napoleon and the creation of a German nation come to fruition. Herein lies the great tragedy. But it is also an historical point of reference to which we must return, if we are to raise the question of a positive German identity today.

The Vienna Congress marked the end of republican turmoil in Germany. The oligarchy of England, Russia, France, Switzerland, Venice, and Austria had regrouped their forces, and were determined to leave no openings for the German negotiator, vom Stein. Following 1815, and with a vengeance in the wake of the Carlsbad Decrees of 1819, there began a long phase of gloomy reaction, with devastating effects on the population. Most citizens were unable to reconstruct in their minds precisely why and how they had been robbed of the fruits of their struggle. As the bigoted narrowness of the Holy Alliance increasingly made itself felt, the clear mind of the world citizen and patriot shrank into the limited purview of the *Burschenschaften* (student dueling societies) and maudlin German chauvinism. Clear conceptions yielded to romantic *Schwärmerei*, and the disappointed hopes lapsed into latent cultural pessimism.



## The Conservative Revolution

This paradigm shift from Classicism to Romanticism, however, was no more a “sociological phenomenon” than was West Germany’s turn from a belief in progress during the “economic miracle” of the 1960s, to the 1970s’ zero-growth ideology and hatred of technology. The subversion, sabotage, and final defeat of the hopeful republican freedom movement at the start of the 19th century was the result of the same shift; and all the weapons directed against the humanist conception of man can be summed up under one modern concept: the “Conservative Revolution.”

Under that title, Armin Mohler wrote the standard work on this theme—first published in 1949 (!) in defense of the Nazi regime. According to Mohler, the Conservative Revolution has been an ongoing process ever since the French Revolution. He explains that:

Every revolution brings along with it a counterforce which attempts to reverse the revolution. And with the French Revolution’s victory came a world which the Conservative Revolution regards as its mortal enemy. For the time being we would like to describe their world as one which revolves not around that which is unchangeable in man, but which believes it can alter man’s nature. It therefore proclaims the possibility of stepwise progress, considers all things, relations and events to be accessible to comprehension, and attempts to consider every object in isolation and understand it in and of itself alone.

Mohler’s book is only worthwhile reading for clinical purposes. He leaves no doubt about his constituency for the Conservative Revolution, frankly admitting—in 1949!—that this notion is synonymous with fascism. (His description “conservative” is actually ill-chosen, since with its implied notions of “preserve” and “maintain,” it is always associated with the idea of influencing the whole, whereas for the Conservative Revolution the whole always remains the same.) The implicit notion in all ideas of progress, that man is fundamentally good, that he can gradually perfect himself unless hindered by aversive circumstances, is entirely foreign to the thinking of the Conservative Revolution. The idea that man is equally disposed to good and to evil lends it a decidedly gnostic and Manichæan character, a feature which later made its way into Nazi ideology.

Mohler describes the paradigm shift in the following terms: “In a broad sense, the term ‘Conservative Revolution’ includes the common basis of all completed or incipient transformations in all areas of life, in theology as well as in physics and music, or the planning of a city, structuring a family, or the care of the body or the building of a machine.” It is therefore an “alternative movement,” with all the essential features of that movement today.

The reversals in Germany were only one part of a trend which swept through virtually every European country and permeated all areas of life—a trend represented by Dos-

toevsky and the Aksakovs in Russia, Sorel and Barris in France, and Pareto and Evola in Italy, to name a few examples.

In theology, the Bishop of Mainz, von Ketteler, developed the counterrevolutionary idea of solidarism as a bludgeon against the Augustinian tradition; in physics, Cauchy and Laplace sabotaged the work of Monge, Carnot, and Legendre at the *École Polytechnique*, breaking with the Leibnizean tradition in mathematics (especially the calculus) and re-establishing mathematics along Cartesian lines.

In music there was a break between those composers who had been educated in the pre-1815 tradition of Bach, and whose compositions were based on the necessary progressions of well-tempered counterpoint—the first generation of Mozart and Beethoven, the second generation of Schumann and Schubert, and Brahms in the third generation—and those trained after 1815, who dwelled on the instability of chaotic progressions, such as Wagner or Hugo Wolff, not to speak of our present so-called modern composers.

Romanticism was consciously promoted by the European oligarchy as a movement which advocated the total rejection of reason and humanism, upon which Weimar Classicism was based. One of the oligarchy’s most influential agents, who supported the young Romantics with body and soul, was Madame de Staël, daughter of the Swiss banker Jacques Necker, who as French finance minister had ruined France for the sake of the Swiss banks. Heinrich Heine has pointedly described how Madame de Staël and her circles were angered that the “republican” culture found in the Weimar classics, in musical soirées at home, or in the great theater houses had begun to spread through large portions of the population. In a blue rage, she attempted to regain her own control of culture by luring young artists into her own salon. These recruits threw themselves into action with the same abandon as today’s “beautiful people” or the nobility’s “jet set.” Not only did this romantic movement produce the organized terrorism of Giuseppe Mazzini’s “Young Europe,” but it also spawned the tendency stretching from the turn-of-the-century youth movement to today’s counterculture “alternative” movement, along with its ideologues Friedrich Nietzsche, Paul de Lagarde, Julius Langbehn, Alfred Rosenberg, and so forth. The Nazis too drank out of this “alternative” trough.

Three of the most serious attacks, however, came in the areas of philosophy, history, and law. Schiller’s grand conception—the study of universal history as a method of education to reason—had to be destroyed. The aim was therefore to deny the unity of the sciences and the humanities—of *Naturwissenschaften* and *Geisteswissenschaften*—and to reject the validity of natural law.

Barthold Niebuhr, who hated Schiller’s and Humboldt’s humanism, glorified Rome as the “perfect state” and established his so-called modern science of historiography (which is not really all that modern), incorporating within



it all the elements of the feudalistic interpretation of history.

Roland Savigny stormed against natural law as it was laid down by the philosophy of German Idealism, and campaigned for the historical relativity of law, claiming that law had “organically” developed in tandem with the the “changing *Volksgeist*”—a theory designed to justify the existence of every regime contrary to law and every form of rapacious and arbitrary rule. From there to the *völkisch* idea was but one short step.

The most devastating oligarchical attack on the republican spirit, however, was led by the philosopher G. W. F. Hegel in Berlin, who is proven by “check-stubs” to have been a paid agent of Austria’s Metternich against the Prussian state, and was therefore working directly for the sinister reaction of the Holy Alliance. It is a sad commentary on the level of our universities that the holy aura surrounding Hegel has remained intact down to the present day.

When one considers that Hegel finished his *Phenomenology of Mind* in the year 1806, in the midst of the intellectual climate of the Weimar classics, we can only conclude that his ostensibly dialectical method was nothing but a Jesuitical distortion of the Socratic method so gloriously evident in the dramas of Friedrich Schiller. Hegel’s idea of the world-historical individual was indeed drawn from the classics; his “philosopher kings” or “philosophical minds,” however, tended to degenerate into mere power-mongers (Napoleon, for Hegel, was the World Spirit on horseback!), and were much closer to the master-race concept of Nietzsche and Hitler. Worst of all, toward the end of his teaching career Hegel not only engaged in the corrupt practice of blocking or spoiling the studies of many young and hopeful students, but also—in his *Philosophy of Right*—he provided the perfect justification for the totalitarian state, which served as source material for Europe’s reactionary oligarchical circles, as it did later for the Third Reich.

We could name many more figures and fields which were involved in the Conservative Revolution’s attempt to reshape the population’s conscious values. In all these cases it can be proven, often in great detail, that these were not “sociological phenomena” or mysterious transformations in the *Zeitgeist*, but were developments initiated or financed by the oligarchy.

In spite of passing rivalries, the oligarchy’s efforts after 1815 were closely coordinated, and they often succeeded in setting into motion movements which crossed national borders, such as Young Europe and the Anthroposophist movement. The direct successors of these movements today are tied to the activities of such supranational institutions as the Trilateral Commission, the Club of Rome, and the Aspen Institute.

The republicans, who could look back upon the American Revolution as their proudest victory, were seriously weakened following 1815 and were later eliminated as a political force. At best, republicans worked on as dispersed, humanistically inclined individuals, who had lost conscious-

ness of the great historical weight of their task. Such individuals reacted to humanist culture solely on the basis of their own personal moral disposition.

The oligarchy’s Conservative Revolution did not succeed equally well in all fields and in all parts of the world. Lazare Carnot, who had to flee from France along with Alexander von Humboldt, organized in Berlin a spirited opposition against Hegel and Savigny; under Carnot’s and von Humboldt’s protection the spirit of Weimar lived on in the natural sciences and in classical philology. The center of scientific work was later moved to Göttingen, which produced such pioneering scientists as Bernhard Riemann and Georg Cantor. Through the work of Felix Klein, this tradition was kept alive into the beginning of the present century.

While Hegel was providing the totalitarian state with a frightening ideological justification, pointing the way to the Nazis’ “everything is permitted” rule, Romanticism was at the same time softening up the general population. The Holy Alliance slowly but surely stifled Germany’s soul, and encouraged the emergence of such romantic philosophers as Schopenhauer, who began to deny the power of reason. For Schopenhauer, egoism was the natural disposition of mankind, and life as such was not an adequate affirmation of life. Thus the republicans’ cultural optimism yielded to an irrational, immoral pessimism.

### The case of Friedrich Nietzsche

The absolute height of Romanticism, or rather the nadir of general culture, where raving folly and emotional infantilism turned into aggressive mania, the welding point between the Romantic muddleheads and the Nazis—this was the world of Nietzsche, whose works can only be described as the mind running amok.

This self-hating, joyless psychotic could not tolerate the idea of reason; he hated Socrates, Schiller, Beethoven, and Humboldt. In his confused writings he attempted, if incoherently, to rewrite history, emphasizing not the classical and Renaissance periods as the Weimar classics had done, but the Dark Ages, the dionysian and bacchanalian orgies, the dances of St. Vitus and the flagellants. He regarded the scientific mode of questioning as man’s arch-enemy, just as the Greens do today. Everything the Nazis later made into reality was already lurking within Nietzsche’s tormented brain, darting about with increasing frenzy: the *völkisch* idea, a deep hatred of industrial progress, the “biological world outlook” of “blood and soil,” the idea of a master race, the mystically inspired hatred of Christianity, and its final and ultimate form, the *Ecce Homo*, where Nietzsche cries out: “Have I made myself clear?—Dionysus against the Crucified. . . .”

Nietzsche, celebrated along with Dostoevsky as the prophet of the Conservative Revolution, was the spiritual pathfinder for the nihilism of the National Socialists and the existentialist philosophers.

The most extreme form of nihilism is the recognition that every belief, every notion of truth is nec-

essarily false, since a true world does not exist. It is thus an illusion of perspective. . . . Let us think this thought in its most frightening form: Existence, such as it is, without purpose and without aim, but ineluctably returning, without end, into nothing—this is the only return. This is the extreme form of nihilism: nothingness (“purposelessness”), eternally!

Nietzsche’s sick cultural pessimism has had many variants, from Lagarde, Langbehn, and Oswald Spengler through to Jean Paul Sartre, but he has never been outdone. The Nazis, Pol Pot, and Khomeini have seen to the practical application of his world outlook. An equally devastating effect was inflicted on German intellectual life by the works of Wagner and Dostoevsky. The latter was translated by Moeller van den Bruck, who in a fit of inspiration coined the name for the “Third Reich.” By this expression he meant a third historical empire to follow the Holy Roman Empire of German Nations and Bismarck’s Empire, but his primary aim was a final empire, where “right” and “left” would be transcended in a single synthesis.

### **The republic is carried to its grave**

In order to counter the widespread mythos surrounding the meaning of “right” and “left,” let us cite a representative of the “Black Front”:

The Black Front can be clearly situated if we dispense with the bourgeois-democratic schema of “left” and “right.” Let us imagine the German parties and political currents to be shaped like a horseshoe, whose bend represents the Center and at whose end-points are the KPD and NSDAP respectively; the space occupied by the Black Front lies in between those two poles of Communism and National Socialism. The opposites of “left” and “right” are dissolved by their entering into a kind of synthesis, while strictly excluding the “bourgeois.” This position between the two poles is the best characterization of the tensile nature of the Black Front. . . .

The idea here is no different from the West German Green-peace leader Petra Kelly’s “fundamental opposition”: the Conservative Revolution’s deeply rooted enmity against the ideas of European civilization.

If individual predicates might have changed in the meantime, the substance nevertheless remains the same, whether it be the Romantic movement, the *Burschenschaften*, the youth movement, or our modern Greens and “alternative movement” activists.

In Germany, one of the first phenomena to develop out of the European Conservative Revolution was the so-called German Movement. In contrast with their promising name, this movement strove not to realize a republican nation imbued with the spirit of Weimar Classicism, but rather embraced the ideas of Germanness preached by the likes of

Father Friedrich Jahn, picking up later on Friedrich Naumann’s idea of a “social Kaiserdom” or the Great Empire fantasies of the old German *Bund*.

Armin Mohler, in his above-cited book, distinguishes between two wings of the German Movement: the reformed wing, under which he classifies the various political tendencies, e.g., the Christian-Social and anti-Semitic movement of Adolf Stöcker, Friedrich Naumann’s National Social Movement, the old German League, the solidarist movement initiated by von Ketteler, and the German nationalists within the Austro-Hungarian monarchy; and a broader, more “theoretical” grouping which Mohler considers to have a much more lasting influence. This second group includes Nietzsche, Lagarde, Langbehn, Moeller van den Bruck, Ernst Niekisch, the two Jüngers, K. O. Paetel, and Otto Strasser.

Both groupings shared a fundamental hostility toward the industrialization of Germany. Even though the cultural life of the Wilhelmine era had already lapsed into decadence, it was the cultural pessimism of such writers as Lagarde and Langbehn, with their not inconsiderable effect upon the youth movement, which dealt the final death blow to morality.

But not until the terrible experiences of World War I was the population made ready for the events that followed. The still-barren soil at Verdun speaks volumes about these four and one-half years of bloody carnage, which uprooted large portions of the population, especially the youth, depriving them of any hope for a normal life. The “rain of steel,” the senselessness of the trench warfare, extinguished any nobler motivations dwelling within the common soldier, who in many cases had already been under the influence of the youth movement before the war. In this climate of meaninglessness, a dangerous anarchistic ferment began spreading throughout the population. Many who never found their way back into normal lives after spending their formative years in the trenches began to organize themselves into paramilitary groups, seeing these as their only prospect for survival. It was from these strata that the Freikorps, the “alliances” of the postwar youth movement, the Communist armed units and the National Socialists’ Sturmabteilungen (SA) recruited their cadre.

The young Weimar Republic was, from the very start, bitterly opposed by all those sides of the political spectrum grouped around the Communists, the numerous tendencies within the Conservative Revolution, and the oligarchical camp, as represented by the Thule Society, for example, and, later on, by National Socialism. During the five years immediately following the war, conditions in Germany bordered on a state of civil war, with over 20 attempted coups from both right and left. Various armed units—from the Rotfrontkämpferbund, the SA, and the Stahlhelm, to the “Vikings” of Capt. Hermann Erhard and the “Oberland Alliance,” the Wehrwolf, or the Reichsflagge—began to unleash violent political confrontations. The specific ideology of each of these organizations played only a subsidiary role in these conflicts. “Rightists” and “leftists” rubbed shoulders

as a matter of course, and members often migrated from one side to the other. It was not uncommon for people to switch from the Communist Party (KPD) to the NSDAP; the most famous example of this was Hitler's criminal judge Roland Friesler, who originally came from the KPD. Organized political murder as an instrument of policy—just as we know it with today's international terrorism—was a common practice in this period.

The bitter opposition between KPD and NSDAP in the Weimar Republic is well known; meeting-hall battles and terrorist attacks were a daily occurrence. But from the very beginning there existed within each camp a National Bolshevik tendency, whose influence fluctuated from year to year. Here we must also distinguish between the surges within the general population and the "theoreticians" of the Conservative Revolution, who considered themselves an intellectual elite. In spite of a certain following of their own, this elite remained aloof from events, disdainfully voicing the opinion that the National Socialists had watered down the pure theory of the Conservative Revolution, as had all the other 500 groupings and tendencies within the Weimar Republic.

The totally unrealistic reparations payments demanded by the Versailles Treaty contained the seeds of the Weimar Republic's destruction. Its fate was sealed by the same imperialistic circles within the victorious nations, which had been no less guilty of starting World War I than were the Germans. Just as the brutal credit conditionalities of the IMF today are choking off all development within the so-called Third World, the Versailles conditions rendered any German economic recovery an impossibility, and led directly to the Great Depression.

The victorious powers' financial and economic strangulation of Germany first made possible the "success" of the KPD and NSDAP, both of whom benefited from the ferment against the Versailles Treaty. From the outset, both parties sought to destroy the "system," the young Weimar Republic. The de facto collaboration between Nazis and Communists in this endeavor, repeatedly took on a very practical form, and was the ultimate cause of the Weimar Republic's collapse.

### **National Bolshevik dreams**

Whenever the National Bolshevik tendency was on the rise within the Nazi movement, discussion quickly moved to the necessity for an alliance between Germany and Russia as the key to defeating the "West," perhaps even leading to eventual world domination by both states. Many German military people, still laboring under the shock of the outcome of the war, cherished hopes that with the aid of the Russians, their humiliating defeat might be reversed. This hope was nourished by the Russian Army's advances in connection with the 1920 Russo-Polish war. Even though the advance was soon halted at Warsaw, an even greater resurgence of National Bolshevik ideas came with the hammer-blows of

the Great Inflation of 1923 and the occupation of the Ruhr, both of which seemed to threaten the very existence of the Weimar Republic. This provided such National Bolshevik tendencies as Karl Radek, the most powerful functionary on the executive committee of the Communist International and a close confidante of Stalin, with the opportunity to push through the Nazi-Communist tactical alliance known as the so-called "Schlageter course" and the tactic of National Bolshevism itself.

Ruth Fisher, who since May 1923 had been a "leftist" on the Central Committee, told a meeting of *völkisch* students:

The German Reich . . . can only be saved if you, gentlemen of the German-*völkisch* side, realize that you must fight together with the Russians who are organized with the KPD. Whoever raises the cry against Jewish capital . . . is already a fighter in the class struggle, whether he knows it or not. . . . Stamp out the Jew capitalists, hang them from the lamp posts, trample them to death!

The broadest-based upsurge of National Bolshevism, however, took place in 1930. The world economic crisis was reaching a climax, the soup lines were growing in length, and, in the form of the Young and Dawes plans, the victorious powers were again attempting to unload a large part of the burden onto Germany. The National Bolshevik Strasser wing of the NSDAP, hoping to make the ideas of Moeller van den Bruck, Friedrich Naumann, and Mazaryk into reality, competed with Hitler for leadership of the party. Gregor Strasser coined the catchphrase, "anti-capitalist yearning" (*antikapitalistische Sehnsucht*), which captured the fancy of the entire German people.

In the tradition of Radek, the KPD attempted to assume leadership of this anti-Western current, and decreed such initiatives as the "Programmatic Declaration of the KPD for the National and Social Liberation of the German People" on Aug. 24, 1930, and the "Farmers' Aid Program" in the spring of 1931. Within the KPD itself, the group around Heinz Naumann sought out active contact with National Bolshevik forces on the right. This tendency was later called the "Scheringer Course," referring to the infamous Lieutenant Scheringer, who in 1930 had been arrested for his National Bolshevik activities within the Reichswehr and who had gone over to the KPD while still in prison. The German information service DID reported in a special Jan. 30, 1983 issue that:

after his arrest, Scheringer joined up with the KPD and attempted to bring right- and left-wing radical opponents of the Weimar Republic together into a "rebels' circle." Following the outbreak of war in 1939, through the mediation of the later Field Marshal von Reichenau, Scheringer formally requested that Hitler recall him into military service as a volunteer with his old rank. As the "division's most courageous officer," Artillery Captain Scheringer now success-

fully turned his guns against his Communist comrades. After World War II, Schering's silence about his Nazi past enabled him to become a state secretary, and he dedicated himself to the task of gathering together former functionaries from the "Imperial Food Trades" in the Communist-influenced "Association for Forestry and Agriculture." Schering was also influential in the "Leadership Ring of Former Soldiers," whose primary task was to follow Moscow's plan to mobilize ex-Nazis and former German officers against the so-called "remilitarization of the Federal Republic." Since the "reconstitution" of the Communist Party of Germany (DKP) in September 1968, Schering has been an "agricultural expert" on the DKP's executive committee. The activities of this Nazi-Communist not only undermined the Weimar Republic, as they do now the Federal Republic, but the personnel of this network has remained intact down to the present day.

On Aug. 9, 1931, under Moscow's strict instructions, the KPD supported the *Stahlhelm's* plebiscite against the Prussian administration, and on election day, in accordance with this order, in front of every voting place there was posted a red flag with hammer and sickle, side by side with a red swastika flag. (They lost the plebiscite just the same.) One year later the NSDAP and KPD jointly supported the strike of the Berlin Transportation Union. Under the leadership of Walter Ulbricht, they followed the motto that anything which weakened the West would help them, putting faith in Stalin's slogan: "Through Hitler we will take power!"

This time the National Bolshevik tendency acquired more influence over the population than before. Strasser's wing in the NSDAP, however, still could not win out over Hitler's Munich clique, and formally subordinated itself on June 30, 1930, with Gregor Strasser knuckling under and his brother Otto leaving the NSDAP entirely. In 1932, it finally came to an open break between Gregor Strasser and Hitler, and on June 30, 1934, the "Night of the Long Knives," Hitler used his own methods to end the faction fighting within the NSDAP, shooting down Gregor Strasser along with all his followers in the SA.

Once again, as in the period before World War I, the so-called theoreticians of the Conservative Revolution had a much greater long-range influence than the pragmatic Gregor Strasser or those who thought they could accomplish something by forming a new "popular conservative" party. In the wake of the power struggle, the so-called authors of the Conservative Revolution—the National Revolutionaries and National Bolsheviks of the Weimar Republic—had been partially wiped out by the Nazis, partially put into concentration camps, and partially driven abroad, where they were able to surround themselves with an absurd aura of resistance.

Nevertheless, today they once again represent a serious threat.

Such current "leftist" publications as the right-leaning *taz* or the journal *Wir Selbst* are quite frank about their admiration for Libyan madman Qaddafi, and they are building up positive images for Otto Strasser, the Jünger brothers, Karl Radek, Walter Stennes, Claus Heim, August Winnig, Hanno Schultze-Boysen, Ruland Scheringer, Hans Zehrer with his *Tat* circle, Ernst and Bruno von Salomon, Eberhard Köbel, and so forth. Ernst Niekisch, the most famous National Bolshevik of all, is worshipped as a veritable cult figure.

In the book *Preussische Profile*, jointly published by Sebastian Haffner and the Conservative Revolutionary Wolfgang Venohr, Haffner presents a thesis which, despite its strangeness, contains a dangerous quantum of truth:

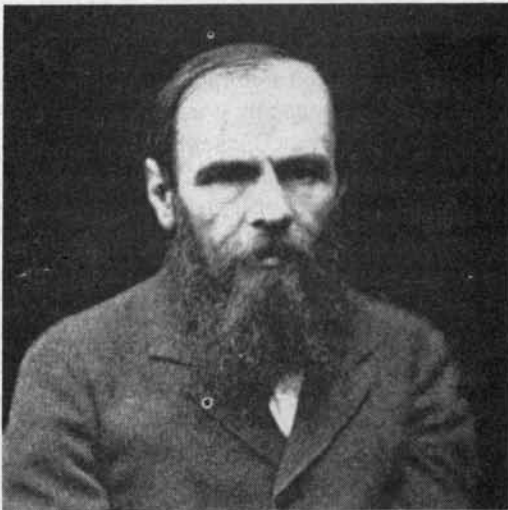
There are two questions to which 99 out of 100 Germans today would only respond to with an embarrassed wince or a shrug of the shoulders. The first one is: Who was actually the last great Prussian? The second: Who in Germany was actually Hitler's real opponent? One can search long and hard for an answer. One can try out various names, only to reject them later. In the end, the final answer to both questions has to be: Ernst Niekisch.

Armin Mohler was unfortunately right when in 1979 he spoke of a Niekisch renaissance among the youth, who had withdrawn in disappointment from the flood of neo-Marxist literature, and were passing around photocopies of Niekisch's writings. Large parts of the Social Democratic Party (SPD) were also not immune to this new-found admiration for Niekisch.

What is the essence of Niekisch's views? Only a revolutionary, socialist Germany, he says, in alliance with revolutionary Russia, would be able to defy the bourgeois (i.e. industrialized) West. So, a Germany allied with Russia against the decadent West! The prophets of the Conservative Revolution gave symbolic meaning to the four points of the compass: against the civilized capitalistic West, against the Roman-Catholic South, and for and with the rustic-Germanic North and the Bolshevik East.

But the Conservative Revolutionaries are by no means talking about a Communist Russia. Schumacher always spoke of "Bolshevik" Russia, and the writers in *Tat* have described Bolshevism as a "re-Asiatization" of Russia with a thin Western European veneer. For such people as Ernst von Salomon, it was clear that "vague expectations from the East" were the correct perspective for all those who could not reconcile themselves to the defeat of Germany. It also meant the establishment of a new empire without any ties to the West or reliance on its traditional values.

After the experiences of World War I, the 20th-century authors merely reformulated the vision already outlined by the two most important 19th-century theorists of the Conservative Revolution—one in the West, the other in the East. Nietzsche, in his posthumously published works, sketched



*Fyodor Dostoevsky (left) and Friedrich Nietzsche (right) are celebrated as the prophets of the Conservative Revolution—the spiritual fathers of the National Socialists.*



out a four-point program containing his call for a “greater German policy”:

We need an unconditional partnership with Russia, along with a new common program which will prevent Russia from coming under the influence of any English stereotypes. No American future! . . . A purely European policy is intolerable, and any confinement to Christian perspectives is a great malady.

On the other side, Nietzsche’s Russian counterpart Dostoevsky, who also promulgated the idea of a holy Russian race and a coming Russian world empire, wrote that “Germany does not need us for a temporary political alliance, but for an alliance lasting into eternity. . . . Two great peoples, we and they, are destined to change the face of the world!”

But what was to be changed? What was the synonym for the “West,” and what was Nietzsche’s “American future,” which had to be halted at all costs?

### **The battle against the ‘American future’**

Because of today’s renewed, this time global, offensive of the Conservative Revolution, we must once again review the epistemological basis defining both sides. The aim of Nietzsche, Dostoevsky, Niekisch, and the other National Bolsheviks was to destroy the republican model we have described earlier, while they themselves were nothing but aggressive spokesmen for the oligarchical model. Their hatred was directed against the dictatorship of reason; they worshipped the power and unlimited domination of the irrational will.

The “West” against which their attack was directed—the “American future,” whose seeds had been planted during the American Revolution—embodied the noblest ideas produced by the humanism of Christian European culture over the past 2,500 years. This culture is founded upon a conception of man which emphasizes the mental capacities of man, who,

according to Nicolaus of Cusa, can make himself into a second God.

Such human beings are capable of thinking three successive levels, as defined by Socrates. On the lowest level, that of sensuous desire, man lives only for the satisfaction of his material needs. On the second level, that of the Understanding, he accepts a certain ordering of things, but is incapable of actual creativity. On the highest level, the stage of Reason, human thought is in agreement with the lawfulness of the physical universe, into whose development he intervenes freely but lawfully.

Such a person, guided by the humanist ideal, has the duty to pursue his own self-development, and to do his utmost to develop all his latent capacities for the benefit of all mankind. That also includes the development of his emotions away from infantile egocentricism and toward a true intercourse with human reason. Such a person must no longer, along with Kant, force himself to do what reason decrees, but his actions must come into harmony with his own sense of joy; indeed, he could not tolerate anything else. The individual who passionately accomplishes that which is necessary has, as Schiller says, a beautiful soul.

It is the specific merit of European humanism that, unlike any other culture or civilization, it emphasizes the significance of the individual human being. In no other cultural milieu, whatever other advantages it might have, does the formation of the individual’s character and personality assume such a central role. “Free through Reason, strong through law,” is how Schiller’s poem “Die Künstler” (“The Artists”) describes this ideal of humanity, to which we owe human history’s most momentous qualitative advances. Perfected freedom and beauty in the perfection of form—this is the principle which applies as much to every individual as it does to science and works of art.

What, on the other hand, is the world of the Conservative Revolution, of National Bolshevism, of National Revolution, and of National Socialism? The individual here is cipher

in a mass, playing no role within the collective—including members of the elite and the master race. Identity is based not individually, but emanates from blood and soil, i.e., from the specific race and “homeland.” Human reason is not the crowning flower of creation; man is but a lowly creature in the eternal cycle of nature. The dead must form the humus from which the young can grow—such was Colorado Governor Richard Lamm’s brutal, rage-provoking characterization of this idea.

## Eternal cycle versus Renaissance

The Conservative Revolution consciously counterposes the “rebirths” of the cyclical world-view to the “Renaissance.” According to Mohler, “sunken worlds” well up from below, revealing ancient regional mythologies—the principle of the Great Mother Earth, which transmits the collective’s identity with blood and soil. Accordingly, men can come in closest contact with their “souls” when they are in the throes of a dionysian frenzy.

Nietzsche elevated the “dionysian” into a program to defeat Socratic reason. The essence of the dionysian could be most easily captured while in a state of intoxication, e.g., while under the influence of narcotic beverages, or in the ecstatic abandon with which the dionysian masses dance through the streets—be they the dancers of St. Vitus in the Middle Ages, the marching columns of the SA or SS, or behind the prayer-wheels of the Islamic fundamentalists. “When millions fall trembling in the dust, we are close to the dionysian,” wrote Nietzsche. It is all too clear that the individual—this greatest treasure of European culture—played a role here as a mere part of a collective mass. Contempt for the individual in favor of the collectivity is one of the touchstones of the Nazi-Communist alliance.

In contrast with classical art, what passes for art in the camp of the Conservative Revolution was never intended to ennoble the public, “playfully and merrily” bringing them up to the poet’s level, as Schiller put it. Esthetic refinement of the emotions, joy in differentiated content within the perfected shape and form which art has as its aim, the ability to address the potentially finer side of popular impulses—no, the Conservative Revolution will have none of this. Their art is intended to allow the public to “go outside themselves,” to drain themselves, to participate in a collective frenzy. Whatever one’s inner beast might be, it should be let out in existentialist exhibitionism; the so-called lyrics of Gottfried Benn or the prose of Hermann Hesse invites us to do so. Dostoevsky’s “Russian soul” is only completely genuine when the hero, a drunkard and a brute, maniacally smashes everything to bits, including his tubercular wife.

The Conservative Revolution’s art is an assault against reason, as is perhaps best demonstrated by the music of Richard Wagner. The public is lulled into entering the cultist world of mythology. The opera is visited not in order to experience joy over human creativity as exemplified by music, but to observe and participate in a cult ritual.

An integral component of this tendency’s belief structure is the perverse pleasure it takes in collapse and destruction, in all its various shadings. With Nietzsche it takes the following form:

Is pessimism necessarily a sign of decline? . . . of collapse, of aborted efforts, of exhausted and weakened instincts? . . . is there such a thing as a pessimism of strength? An intellectual obeisance to what is hard, terrifying, evil, problematic, stemming from well-being, of ebullient health, of fullness of existence? Is there perhaps a suffering from surfeit itself—a sharp-eyed, tempting boldness which longs for the dreadful as it would for the enemy, the honorable enemy upon whom it can test its power?

But this is not merely someone’s sick fascination with pessimism, or a kind of ideological depression; this addiction to destruction is typical of the cyclical world outlook. Thus Nietzsche writes in *Thus Spake Zarathustra*:

Everything goes, everything returns again; the wheel of existence rolls on forever. Everything dies, everthing blossoms again; the year of existence runs on forever. Everything breaks, everything is put together again; the same house of existence is built forever. Everything parts, everything is reunited; the ring of existence remains true forever. Existence begins at every Now; at every Here the sphere is rolling there. The middle is everywhere. Narrow is the path of eternity.

It follows that the adherents of the Conservative Revolution consider Charles Darwin’s theories to be the most important “scientific” idea of the 19th century. For if the eternal cycle is to be remain unbroken, then according to Darwin the strong must eliminate the weak and destroy those who “do not deserve to live,” just as the race theoreticians Jahn and Hans Grimm, and finally the Nazis themselves, imagined themselves to be members of a master race, possessing the right to exterminate inferior races.

For the Conservative Revolution, revolution itself (including war) is a kind of blood-letting, a “trimming off of excessive and damaging growth.” Its proponents are not amazed that birth must be paid for with destruction. Murder, especially political murder, finds its brutal justification here. It is therefore hardly accidental that all those regimes we group under the term “state terrorism,” e.g., Khomeini’s Iran or Qaddafi’s Libya, not only practice systematic political murder against their opponents, but also exhibit all the other characteristics of the Conservative Revolution.

Its proponents believe that Nietzsche’s arrival represents the great turning point, and that the following period has “only been an interregnum during which the world of progress must first be entirely destroyed before the new one can take shape. Whoever reads these works of a hundred years ago, cannot help recognizing that their authors knew they were



engaged in a conspiracy spanning generations.

In the Preface to his *Will to Power*, which is celebrated as the “most significant challenge of the interregnum,” Nietzsche writes:

What I am going to relate is the history of the next two centuries. I will describe what will occur, and what can occur in no other way: the rise of nihilism. This story can already be told now, for necessity is already at work here. This future is already speaking to us with a thousand signs; this fate is announced everywhere. All ears are straining to hear this music of the future. Our entire European culture has long been moving with agonizing tension, increasing from decade to decade, and is now tumbling loosely, restlessly, violently into catastrophe: like a river which wants to reach its end, which no longer thinks, which is afraid to think.

This “tension” has already been unleashed once in the catastrophe of the Third Reich and World War II—a direct consequence of the philosophy cited above. But just as the Conservative Revolution disdainfully claimed that the National Socialists had “watered down” their theory, so they regarded Hitler as merely an “episode on Germany’s political stage,” as a “drum beater” for national revolt, as the “catalyst sent by fate.” Löwith sees this as a development whose beginning is the death of God (Nietzsche’s God is dead), whose middle is the resulting nihilism, and whose end is nihilism’s conquest of itself and the eternal return.

## The Age of Aquarius

This transition to a new age has cosmic dimensions—an idea which has weathered well. Under the pseudonym Kurt von Ensen, a certain Dr. Karl Strükmann wrote in his 1932 book *Adolf Hitler und die Kommenden (Adolf Hitler and the Age to Come)*:

Today we are living through the catastrophic transition from the Age of Pisces to the Age of Aquarius. We are at a change of æons, as at the time of the birth of Christ, when humanity left the Age of Aries and entered the new Christian Æon of Pisces. An old world collapsed, a new one rose up: the Christian Occident. And now, 2,000 years later, a new, powerful “die and become again” is beginning: destruction of the Occident and rise of the new atlantic world. The Third Reich’s mission is to demolish the dying Occident. The shaping of the new Atlantic cultural empire in the Æon of Aquarius will be the task of the Fourth Reich.

In good National Bolshevik style, Herr von Ensen alias Strükmann knew precisely what the hub of this Fourth Reich would be: the intimate alliance between Prussia and Russia.

The previous æon, the Age of Pisces, was under the joint leadership of Roman and Germanic intellec-

tual and cultural forces. *The new Æon of the Age of Aquarius will be directed not toward the South, but toward the East.* The Prussian-Austrian, Deutsch-Germanic will, on the one side, and Russian-Siberian elemental forces on the other side, shall shape a new type of man and a new humankind on earth.

Preparation of all these things was to be the task for a future intellectual general staff.

It is quite surprising and highly fruitful to read the writings of the Conservative Revolutionaries and National Bolsheviks of the 1920s and 1930s, and then to compare them with the modern trends toward a so-called neutralized, independent central Europe and a decoupling with the United States. One finds the same hatred against the “West” and against rationality and reason. The negotiating partner is never Communist Russia; it is always the Bolshevik East.

If we regard the transformations cited by Nietzsche, Jünger, or von Ense not merely as absurd astrological hokum, but rather as a program for the oligarchical faction, then we must unfortunately conclude that this paradigm shift, the destruction of Western values, has been largely successful.

With the arrogance of someone who has already won the battle, Marilyn Ferguson, a fellow at the futuristic Stanford Research Institute, has given us a popular account of current experimentation in this shift. Without even covering her mouth, in her book *The Age of Aquarius* she describes the process of mass brainwashing which has led an increasing number of people around the world, especially the youth, into joining up with this Age of Aquarius—this cosmic touching and feeling which unites everyone in a great dynamic family.

Even if it is perhaps not evident at first glance, the members of the alternative movement, with their dream of a post-industrial Age of Aquarius, share their epistemological groundwork with the so-called peace movement. When this latter group finds not the slightest problem in unilateral disarmament; when Horst Ehmke sees “America’s confrontation policies” as a greater problem than the threat becoming subjugated under “Soviet domination”—is this not identical to Kurt von Ensen’s earlier dictum: “the new Æon of Aquarius will be directed not toward the South, but toward the East”?

The dictatorship of the irrational, a combination of sentimental, romantic wallowing in the boundlessness of emotion, and the corresponding hatred of all lawfulness of reason, is the common denominator where Nazism and Bolshevism coincide. This is the basis of the convergences of the 1920s and 1930s, and it provides an epistemological explanation for the Hitler-Stalin pact.

## The Hitler-Stalin Pact

In spite of its weakness, the Social Democratic Party (SPD) of the late Weimar Republic still was the gathering point for most of Germany’s republican elements. After the

Sixth World Congress of the Comintern, the Communist International declared its main enemy to be the SPD, and not, as one might otherwise expect, the NSDAP. The Communists' decision can only be understood with reference to the affinity between Nazism and Bolshevism described above. If this affinity did not exist, Stalin would never have thought of Hitler as his tool, just as the East would not be supporting the Greens today to suit its own purposes.

The Nazis were not important to Stalin because of their ideology, but because he saw them as the best lever for breaking Germany out of the Western camp. As is usually the case with such Hobbesian alliances, Stalin secretly planned to incorporate Germany into the Soviet sphere of influence at the earliest opportunity; in the meantime, however, he proceeded according to the old principle, "anything which hurts our enemy, helps us," the enemy in this case being the capitalist system in the West.

At the close of 1931 Stalin formulated his thinking as follows: "Don't you also believe, Neumann, that, if the National Socialists were to take power in Germany, they would be so exclusively occupied with the West that we could build socialism here in peace?"

Moreover, at the Dec. 15, 1931 meeting of the executive committee of the Communist International in Moscow, Comintern executive secretary Dmitri Manuilskii stated:

The main enemy is not Hitler; the main enemy is the system of Severing-Brüning-Hindenburg. We will make no treaties with Hitler or enter into secret negotiations with him. We will let Hitler go his own way, but will make use of everything his victory over the state machine will bring. With his aid we will first smash the Social Democratic police machine and the Brüning state machine. . . . In the present phase of development of the German revolution, Hitler is our most steadfast ally. . . . Our future tactics, and the tactics of the German Communist Party, depend upon a correct evaluation of this fact.

The content of these arguments are completely consistent with the peasant wisdom which later formed the basis for the Hitler-Stalin Pact of August 1939 to 1941. In Hitler, Stalin thought he had a useful instrument for realizing his dream of a world socialist empire. Hitler is known to have thought the same of Stalin, namely that Stalin was a stepping-stone to his future seizure of world power. If we consider that Neville Chamberlain, French Premier Edouard Daladier, and powerful Wall Street financiers were also supporting Hitler in hopes that Hitler would go to war against the Soviet Union, then the Second World War begins to look like a classic case of miscalculation on the part of all involved.

The Nazi regime's economic policy had, in the meantime, done precisely what oligarchical forms of extreme

domestic austerity always do. As soon as the domestic economy's industrial capacity and labor force is exhausted—and the Nazis took this to the extreme with their labor and concentration camps—there remains only one way out for such an economy: wars of conquest, so as to bring new resources within reach. Hitler, speaking to his generals on Aug. 22, 1939, argued for the invasion of Poland in the following terms: "This is an easy decision. We have nothing to lose. Our economic situation is such that we can go on for a couple of years at best. Göring can back this up. We have no choice. We must act."

On Aug. 23 the world was taken by surprise with the announcement of a non-aggression pact between the Third Reich and the Soviet Union, signed in the Kremlin by Stalin, Molotov, and Nazi Foreign Minister Joachim von Ribbentrop. Poland was to be the booty, divided up between the two empires. At the conclusion of the Polish campaign, on the evening of Sept. 27, von Ribbentrop traveled to Moscow in order to conclude a German-Soviet border and friendship treaty. This was the only friendship treaty Hitler ever made with any state outside the Axis.

If we call to mind the Soviet reaction to France's and Great Britain's declaration of war against Hitler, we are struck with the parallels to Soviet argumentation following their recent shooting down of a Korean commercial jet liner. After Hitler had decided to set into motion a "peace offensive" in October 1939, Stalin ran the following statement in the Nov. 29 issue of *Pravda*:

It was not Germany which attacked France and England, but France and England have attacked Germany, and thus they bear responsibility for the present war. . . . The ruling class of France and England has presumptuously rejected the German peace proposals and the Soviet Union's efforts for a rapid conclusion to the war. These are the facts.

As hard as the Soviets might have subsequently tried to give themselves the aura of anti-fascist struggle, no one can ever erase these lines in the Oct. 9, 1939 *Izvestia*: "To start a war to destroy Hitler, is a criminally stupid policy." And on Oct. 31, Molotov stressed in a public statement:

There is no possible justification for a war of this kind. One can accept the ideology of Hitlerism, or one can reject it . . . that is a question of political attitude . . . but it is not only senseless but also criminal to wage a war to wipe out Hitlerism and disguise this as a fight for democracy.

The Hitler-Stalin Pact, particularly the concomitant expansion in East-West trade, kept the Hitler regime alive for the duration. In accordance with the German-Soviet trade agreement signed just before the pact, the Nazis received from the Soviets one-third of their oil, two-thirds of their phosphate, one-third of their cobalt, tungsten, molybdenum

and tin, many other raw materials, and 10 percent of their animal fodder. During the period between August 1939 and August 1940, trade between the two states rose by 3,000 percent. If it had not been for Russia, the British naval blockade would have done serious damage to the Nazis; instead, the Russian bought goods from the Far East, and even from the British, in order to sell it more cheaply to the Nazis.

The myth of the Soviet anti-fascist struggle becomes even less credible when we take into account the fact that when the U.S.S.R. had the best opportunity to stop the Nazis, Moscow let it go by. In 1940 the Nazis deployed 139 divisions on the Western front, and a mere 4 divisions and 6 territorial regiments remained on the Eastern front to face Stalin's more than 100 divisions. If Stalin had really intended to move against the Nazis, this would have been the ideal moment.

Only when the Third Reich and the Soviet Union started getting in each other's way, for instance, around raw materials supplies in Romania or Finland, did the tide begin to turn. It is certainly true that, in the course of the bloody warfare which followed, the Soviets lost 20 million of their citizens at the hands of the Nazis. But it helps neither themselves nor the West when they hold up anti-fascist resistance as a holy cow.

It is also undeniably true that the Soviet Union bitterly resisted the Nazis after they opened up the Eastern front. But the fact remains that the rise of the Nazis in Germany had fit perfectly into their concept; this gives them a large degree of co-responsibility for the course of events. The greatest tragedy, however, lies in the fact that no one today—in East or West—is willing to learn the lesson of this story. Immediately after the end of the war, the Soviet Union did not hesitate to make use of the old Nazi intelligence networks. Today the Soviet Union continues to provide us with daily proof of its unabashed support for Nazi organizations in the West, be these old formations or newcomers such as the alternative movements of the so-called Age of Aquarius. Has the Soviet Union still failed to learn that it never pays to support Nazi movements in the West?

The oligarchy in the West is equally determined to repeat the same mistakes. The political friends of Lord Carrington, the Kissingers, Genschers, and Andreottis, evidently believe that by isolating America and concluding a new Yalta Agreement with the Soviet Union, they can re-divide and plunder the world. An "independent Central Europe accord," no matter how it were formulated, would surely have an even shorter life-span than the Hitler-Stalin Pact. Today there are certain European oligarchs who would like to control their own arsenal of nuclear weapons—a proposal currently being negotiated under the shameful trademark of the "two-pillar theory of NATO." If their dreams ever become reality, the result is pre-programmed: Whoever refuses to learn from history is condemned to repeat it.

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## Who's behind the attempt to dismember India?

by Linda de Hoyos and Thierry Lelavée

As the Indian armed forces search through the Sikh Golden Temple in Amritsar, Punjab, the evidence is coming to light showing that, as a statement released June 14 by the Indian Home Ministry reports, the Sikh separatist movement based in the Golden Temple was a "deep-seated conspiracy to create terror in the state of Punjab with the help of certain foreign powers and ultimately try for a separate state." "If the army action had not been resolute and determined," the report stated of the June 6 assault on the terrorist stronghold, "the movement would have moved towards full-scale insurgency."

Who are the "certain foreign powers" that have propelled the Sikh separatists, a minority within the Sikh community of India, who have propelled the movement into a near-insurgency? Who are the powers that want to destroy the nation-state of India, the world's largest democracy and a leader of the Non-Aligned Movement and spokesman for the aspirations for development of the entire Third World?

The answer to that question cannot be found in the Golden Temple but more efficiently in Great Britain, where Chauhan Singh, the self-appointed president of the "Khalistan"—the name Sikh separatists give to their state—holds his headquarters. By his own admission in interviews with the *EIR* last year, Chauhan is supported by a broad alliance of forces, ranging from the Muslim Brotherhood and the Swiss-based Nazi International to the American Heritage Foundation. Results of a full investigation of Chauhan's financing will reveal a cross-sectional cut of the oligarchical faction internationally.

### Threats of escalation

With the murder of the Golden Temple's terror-leader Jarnail Singh Bhindranwale, Chauhan's role and prestige are rising rapidly. On June 11, Chauhan led a 30,000-person demonstration of Sikhs brandishing swords in London against the Indian government. He promised the death of Prime Min-

ister Indira Gandhi and her son Rajiv, a secretary general of the ruling Congress-I Party, declaring that a special fund had been prepared to reward anyone who killed them and brought their dead bodies to the Golden Temple. "The assassination will not be carried out by our organizations; it can be carried out by any member of the Sikh community anywhere in the world. We have already received messages from angry women, men and children who are ready to carry that out themselves," Chauhan declared in an interview.

Chauhan's calls for the murder of the Gandhi family have been widely publicized by the British Broadcasting Company. On June 16, the Indian government lodged a formal protest to the British government concerning the broadcasts, pointing out that Chauhan's demands for murder are being heard by 20 million people inside India.

Chauhan and his Sikh followers in India have declared Sunday, June 17, to be a Sikh Day of Mourning, for which mass protests in London, Washington, D.C., New York, and San Francisco are expected. Sikhs are to sleep on the floor during that night, and all Sikh men are to wear black turbans and the women black shawls.

Within India, the next two weeks will prove whether the government will ride the storm of initial reaction to the army's action. The most positive sign in that regard is the announcement by President Zail Singh, a Sikh from the Punjab, that he would not resign under pressure from the Sikh community and his denunciation of the use of the Golden Temple as a "military center." But in the Punjab itself, Sikh separatists are using the relaxation of the state's 24-hour curfew to continue a terror campaign against Hindus, despite the fact that the army has swept through towns and villages and arrested up to 5,000 suspected terrorists. Between June 15 and 17, terrorists have killed four people, including a local Hindu leader of the Congress-I. Reports are also coming from

New Delhi that the mutinies of Sikhs in the army have not yet been totally quelled, although the reported rebellions involved only 1,000 men so far, a tiny proportion of the 10% of the Indian army that is comprised of Sikhs.

The terrorists' capability, as evidenced by the army's findings in the Temple after the battle, was considerable. A small explosives factory was discovered in the basement of the Akal Dhat, the most sacred of the temples. The Sikhs' arsenal included sophisticated weaponry—anti-tank missiles, Chinese-made AK-47 automatic assault rifles, and long-range sniper rifles with telescopic sights. Most of the weapons bore Pakistani markings.

In the Temple's hidden rooms, the army found millions of dollars worth of heroin and other illegal drugs. The heroin had come from northern Pakistan where it is grown by Afghan refugees, through the Pakistani border into the Punjab, where drug addiction, particularly in the southern section of the state, has skyrocketed over the last three years. The drugs were traded for weapons.

### Who backs Chauhan?

Even in the face of this evidence of an armed insurgency against the central government, the liberal press in the West, led by the same BBC that incited Iranians against the Shah, has attempted to portray Bhindranwale as a "religious martyr" who led "Sikh militants" in the pursuit of their "religious freedoms." On June 14, the *New York Times* attempted to portray Mrs. Gandhi as a worse oppressor of India than even the British empire! Writing of the army assault on the terrorists in the Temple, the *Times* correspondent comments that "In any event, the death toll is sure to rank among the worst in the long history of civil strife in India. Fewer than 400 died in 1919 in a massacre at Jallinawalla Bagh Park, a few steps from the Golden Temple, in an incident that gave impetus to the movement for Indian independence."

This attempt to liken the army's crackdown on heavily armed terrorists to the British surprise massacre of 400 unarmed men and women in 1919 has a double significance. The Western liberal media are working to provide the cover for the assassination of Mrs. Gandhi, and the Sikh terrorists have friends at the highest levels of oligarchical power. That support is concentrated in the person of Chauhan Singh.

Chauhan, who is known to talk about himself, too much say some of his Sikh friends, is very reserved about one period of his life—the years 1970 to 1977 when he first exiled himself to London to create the Khalistan movement. Reports indicate, however, that during that period he had already been picked up by then-Secretary of State Henry Kissinger whom he met with several times. That alone is to signify that Chauhan and his "Khalistan" has been a willing servant not of the Sikhs, but of an international oligarchical network that runs from Moscow, through Teheran, London, and Washington, D.C.

**From Moscow:** Chauhan himself has stated that from 1970-1977, he traveled frequently to Tashkent in the Soviet Union, the headquarters of Soviet intelligence for operations in the Middle East and the Subcontinent. Tashkent is also the training site for 12,000 Iranian mullahs, establishing a Soviet connection which plays an important role in the current destabilization of both India and Pakistan. It is also known that the World Council of Churches, a front organization for the Russian Orthodox Church, has come to the aid of the Sikh separatists. According to one source, the World Council's Sikh task force is now "in retreat" to make decisions in the wake of the Indian government's assault on the Golden Temple.

**From the United States:** Chauhan's public connections emerged in the spring of 1982, when an invitation from Sen. Jesse Helms enabled him to acquire a State Department special traveling document to visit the United States. While in the country, he met with AFL-CIO Chairman Lane Kirkland, the staffs of the Heritage Foundation and the Georgetown University Center for Strategic and International Studies, which thereafter created a special "Taskforce on Khalistan." Gen. Danny Graham, a close associate of the Heritage Foundation, is also reported to be one of his "supporters." He also addressed the American Jewish Committee, the Stanford Research Institute, and Harvard.

**From Great Britain:** London is the chosen domicile of Chauhan Singh and his newly formed "government-in-exile," and certainly Chauhan could have no complaints about the BBC or the British police. Chauhan also receives support from the networks of Sir Nicholas Bethell, a free-lance "writer" in the human rights circuit with multiple ties to Yugoslavia and Afghan rebels. It is through Bethell's mistress, the Golem-like Carrie McKay, that Chauhan was introduced into the Washington, D.C. Heritage Foundation.

**From the Nazi International:** Chauhan states that he is working a group in Lausanne, Switzerland, centered around the De Maurex banking family, which made its wealth in investments in coffee plantations in Ethiopia, and Madeleine Chevallaz, sister of the Swiss Defense Minister and friend of Swiss banker François Genoud, head of the Nazi International. Chauhan further coordinates his activities with the entire plethora of pro-terror groups backed by Genoud, among them the Islamic Council of Europe, a fundamentalist organization led by Genoud protégé Ben Bella of Algeria; the CIRPO, a newly organized group dealing with minorities and "resistance" in the developing sector which is led by Pierre de Villemarest; and other separatist operations, including the Nagaland separatist movement in India.

In 1982, after his visit to the United States, Chauhan toured several countries in Europe to establish what he called a network of "supporters." This included the International Department of the Institute of Otto von Hapsburg in Munich, the Hanns Seidel Stiftung.

**From the Muslim Brotherhood:** Chauhan also reports that he coordinates with the Indian Muslim Federation in London and the International Islamic Center in London. Both organizations are receiving financial support from the Saudi Arabia-based World Muslim League, headed by former Syrian fascist leader Maarouf Dawalibi. Dawalibi was a co-founder of the Geneva-based neo-Nazi organization, Islam and the West, whose other directors have included the late Aurelio Peccei of the Club of Rome; Swiss gun-running banker Nicholas Krul; and the British "Arab handler" Lord Caradon.

### The center holds

From the Soviet Union to Washington to the European bases for the Muslim Brotherhood, these forces are united in their goal to bring down the Indira Gandhi government—with the full knowledge that there is no alternative force that can maintain the unity of the country. The goal is to tear the country into warring *politically and economically powerless entities* based on religion and ethnic identities.

It is therefore not surprising that the same forces turn up supporting the other entities that are working against the central government.

In Assam in eastern India, the Muslim Brotherhood is calling a strike of Muslims against the Hindus. Communal tensions between Hindus and Muslim immigrants from Bangladesh reached such proportions in 1983 that tribal groups carried out a massacre of some 4,000 Muslims.

The state government of Tamil Nadu is now in the control of a state regional party which has separatist leanings and tends to support the Tamil separatists in Sri Lanka, which are in turn funded by Libyan dictator Muammar Qaddafi and the Palestine Liberation Organization. Escalating terror and tensions in Sri Lanka therefore immediately spill over into Tamil Nadu in southern India, creating a crisis for and between both governments.

In late May, the great industrial center of Bombay was the site of Hindu-Muslim riots which killed hundreds and left 15,000 people homeless. Bombay is also growing as a drug transit center, as funds flow into the Muslim community from the Muslim Brotherhood. Radical Hindus in the state are represented by the Shiv Sena, a self-avowed fascist organization.

The gravest danger point could be the state of Jammu and Kashmir, which is contested territory with Pakistan. In London, its exiled and pro-Pakistani separatist groups all showed up at Chauhan's June 11 demonstration, and Muslims joined with Sikhs in Kashmir on June 9 to riot against the Gandhi government.

The eruptions of violence in these hot spots are orchestrated by oligarchical forces from outside India. Conversely, their defeat hinges not only upon the proven statesmanship of Mrs. Gandhi, but the unqualified and effective support for India's unity as a great nation-state from republican forces worldwide.

# Anti-missile tests

by Susan Welsh

The first successful test intercept of a missile in space, carried out by the U.S. Army on June 11, has unleashed a storm of controversy in Western Europe, and particularly in Britain. Supporters of President Reagan's Strategic Defensive Initiative (SDI) who had hitherto remained in their foxholes in the face of widespread propaganda about how the "Star Wars" system was unworkable, are now moving onto the offensive. The London *Times* editorial of June 13 marks the most significant endorsement of the SDI yet by a leading British institution.

European opponents of the beam-weapons program scrambled to regain the high ground. The London *Financial Times* issued its own editorial the following day, titled "The dangers of space war," which denounced the *Times*' piece and insisted that strategic defense is impossible, since even if only 50 missiles went through the defensive shield, "it would be the end of civilization as we know it." Said a spokesman for the British defense ministry: "The piece in the *Times* was rather speculative. I would say very speculative. We have no comment. We've been skeptical on the whole thing, and we remain skeptical."

The House of Commons is scheduled to debate on June 18-19 what the London *Guardian* newspaper called "the recent 'star wars' invention by the Americans which could knock out interballistic missiles in space." This is the first time that the parliament has held an open discussion on the subject. *The Guardian*, a left-liberal paper, commented June 15 that "the governments of Western Europe must be extremely apprehensive about the development of an American Star Wars system which fails to provide an effective shield for Europe, and which imposes the wrong priorities for European defence. They should say it now before it is too late."

One London observer told this news service that the current shift underway in Britain is based on two factors: "first, the realization that there is no way the Soviets could be prevented from acquiring the weapons system themselves; and second, that the SDI will if anything enhance the American guarantee of European security."

Equally significant, however, is the *Times*' perception that the American public is solidly behind the SDI—indeed that opinion polls show 86% of Americans supporting the idea (a fact which the U.S. press tries its best to cover up)! This perception also figures for the first time in the latest



# draw battle lines

Soviet commentaries on the Strategic Defense Initiative, such as the Radio Moscow interview with Academician Yevgeni Velikhov, the head of the Soviet laser research program, which we excerpt below. Velikhov attributes American support for the beam-weapons policy to the fact that one out of eight workers in such states as California have jobs in defense-related industries!

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## Documentation

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### Will Britain reject MAD?

*The Times of London, published an editorial June 13, headlined "Star Wars":*

Frederick the Great once warned his generals that he who would preserve everything, preserves nothing. "Therefore always sacrifice the bagatelle and pursue the essential," he said. In the business of security it is defence which is essential and self-defence one of nature's oldest laws. The bagatelle is the idea, born of the missile age, that since there can be no totally effective defence there should be no defence at all. Thus since the development of missiles, Western strategy has relied predominantly on a theory of deterrence which assumes that any attack can only be prevented by the threat of retaliation. The idea of partial defence—the less than perfect, but surely useful—has been in eclipse.

Since the 1972 United States/Soviet treaty to ban the construction of anti-missile defences, therefore, the East/West balance of power has been based on the appropriately named acronym MAD, standing for "mutual assured destruction." Its theory was that, since neither side had an effective defence against missile attack, but both had to rely on the threat of retaliatory forces, they would be mutually deterred from launching an attack.

The Star Wars system strikes at the very heart of that philosophy. It was initially ventilated by President Reagan in March last year. It has now advanced to the point of a first successful missile intercept in space carried out this week in

the Pacific. Congressional opinion is worried about the cost, yet 86 per cent of Americans support the idea and 73 per cent say that costs should not be a primary factor. The British and French are uneasy because they feel that a new round of defensive technology would destroy the ability of their smaller nuclear forces to get through, and thus invalidate their deterrent power.

These misgivings are misplaced since they assume that the strategic balance has remained stable since 1972. The opponents of a decision to acquire a new and more effective defensive technology argue that the United States would by so doing destroy that balance. In fact, in spite of the 1972 agreement, the Soviet Union has persisted with an active research and development programme into anti-missile defences. The provisions of the treaty could be lifted by either party but only one—the Soviet Union—would be in a position to follow that with some early deployment.

At least the Soviet Union's attitude to defence has been consistent. It has never embraced the theory that one can ignore defence and rely solely on retaliation. As Mr. Gromyko said to the United Nations as long ago as 1962, a policy of MAD would be tantamount to keeping the world in a permanent state of feverish tension and eve-of-war hysteria. When we see how effectively the peace movements have exploited the European public's unease about deterrent theory, and observe the Soviet Union's in orchestrating some of that unease, Mr. Gromyko's words are worth recalling. . . .

*The Daily Telegraph of London ran the following editorial, "Space Arms Race," on June 13:*

The apparent ability of the United States to destroy a weapon in outer space immediately raises questions about the future of arms control negotiations, and whether President Reagan's "Star Wars" defence programme will ultimately justify the huge sums needed to fund it. After three previous unsuccessful attempts the United States Army has managed a non-nuclear interception above the atmosphere of an oncoming Minuteman ICBM. This is a "first" and the Pentagon is, rightly, pleased. With the speed of summer lightning Moscow has called the experiment "yet another step along the lines of militarisation of outer space."

The significance of this most recent United States demonstration of its anti-ballistic missile technology will be the source of considerable argument as has been the whole "Star Wars" concept of a 21st-century defence against (Soviet) nuclear weapons. When President Reagan first became interested in a space-based defence against missiles and called for countless billions of dollars to be spent on furthering it, he came under strong criticism, and not only from Moscow. Some said that for the foreseeable future a total shield was technologically impossible. Anti-satellite weapons including laser beams—which the Soviet Union is undoubtedly developing at Saryshagan and other highly secret sites—were said to be a bad idea, whose time unfortunately had come, because

they were expensive, and inefficient, and an invitation to an arms race in space.

The Soviet Union has had an anti-satellite capability, however simplistic and easy to counter, since the 1960s. It could easily be upgraded. But the Russians now seem of the mind to quit the race. President Konstantin Chernenko could not have known of the immediacy of the American experiment when he proposed negotiations "without delay" on an agreement to ban further testing of anti-satellite weapons. . . . Just how serious Mr. Chernenko is about such talks . . . needs to be tested.

The Daily Telegraph, June 13, "Hitting a Bullet with a Bullet":

The American interception of a dummy missile warhead in space by shooting a rocket-borne net into its path did not mean the Pentagon was close to deploying such a defence system, officials stressed yesterday.

None the less it was a notable breakthrough. "We really tried to hit a bullet with a bullet, and it worked," said Mr. Amoretta Hoerber, a senior Army research and development official, at a Pentagon briefing. . . .

Our science correspondent writes: Whether such devices as "hitting a bullet with a bullet" would ever be able to avert a multi-missile attack is uncertain. Making the attack seem unprofitable would require almost as many interceptors as there were incoming missiles.

A more promising approach is the high-powered "X-Ray laser beams" now being developed at the Lawrence Livermore Laboratories in California. Many of these could be fired from the same vehicle.

## Moscow: beams won't work

*Soviet Academician Yevgeni Velikhov, a nuclear physicist and Vice President of the Soviet Academy of Sciences, gave a series of four interviews broadcast on Radio Moscow's program to North America May 23-26:*

**Radio Moscow:** . . . You pointed out that in the seventies common agreement was reached concerning the impossibility of creating a flawless antiballistic-missile defense system and that therefore any attempt to develop an antimissile capability would be interpreted by the other side as a first-strike desire. In his speech of 23 March 1983 Reagan alluded to new defensive systems. Perhaps there has been some change after all?

**Velikhov:** Over that period nothing new has occurred insofar as technology and science are concerned. After the President's speech there was talk of discoveries in the area of laser and particle beams, but in fact studies conducted by

such unofficial organizations as the Union of Concerned Scientists . . . came to the same conclusion as did our studies. . . . Is it possible to create a real defensive weapon based on some new physical principle? The conclusion is that no, this cannot be done. . . .

Insofar as technology goes I would say this: If such a weapon system were created, this would be exceedingly dangerous. It would create a very precarious situation. The creation of this weapon by one side alone would serve as a terrible provocation and its being created simultaneously by both sides is out of the question.

**Radio Moscow:** In his speech of 23 March 1983, President Reagan probably had that in mind when he said that the United States would share this weapon with the U.S.S.R. so as to counter any imbalance and concern. How do you feel about this statement?

**Velikhov:** Keeping in mind that the Reagan administration today talks about not even sharing children's toys with us, I consider that statement to be nothing but an absolute bluff. There will be no sharing. Everything would be done under the cloud of secrecy. . . .

**Radio Moscow:** What about the negative [factors behind the "Star Wars" policy], in addition to the U.S. administration and the military industrial complex's activities?

**Velikhov:** There is one other aspect. It has to do with NASA. NASA is just about finished with the development of the shuttle, but NASA and the industries connected with it need contracts. This is a real factor of existence, one measured in tens of billions of dollars. The disturbing thing is that they would seem to lack imagination that would furnish NASA with the kind of program that would be good for humankind and for America. . . .

Regrettably, however, the American space program seems to center more on sloganlike targets—putting a man on the moon, planting the American flag up there, floating a fool-proof shield in space. I would call these rather hypocritical goals.

There are two sides to the issue. One is the slogan that creates the illusion among Americans that they can do as they please and live in total security. This is a great mistake, and a very dangerous one. America could well take half of humanity to hell with that illusion. I would call it an imperial instinct, something very common to Americans. The second is purely material. It concerns NASA and its industries. They need contracts right now; they cannot wait. This is especially important to some congressmen. Let's not forget that in California every eighth person is working in the defense industry. That at least in part is why the idea presented by President Reagan on 23 March of last year was accepted by some. But the fact of the matter is, and this is scientifically proven, that the idea is absolutely dangerous for all, including America.

# A secret war against Iran's Khomeini

by Thierry Lelavée

At the end of May, reports went out on the international newswires that Iranian regular forces had massed on the Iraqi border in the number of half a million, ready to make the "final" onslaught against the government of Iraqi President Saddam Hussein on behalf of the Islamic Revolution. Yet as of the middle of June, no such offensive had taken place.

Apart from the internal political strife among the Iranian military and religious leadership in recent months on the real aims of the war against Iraq, the cause of the long delay of Iran's major offensive is the poor state of the armed forces. All components of the army are known to be lacking vital military spare parts. Out of the several hundred airplanes the Shah left behind him, no more than 70 are reported still able to fly; the navy has nearly ceased to exist, and the ground forces are in no better state.

Whenever the offensive starts, Iranian soldiers will be deployed almost unarmed against the Iraqi war machine. While Iraq has been receiving military aid from the Soviet Union, France, and the United States, directly or indirectly, most channels of weapons deliveries to Iran have been closed down. Against Iraq's new weapons, including the deadly cluster-bombs recently received from Chile, Iran's human offensive will not last very long.

For the past several months the United States, in the beginnings of a tilt away from its "balance-of-power" politics in the Gulf, has been waging a secret war against arms smuggling to Iran. This has begun to have some direct effects.

- U.S. President Reagan reached an understanding with French President François Mitterrand and Britain's Prime Minister Margaret Thatcher in the corridors of the June 7 London economic summit, on the need to starve Iran for weapons.

- In early June, Argentine President Raul Alfonsín personally vetoed a \$500 million deal with Iran, which included the sale of British-made vessels, for "ethical and political reasons." This was done at the last minute, even though Iran had already deposited the money in a Swiss account for the Buenos Aires government.

- In the United States, the May 17 arrest of international arms smuggler Reza Hashemi was one of the most significant

public indications of the effectiveness of this campaign. Hashemi, generally based in London, has been for the past four years the main supplier of weapons to Iran, together with his brother Cyrus, based in New York, who doubled as a representative of the Iranian intelligence service (Savama). Arrested at a New York airport, Reza has been charged with illicitly selling weapons to Iran, while his brother decided to flee to London where he is being sought by Interpol.

- The May 24 crackdown on a major West German arms smuggling ring immediately followed the arrest of Reza Hashemi. The network, which is the first to be dismantled in Germany since the beginning of the Iran-Iraq war, was led by Hamburg-based Countess Lisa von Schwerin, a 67-year-old member of the Hamburg jet set who owns a real-estate firm. The countess, known among the jet set as "Bibi," was arrested together with two other Germans, an American, and an Iranian, for trying to sell no fewer than 250 M-48 tanks to Iran.

## Tanks, drugs, and murder

Investigations quickly revealed that the German police authorities, who have been known for their good relations with the regime of dictator Khomeini, were very embarrassed by such arrests and quickly put official pressures on the newspapers not to write any more about it, imposing a surprising seal of secrecy on the affair. There is even some doubt that the German authorities would have ever broken up such a network, but for the fact that all details and evidence were provided by American law enforcement agencies, creating a situation the German police could not ignore.

Despite the imposed secrecy, it became known that von Schwerin's M-48 tanks were part of a package that Khomeini's special envoy Sadegh Tabatabai had unsuccessfully negotiated in previous months. Indeed, negotiations had been stopped short when Tabatabai was arrested on Jan. 8, 1983 for drug smuggling in Düsseldorf, after a meeting in Zürich with his Brazilian partner Joseph Vanucek of Still, Inc. The same day, the New York-based representative of Still, Inc., George Perry, disappeared from his hotel in New York, only to be found four months later at the bottom of the lake in a nearby state park.

Tanks, drugs, and murder are the components of a major international scandal that Iran's friend in Bonn, Hans-Dietrich Genscher, does not want to be known.

## The Sharon connection

These last two spectacular arrests followed other earlier arrests which were less publicized. In March, for example, the Italian authorities stopped a Turkish ship which was on its way to Iran with artillery equipment and light weapons. Originating in Turkey, the *Viking* planned to receive a shipment in Italy, then sail to Iran through the Black Sea. Such an indirect route obviously included some Soviet coopera-

tion. This operation became more interesting when it was discovered that behind the cover of a British firm called Marimed stood a group of notorious Israeli-controlled arms firms, such as KTI of Haig Galustian in London, and the International Desalination Company in Tel Aviv of Jacoov Nimrodi, an associate of former Israeli Defense Minister Ariel Sharon's cabinet and Israeli military attaché in Teheran.

In the following period, no fewer than 20 Iranians were arrested throughout Europe for their involvement in supplying Iran with weapons. In late March, a strange network led by Lausanne-based Ali Zaghian was busted as it was selling large quantities of drugs to buy weapons. Ali Zaghian, who lived for the past two years in Lausanne under the quiet cover of a university professorship, worked under Hojatessalam Rafighdust-Hashemi, the Iranian minister of the Pasdarans (Revolutionary Guard).

Zaghian and several of his agents, students in the same university, were arrested. Investigations revealed that Zaghian worked with Marcus Bruppacher of the SATI company in Zug, whose colleague Andreas Jenni made international headlines in 1981 when one of his chartered planes crashed in Soviet territory, filled with weapons.

According to French investigators, Jenni and Bruppacher are known to work with Hans Albert Kunz of Finenco in Geneva, who is better known for his association with Grand Master Licio Gelli of the illegal "Propaganda-2" Freemasonic lodge, and Nazi banker François Genoud. Out of such networks, the Geneva-based company Gatoil has in recent years been buying and selling Iranian oil to buy weapons.

Gatoil was also mentioned in the case of the *Viking*.

Leads provided by the arrests allowed the French police to pick up 11 Iranians in Paris and Marseille who were doing a brisk business in large quantities of drugs. Little is known of what happened to them since their arrest, not by the regular police, but by the Gendarmerie Nationale (French military police).

More recently, several Iranians were arrested in Zürich and others in Düsseldorf.

### **Penalties not worth the risk**

The word spread rapidly in the small community of arms smugglers that for once, the United States meant business. Prices have rapidly increased because of the risks, and many dealers have simply desisted from doing business with Iran, even in West Germany. In France, individuals with dubious legal status have been told in no uncertain terms that should they be caught selling weapons to Iran, they would have no chance to ever do business anywhere in Europe.

For other reasons, even the Soviets have decided to stick to their Iraqi customer, whose weapons purchases are largely financed by the Gulf countries, which means a lot of hard currency for the pragmatists in Moscow. Iran's next battle may indeed become, as Hojatessalem Rafsanjani declared on June 13, the "last offensive."

## **Papandreou installs KGB terror apparatus**

by Phocion

The elections for the European Parliament in Greece will have been held by the time this communication reaches its readers. The formal results of that election will have been of only tertiary significance. All important judgments to be communicated respecting the significance of that election for Greece and for Europe, can already be stated.

The two months which preceded the June 17 election were employed by the Papandreou government for the objective of installing a formidable apparatus of electoral fraud and political violence, a project undertaken in cooperation with the Soviet KGB and its local Greek adjunct, the Greek Communist Party (KKE). In the course of these two months, the Papandreou government:

- 1) Conducted a massive purge of the top ranks of all law enforcement agencies and of all the military services.

- 2) Carried out hundreds of shifts in the commands of the police, gendarmerie, and other law-enforcement organizations in every significant area in Greece.

- 3) Appointed 16,322 "election judges" of its own choosing and prevented the appointment of other judges who could have been acceptable to the nationalist opposition parties, thus reducing the total number of election judges to 25% fewer than the number required to cover all election districts.

- 4) Distributed millions of illegal, pre-marked paper ballots, whose existence makes an honest election a technical impossibility.

- 5) Mobilized a semi-private army for carrying out political violence in the streets against its nationalist and conservative opponents.

- 6) Prohibited the nationalist opposition parties from having access to the government-run radio and TV contrary to law.

- 7) Conducted "search and seal" raids against the residences of elected members of parliament who happen to disagree with Papandreou, including those who belong to Prime Minister Papandreou's own PASOK party.

On the basis of these newly acquired capabilities, the Papandreou regime conducted itself in the last two weeks of the election campaign as a true dictatorship. In every major city of the country, large numbers of policemen and gen-

darmes were deployed to forcibly break up electoral rallies of the conservative opposition New Democracy Party. In many instances during these raids, the Papandreou police administered brutal beatings, in broad daylight, on the persons of already elected and serving members of parliament. At least five MPs of the New Democracy Party, two of whom were ministers of the Greek government a mere three years ago, were thus beaten up with thousands of their constituents watching, in the midst of bloody *melées* with the Papandreou police.

Members of another conservative political party, the EPEN, which represents the views of a group of military officers now serving life sentences for having led the 1967 military coup d'état, have been prohibited from displaying their party symbol and photographs of their party leaders, and some have been jailed for doing so.

The Papandreou government has also deployed throughout the country youth gangs of 50 to 200 persons, armed with chains, lead pipes, and the like, for the purpose of breaking up opposition meetings and rallies, a policy which has provoked vigorous responses in kind on the part of the rather outspoken nationalist opposition. The government-sponsored youth gangs are composed jointly of members of the Communist Party and PASOK, and in most instances they have enjoyed either the protection or the toleration of nearby police.

### **Explosive rebirth of nationalism**

The vigor with which the Papandreou regime has pursued these overt dictatorial measures is itself a measure of the explosive growth of a reborn nationalist movement during the last six months. Historically, modern Greece never had anything one might call a "conservative" movement. Instead, its place had always been occupied by a vigorous "nationalist" movement, a sort of a "populist right wing" with a certain amount of "blood-and-soil" chauvinism acting as fuel and inspiration which kept the movement within shot of a working electoral majority for over 150 years, until 1981.

Both the mass and activist rank-and-file of this traditional Greek nationalist movement is motivated by ancient patriotic nostalgias attached to symbols of more modern memory. One important such symbol is the armed forces, in which all able-bodied males serve; another such symbol, at times in conflict with the military loyalists, is the institution of the (now exiled) monarchy; a third is the Greek Orthodox Church. These three institutions and their symbolic appeal attract around them large portions of the population, each on the basis of different and often conflicting motivations, to form the broader phenomenon of an "anti-liberal," and "anti-socialist" voting bloc now menacing the regime.

This voting bloc had been in disarray between the spring of 1981 and February-March of this year. The disarray had been the result of a split leadership in the New Democracy Party (an umbrella coalition, actually, more than a party).

Yet, by the spring of this year, despite the unabated leadership crisis in NDP, the popular masses of the old nationalist constituencies suddenly started coming together, seemingly on their own. Mass political rallies protesting the disastrous policies of the Papandreou regime began forming in every city and rural area of Greece. By April, the frequency of these rallies had increased to a surprising degree. Toward the end of May, continuous observation of these developments made it evident that Papandreou's 1981 majority had collapsed, and that the single greatest concern fueling the mobilization of the nationalist reaction was Papandreou's pro-Soviet foreign policy.

During April and May, each time Papandreou received new evidence of popular disapproval of his foreign policy, he reacted by taking repressive measures and then going further in his pro-Soviet direction. The high point was his notorious three-and-one-half hour speech on May 14 at the PASOK Party Congress which was a combination of high praise for the U.S.S.R. and vicious castigations of the United States. The PASOK Party Congress resolved on a policy course in consultation with the Soviet Communist Party which was represented at that Congress by Politburo member Vladimir Dolgikh.

On May 18, the Greek justice minister ordered the expulsion of the second-ranking U.S. CIA officer in Athens as a "persona non grata" on grounds that he "interfered in Greek internal affairs." His intervention had amounted to the fact that he had successfully concluded the investigation of the terror-assassination, three months earlier, of U.S. military attaché in Athens, George Tsantes. The Greek authorities, on orders from Prime Minister Andreas Papandreou, who is also the head of the Greek Central Intelligence Service (KYP), had done all in their power to inhibit the investigation. Meanwhile, the Papandreou government hired the notorious U.S. terrorist-lawyer Leonard Boudin as legal representative of the Greek government's interests in the United States.

Regardless of the outcome of the June 17 election, Greek politics as of that date will enter a dramatic confrontationist era. The Papandreou-Communist coalition will continue to decline regardless of its formidable power to commit political violence and vote fraud. The important fight will be within the ranks of the broad and undefined "nationalist" voting bloc. The New Democracy Party, while its problems at the top remain unresolved, will continue to lose votes to the "extreme right fringes" of Col. G. Papadopoulos's EPEN party, and others. At some early point, the formidable retired officers' groupings which are the organizational backbone of this movement, will have to settle accounts with their now "friendly" rivals among the monarchists. Of the three institutional mainstays of Greek "nationalism," the armed forces, active and retired, are mostly republican in outlook. They will have to strengthen this orientation in order to be able to neutralize the "blood and soil" influences of monarchy and Church.

# Why do spies keep surfacing in Sweden?

by Göran Haglund

Even as the espionage trial against Norwegian social democrat and KGB colonel Arne Treholt is still being prepared in Oslo, the shock-wave that hit the Socialist International after Treholt's arrest on Jan. 20 has already subsided. Continuing their unsavory role as vehicles for Soviet policy-implementation in Europe, the Social Democratic Parties of Scandinavia, including that of Norway, have pushed for one suicidal initiative after another for the unilateral disarmament of the West. This comes as no great surprise to anyone who knows the case of Swedish Air Force Col. Stig Wennerstroem, whose long career as Major-General of Soviet military intelligence was abruptly ended by the verdict of life imprisonment passed at his trial in Stockholm on June 12, 1964.

Although Colonel Wennerstroem was not himself a Social Democrat, he was a disarmament adviser to the Swedish Social Democratic government, pioneering a proposal for nuclear-free zones, just as Treholt proposed 20 years later; he was *de facto* protected from discovery by the Social Democratic government, and, according to his own account of the ideological basis for his treason, he felt that he found somebody who spoke the same language only when he met the Social Democratic minister of defense.

## In Moscow and in Washington, D.C.

Wennerstroem admitted having been a Soviet agent for 15 years, since 1948, just before becoming Sweden's new Air Attaché in Moscow. However, his illegal intelligence activities date back to at least 1940, when during a four-month tenure at Sweden's Moscow embassy he functioned as an Nazi asset spying on the Soviets—an activity he continued back in Stockholm, where he cultivated good relations, despite the break up of the Hitler-Stalin Pact, with both Hitler's and Stalin's embassies, particularly Soviet Ambassador Alexandra Kollontai and Air Attaché Col. Nikolai Nikitushev.

For three years, Wennerstroem remained in Moscow as the Swedish Air Attaché. His principal assignment on behalf of the Soviets was to find out about NATO military planning and intelligence activities vis-à-vis the U.S.S.R., and ostensibly to help determine whether a possible military attack against the Soviets would be designed primarily as an air assault, rather than a ground-based invasion.

During 1952-57, Wennerstroem was stationed as Swedish Air Attaché in Washington, D.C., making him at the same time chief of the Swedish Air Force's Procurement

Office in the Swedish embassy. He had access to valuable and highly sensitive information from the U.S. Air Force and defense-related corporations, including detailed blueprints of key items, ranging from aircraft, missiles and targeting devices to radar, radio and micro-electronics. Thus, technological espionage was Wennerstroem's main occupation in the United States.

## Back in Sweden

After his return to Stockholm in June 1957 until his arrest in June 1963, Wennerstroem held key positions in the Swedish defense and foreign ministries. During this period, he also maintained direct relations to members of the Swedish Cabinet.

First, Wennerstroem led the Air Force Section of the Military Bureau of the defense ministry, from where he could reveal the entirety of Sweden's advanced air defense system. Later, the Soviets were especially concerned to ensure that the Swedish air defense represented no obstacle to delivering the nuclear barrage required to fight the U.S. Polaris submarines in their positions off the western coast of Sweden and Norway.

In particular, the Soviets asked Wennerstroem to report any developments pertaining to a shift in Sweden's policy of neutrality, as well as whether Sweden would deploy or produce tactical nuclear arms. It should be noted that Wennerstroem, during his time in the Defense Ministry, was assigned the responsibility of dealing with the Swedish atomic bomb program, the direction of which was at the time subject to heated public controversy.

Second, in 1961, Wennerstroem was transferred to the foreign ministry, assuming a newly created post as military specialist on disarmament questions. The task was to prepare the Swedish government's disarmament proposal to the United Nations General Assembly (UNGA), after which negotiations were to occur at the March 1962 disarmament talks in Geneva.

While formally directly subordinate only to the foreign minister, Wennerstroem in reality worked under Alva Myrdal, Special Disarmament Ambassador to Geneva. In October 1961, the Swedish proposal was submitted to the UNGA, prominently featuring the Soviet brain-child of nuclear-free zones. During his interrogation, Wennerstroem, who insisted that he had served the cause of peace and détente, admitted that he used his position to influence the Geneva talks in favor of the Soviets.

## Who protected Wennerstroem

After Wennerstroem's arrest, a political outcry erupted, demanding to know why and how someone could go on betraying his nation's most vital security interests for so long without suspicion. Making things even worse, it was soon revealed that Wennerstroem had indeed already come under suspicion during World War II, even to the point that his arrest was considered after the Swedish security police in



1943 intercepted a coded radio communication from the German embassy in Stockholm to Berlin mentioning Wennerstroem as a "useful source."

After that incident, Wennerstroem had repeatedly reappeared as a security risk, whose phone and mail had been under surveillance by the Swedish security police again and again during the 20 years preceding his arrest on June 20, 1963. However, each time the security police brought the case to the attention of their superiors in the government, they were rebuked, asked how the integrity of a respected officer could be cast in doubt with such weak evidence, and told in so many words to mind their own business.

Given the long record of suspicion against Wennerstroem, it was indeed hard to escape the conclusion that somebody, somewhere was providing him protection. It was only due to the slow political motion of the summer holiday months that the Erlander government avoided a vote of no confidence. However, two investigations were launched—one preemptively commissioned by the government itself (!) on June 28, 1963, the other conducted by a parliamentary commission, formed only half a year later, on Dec. 13, 1963 as a concession to the opposition.

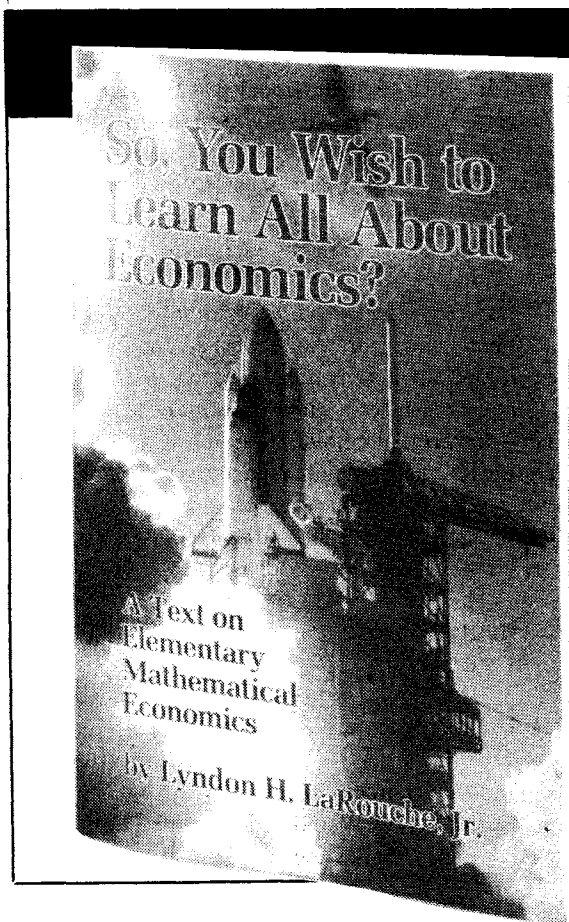
The two investigative reports were both issued in April 1964, but their conclusions were remarkably divergent. The government-appointed commission emphasized the need to protect the personal integrity and legal security of each indi-

vidual and concluded that the skill with which Wennerstroem had been operating, rather than any flaws or mistakes on the part of the government, fully accounted for the delay in action against him. The parliamentary commission, on the contrary, concluded that the government should have taken action against Wennerstroem no later than 1959, and pinpointed both former Foreign Minister Oesten Unden and Defense Minister Sven Andersson as responsible.

The case was referred to the Parliament's Constitutional Committee, which reviews government conduct. At this time, the correlation of forces in the Constitutional Committee between government and opposition meant that the censure vote would produce a stalemate. Then, in compliance with the archaic rules of the Swedish form of government, the disputed issue was settled by lottery!

The lottery-ticket decided that the foreign minister, already retired in 1962, was to be censured, while the defense minister was innocent. In effect, since the worst possible consequence of a censure from the Constitutional Committee is forced resignation, the parliament simply dismissed the case.

Thus, years of high-level socialist protection for Soviet intelligence activity and high treason were scandalously covered up. Worse, an ominous standard was set for what can pass as acceptable government conduct—and recurrently has passed as such ever since.



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## More on national leadership

*Phocion raises the key philosophical issue for the anti-Papandreou movement: Plato versus Aristotle.*

Readers of this column in Greece raised their figurative eyebrows when confronted by our indictment last week of the first head of the Greek state, Count John Capodistria. Many objected to the fact that national "dirty laundry" was being examined in a non-Greek publication. Few shared with us the great Adamantios Coray's contemptuous views of the "Venetian vermin," Capodistria.

The activists and leaders of the burgeoning Greek nationalist movement will have to become accustomed to greater psychological discomforts than this if they are to save that imperiled nation in the months ahead. Much more "family dirty laundry" has to be reviewed and examined before they can discover, within themselves, the moral and intellectual courage needed for a nation-building endeavor.

Neither the Church nor the Academy in Greece has placed a premium on instilling courage, either intellectual or moral, in the minds of the young. And no other institution has a greater influence over the formation of the Greek population's pattern of thought and emotion than these two, regardless of their extremely low visibility in the nation's and the population's daily life.

Both the Greek Orthodox Church and the Academy of Athens live by the perpetuation of the great historical hoax of Aristotle: the Church especially, but also the Academy.

It is not accidental that the premier university of the country, that of Thes-

salonica, is named *The Aristotelian University*. Of all the current and past members of the modern Academy of Athens, I would exclude only the great Theodoracopoulos and Papanoutsos from this sweeping indictment. From among the currently living non-Academy scholars, perhaps only Leonidas Bartzeliotis understands the deadly importance of the Plato-versus-Aristotle fight in matters of statecraft.

Theodoracopoulos and Papanoutsos are no longer among the living, and Bartzeliotis is not anywhere close to the Academy or to any position which might influence national educational policy. And in the meantime, a self-professed cultural boor, actress Melina Mercouri, is the government's minister of culture.

The gist of the matter: As was known during his own lifetime, Aristotle was literally a political agent of the Persian Empire at the time of the great conflict between Greek republicanism and Persian Empire despotism during the fourth century B.C.

Aristotle was promoted as a respectable "philosopher" after the assassination of Alexander the Great by the military and oligarchical interests of the Alexandria court, which professed an undying hostility to the republican world outlook and political program associated with Plato and the Platonic Academy, the inspirers of Alexander the Great. The Alexandria oligarchy promoted the reputation of Aristotle for the purpose of combating the republican influence of Plato.

This piece of ancient cultural warfare set in motion a train of events which shaped all subsequent development in Western civilization. The contemporary relevance of the Alexandrian "Aristotle myth" for Greek nationalist leaders attempting to salvage their nation today is twofold: First, for reasons to be explained at another time, without the pervasive influence of the "Aristotle myth," another modern Alexandrian, the raving homosexual poet Constantine Cavafy, would not have been made the great cultural lion and hero of 20th-century Greek culture, adored and worshipped equally by both the "left" and the nationalist "right" of the Greek political spectrum.

Second, without blowing up the "Aristotle myth," that which today calls itself the Greek nationalist *parataxis* will never be able to disentangle the obscene symbiosis between the oligarchical monarchist tendency, the imperial and oligarchical Church influence, and the republican orientation of the institutions of the armed forces.

Without breaking up this obscene symbiosis, those nationalist forces, which might even topple the present Papandreou tyranny, will likely find themselves in the same humiliated position as hero Adm. Constantine Canaris in the 1860s, begging hat-in-hand at the Danish Glucksburg court for a spare monarch for his nation.

So, you say, Admiral Canaris thus gave us our royal family: George I, Constantine XI, George II, Paul, Constantine XII. They all came and went, some toppled by military republican movements, others by civilian. The last royal exile was caused by a military government. The republican tradition of the military institutions has had difficulty finding compatibility with monarchy since the incarceration of Colocotronis.

## Islamintern unleashed on North Africa

*Nazi leader Ben Bella's new "Algerian Democratic Movement" will also target France for "Muslim" terrorism.*

**T**hough last January's crisis in both Tunisia and Morocco has subsided for the time being, no one in Tunis, Rabat, or even Algiers would dare to boast that the danger has gone away. The drastic economic situation, the International Monetary Fund-imposed austerity measures, and the wave of protests have not fundamentally changed. Although both the Tunisian and the Moroccan authorities have arrested scores of "Islamic" fanatics who used the demonstrations in a wider plot to overthrow the legitimate governments, the networks have not been entirely cracked. It is no secret that the Meccas of fundamentalism, Tripoli and Teheran, are still committed to have their own puppets take over the region.

The creation of the "Algerian Democratic Movement" (MDA) during the May 25 weekend in a suburb of Paris was key. Under the cover of fighting for a "restoration of democracy," the MDA, created by Ahmed Ben Bella, the protégé of Nazi banker François Genoud, aims at overthrowing the regime of Col. Chadli Benjedid to impose an Islamic dictatorship with a mixture of Libyan and Iranian input. "Democracy" was also the code word for Khomeini's takeover of Iran.

Announcing the creation of the MDA in a May 20 interview to the newspaper *La Suisse* in Lausanne, Ben Bella, who had been apparently allowed by French authorities to visit Paris on May 14 to organize the congress, said it would be the "first organization of a new Arabo-Islamic International." There was no secret as to who stood behind such an International,

as Ben Bella had just concluded a trip to Libya to handle the financial side.

To pave the way for other organizations, Ben Bella has been busy from his brand-new offices in Montreux trying to make the MDA the coordinating center for all North African opposition parties. Tunisian as well as Moroccan insurgents have been contacted and offered large sums of money to join.

Though Ben Bella announced he would soon create chapters of his new party within Algeria, this is not taken seriously. Even well-wishers commented that Ben Bella had become the "most important Algerian political leader . . . outside of Algeria," as *Liberation* put it on May 27. Ben Bella's creation of the MDA is also a recognition of his failure, some two years ago, to factionalize Algeria's ruling party, the FLN.

However, this cannot be taken too lightly, as the MDA seeks control of the large community of Algerian and North African workers in France and in Europe—a political aim made easier by the attacks unleashed against the immigrants by extreme right-wing networks in France and elsewhere, rumored to be also paid for by Libya.

The well-funded MDA may become the vanguard of a terrorist network in North Africa, attempting to create one crisis after another to radicalize the situation. With Ben Bella's extensive connections to both Libya and Iran, as well as the old Nazi network of Genoud and Swiss Nazi Ahmed Huber, this cannot be ruled out. Further help comes from the ties

Ben Bella has established with the West German Green party, which he met with in mid-May, including its radical and underground branch, which maintains ties to the Revolutionary Cells terrorist group.

Within days of the MDA's creation, envoys were sent to several parts of France and Europe to set up chapters, led by Ben Bella's secretary Said Absi, head of the Paris-based "Arab Cultural Association" and the shadowy "Union of Arab Workers" (SOA) of Beshir Issaoui. Issaoui is a fundamentalist closely tied to Khomeini's Iran under the cover of the "Islamic Grouping of France," an umbrella group with chapters in several important French cities. Inquiries also revealed a more structured network around Masoud el Hendi, a nephew of Ruhollah Khomeini who heads the Paris office of the Iranian television network and has been arrested several times by the French police for suspected involvement in terrorism. Hendi's brother Yussuf assassinated General Oveyssi last February in Paris, and has as his assistant a radical Algerian, Rashid Bin Issa, who works at Unesco and is in charge of recruiting volunteers for military training in Iran. Also involved is Baalbeck-based businessman Sharif Malik, plus other Algerian and Moroccan figures. Issa keeps the liaison with the Ben Bella network; Hendi coordinates with his boss at the Iranian embassy in Bonn, second secretary Kazem Bigdeli Soltani.

Although known, the network remains dangerous as no serious attempt has yet been made to dismantle it. More than any direct support, the strength of the MDA and its backers is drawn from the lack of unity of the Maghreb, particularly Morocco and Algeria, which have refused to drop local issues to unite against the common enemy, Libya.

### 'Free Enterprise, Inc.'

*The Friedmanites want to hand over Mexico's state industrial holdings to the country's creditors.*

A new special-interest group recently appeared in Mexico: Libre Empresa SA (LESA) or Free Enterprise, Inc., based on the "free enterprise" economic quackery of Milton Friedman. Its main objective, as its founders pointed out, is "to negotiate the acquisition of all the state-owned enterprises" that the government cannot maintain because of the economic crisis.

The group was founded to "reinforce the Mexican way of mixed economy, in order to liberate the government from spending more on them [the enterprises] for other national priorities [sic]. . . ." If the government accepts LESA's proposals, then "confidence and private business decision to invest in Mexico will immediately be activated."

LESA is nominally headed by Emilio Azcarraga Milmo, president of the television consortium Televisa, the most powerful in all of Latin America. But the real powers behind it are Miguel Alemán Velasco, vice-president of Televisa and son of the recently deceased former president, gangster Miguel Alemán Véldez; and Antonio Ortiz Mena, head of the Inter-American Development Bank, who viciously hates the last two Mexican presidents, Luis Echeverría and José López Portillo because they expelled him from the country and kept him and his group from attaining power.

LESA already had a meeting with Finance Minister Jesus Silva Herzog. In itself, this is hardly scandalous: The

government had announced several months ago that it was going to sell all the non-strategic enterprises, including some nationalized for the first time in 1982.

But what has tongues flying now is that LESA feels so powerful that it wants to buy even the strategic firms, like Fertimex, the fertilizer producing company, Teléfonos de México, or even the electric company Compañía de Luz, because what LESA really wants is to wreck the power of the State and hand over the state holdings to Mexico's creditors.

This was made explicit by Miguel Alemán Velasco in person, who gave a speech on May 26 at California's Stanford University where he compared the Mexican foreign debt to the German debt right after World War I. He also said that in order to resolve its problems, Mexico should pay the foreign debt with companies, not with dollars.

Coherent with this proposal was an interview with Antonio Ortiz Mena that appeared for three days running in *Excelsior*, the major Mexico City daily, at the end of May. Ortiz blamed Echeverría and López Portillo for the Mexican foreign debt. He accused them of being populists and leftists and called for a "strong hand" to resolve Mexican problems.

The irony is that Ortiz Mena was literally a Miguel Alemán Véldez partner in all the dirty deals made during Alemán's lifetime. In particular Echeverría was pressured by Alemán

Velasco to put Ortiz Mena back in power—with no success. But now the word is out here that Ortiz Mena is coming back to "advise" the Mexican government. For example, he is going to be an official speaker for the anniversary of the death of former President Gustavo Díaz Ordaz June 15.

Ortiz Mena is an intimate friend of Henry Kissinger's piggy bank, David Rockefeller, and of course sees eye to eye with Kissinger Associates, Inc. that the foreign debt has to be paid by grabbing assets. That's why that crowd is behind LESA.

Incidentally, LESA was first denounced by the noted journalist from *Excelsior*, Manuel Buendía, on May 28; Buendía was the victim of a gangland-style assassination two days later.

Then on June 6, Francisco Cárdenas Cruz from *El Universal* implied a connection between LESA's appearance and the Buendía hit, hinting that the journalist was on the verge of revealing the real interests behind the Friedmanite group in Mexico and exposing the game that this group of businessmen is playing to blackmail the Mexican government. He asked where the money is going to come from to buy the enterprises, when all these "prestigious" figures argue that the crisis has bankrupted them.

Finally, Cárdenas asks whether under these political conditions the "free enterprisers" intend to stop their practice of flight capital, which has been going on since 1982.

The point is that LESA wants to stop the debtors' cartel the Mexican President is working with. How will the government respond? In May, it halted negotiations of debt for equity between private companies and their foreign creditors, saying that it will regulate all such future transactions from the standpoint of the "national interest."

## **A small chance for Chancellor Kohl**

*The expected failure of Lambsdorff and Genscher's FDP in the Euro-elections might develop into a full-scale government crisis.*

**T**he day of the European elections, June 17, marks a watershed for Chancellor Helmut Kohl in many ways: It is generally expected that his fragile three-party coalition government will get into new trouble if the liberal Free Democrats (FDP) of Foreign Minister Hans-Dietrich Genscher fail to surpass the 5% threshold to obtain a seat in the European Parliament.

Should the FDP prove able to compensate for the loss of confidence its party chairman Genscher caused for the liberals when he walked out of the coalition with ex-chancellor Helmut Schmidt in October 1982, it will only be due to "leased votes" provided by the Christian Democrats (CDU) of Chancellor Kohl.

But if the CDU transfers votes to the FDP, the opposition Social Democratic Party (SPD) will tally more votes than the Christian Democrats, because the CDU has lost confidence among the voters, too, because of the government's austerity policy. If the SPD gains more votes than the CDU in the European elections, public pressure on Chancellor Kohl will increase significantly, because he is facing several severe problems at one time.

First, there is the political deadlock his government has been moved into by siding with industry against the metal workers in the ongoing strike for the 35-hour work week. Especially the provocative talk of the minister of economics, Count Otto von Lambsdorff, who has threatened to discipline labor by an anti-strike law modeled on the British example, has contributed a

lot to the current confrontationalist mood of labor.

But the count is a prime target for public attacks also for other reasons: He will be on trial for suspected bribery and illegal funding of his party (FDP) soon, and public pressure has already forced him to state that as soon as this trial was opened against him, he would definitely resign from the Ministry of Economics.

Leaks to the national press that his trial might be opened immediately after election day indicate that Chancellor Kohl will have to look for a new minister starting now. The chairmen of the three coalition parties—Kohl, Genscher, and Franz-Josef Strauss, who heads the Christian Social Union—convened for an emergency meeting on June 14, in order to examine the prospects.

It seems that Kohl will have to reshuffle more than just one ministerial post because pressure has been building up also against Genscher to such an extent that he felt compelled to declare that he will resign from the FDP chairmanship by no later than the spring of 1986.

His re-election as chairman at the June 1 national FDP convention was based on only 61% of the vote, and a failure in the European balloting would widen the front of his party opponents. The talk of the town in Bonn is, therefore, that Genscher won't even hold on to the chairman's post until spring 1986, and this means that Kohl will have to look for a new foreign minister too. Once Genscher is forced out of

the chairmanship, he won't be able to hold on to his post in the government either.

There are reasons enough for Chancellor Kohl to accelerate this process: Faced with a growing loss of popularity at home, but also abroad because of growing American dissatisfaction with Genscher's policy of decoupling from the United States, the chancellor might prefer to live on without Genscher, rather than to get toppled with him.

For the sake of political stability in Bonn, one can only encourage the German chancellor to not only sacrifice his economics minister, Count Lambsdorff, but also Foreign Minister Genscher. This wouldn't solve the basic problems facing the country, but it would pave the way for improvements and enable the chancellor to keep control of the situation.

Should Kohl fail to act, the leverage would be passed over to the opposition Social Democrats, who have already sided with labor against the government and are waiting for a good pretext to topple Chancellor Kohl by a political general strike. Social Democratic parliamentary leader Hans-Jochen Vogel is publicly predicting a split of the FDP.

The SPD has stated its solidarity with labor in case of a general strike. While the current metalworkers strike has so far been limited in scope, the public-sector workers are scheduled to walk out just before the European Parliament elections, and observers are speculating that the metal workers may expand their own strike activity at that time.

The people who would gain most from such a confrontation don't even sit in Bonn, but in Moscow; it is from there, as Kohl should realize, that most of the recent endorsements of the SPD's policies have come.

# Italy's War on Crime by Paolo Serri

## A new left-terror wave?

*French "political asylum" for terrorists and Italian social disintegration provide the basis for a new upsurge.*

**O**n Tuesday June 12, Presiding Judge Severino Santiapichi of the Rome Supreme Court read the sentences for the 71 suspected terrorists of the "Autonomia" group before a crowded courtroom, concluding a trial that had lasted 16 months: 57 of the accused were found guilty of such crimes as "creation of and membership in an armed gang, complicity in murders and attempted murders and kidnapping, theft and illegal possession of weapons and explosives," and sentenced cumulatively to 510 years in jail.

Among the best known members of this "7th of April" group—the name comes from April 7, 1979, when the Padua Judge Pietro Calogero made public his revolutionary investigation with a series of arrest warrants—were: Prof. Toni Negri (sentenced to 30 years), the physicist Gianfranco Pancino (25 years), Oreste Scalzone (20 years), Prof. Luigi Ferrari Bravo (14 years), Emilio Vesce (14 years).

These and other names of sentenced terrorists are known to long-term *EIR* readers since the mid-1970s when LaRouche collaborators in Italy first exposed Negri's *Potere Operaio* and *Autonomia* groups as the cover of terrorists Judge Santiapichi's sentence found them to be. The sentence confirms and pays homage to the LaRouche method in fighting terrorism and the courage and persistence of Judge Calogero in partially pursuing it.

This said, there is not much more to rejoice about in the trial.

Thanks to complicity in some Ital-

ian and French institutions, several of these convicted criminals, though wanted by Italian justice, walk the streets of Paris undisturbed as "political refugees": Negri, Scalzone, Pancino, and others.

Moreover, given the current collapse of the Italian institutions and the government of Bettino Craxi, undermined by scandals and mafia-type infighting among its coalition partners, there is an immediate danger of a resurfacing of terrorism from the same networks that Judge Santiapichi hoped to have wiped out. This was heightened by the sudden death of Communist Party general secretary Enrico Berlinguer, which could open the way for further radicalization of the party in unison with the KGB.

In the last weeks, several investigating judges have warned against the danger of a new terror wave and exposed the French connection protecting Italian and allied terrorists. The top left-terrorism sleuth in the Turin area, Judge Alberto Berardi, declared that "the theory that the armed party may rise again is not at all abstract. And I think I have the proof of this looming danger. . . . We can calmly state that a potential reorganization of terrorism in Italy could be helped precisely by the refuge provided by France to so many fugitives."

"Some hundred people," added the Genoa Judge Luigi Carli, are currently in France, "with links with the [Spanish] ETA, Grapo, [the German] RAF and [the French] Action Directe." "Statistical data in our possession," concluded Judge Berardi, "in-

dicating a terrorist numerical potentiality close to that of 1976," the year before the major terror wave in Italy in the summer of 1977.

These judges have also been concerned by the disappearance in the last weeks of some 20 individuals in the Turin region, at least two of whom were traced en route to France. The judges' concern originates with the fact that these people, while on parole or awaiting trials, did not have to fear sudden arrest warrants. From *Autonomia's* historical stronghold, Padua, reports indicate the reactivation of the organization.

And now, the Rome Court sentence, ironically, could be used as a "pretext" by the terrorist network for accelerating its plans. Since the April 7, 1984 anniversary of the first arrest wave, a series of public activities has been kicked off in Paris, with wanted Italian terrorists and French left intellectuals and lawyers hand in hand protesting the "inhuman" "political" repression in Italy. *Liberation*, the daily founded by Jean-Paul Sartre and now owned by powerful financier Jean Riboud of the Schlumberger interest group, has been the main channel for this campaign; it employs some of these wanted terrorists as "journalists"!

What can unite the technocrat Jean Riboud and the terrorist leader Toni Negri? A different but parallel dream of a post-industrial world, coherent with the Soviets' effort to destabilize the West—the same Soviets who trained Negri in Moscow in the 1960s under their chief ideologue, Suslov. Regis Debray, special adviser to President Mitterrand, has played a key role in blocking any extradition demand for the terrorists coming from Italy.

Under the guise of France's historic "right to asylum," the French government is shamelessly protecting these terrorists.



### Thinking 'bigger than de Gaulle'

*Jacques Cheminade's party announces plans to run 2,000 "citizen candidates" in France's next national elections.*

Although the campaign speeches in the European parliamentary election hardly went beyond the usual differences among the parties, we must acknowledge that those of Jacques Cheminade were quite surprising by being more oriented to issues of policy than to vote-getting. He admits that 'we are not running in this campaign in order to gain a few votes more or less, but to get across our ideas.' This description from the Lyon newspaper, *Le Progrès de Lyon*, sums up well the impact on French politics of the 81-person Parti Ouvrier Européen (POE) slate in the recently concluded campaign for the European parliament.

France's POE, or European Labor Party, is led by Jacques Cheminade, a leading associate of U.S. economist and presidential candidate Lyndon H. LaRouche. Cheminade's campaign call for France to begin an in-depth mobilization for production of a beam weapon anti-missile system and neutron bombs for the defense of Europe, and his backing for the LaRouche program for a gold-backed monetary system have created shock waves in French politics.

His party has received recognition nationwide. Its candidates' movement, modeled on the U.S. "citizen candidates" movement of the National Democratic Policy Committee, has now recruited 500 French citizens to run for office on its program, and plans to run in the next national elections, the *cantonales*, with a full slate of 2,000 candidates in spring 1985.

Over the course of a two-week campaign, Jacques Cheminade, François Bierre, number two on the slate and national campaign director, and Laurent Rosenfeld, scientific and agricultural campaign adviser, toured the country holding well-attended press conferences in almost every important French city.

The party's local candidates, the great majority of whom were engaging in political activity for the first time, also took the offensive. One of them, Professor Aly Mazaheri, a world-famous Persian scholar, was interviewed on the regional TV in Orleans by a slick journalist attempting to prove him incompetent for "professional politics." When asked how the POE, "such a small party," had the financial means to participate in the European elections, Professor Mazaheri pulled out his checkbook and said "I finance them. And hundreds of others like me. Look at the stubs. You'll see."

In Lyon, citizen candidate Maurice Blanc, a construction worker, walked into the office of the regional newspaper to give an interview on the POE program, boldly stating that "from now on, the POE will be present in all elections in France." Another candidate, Mme. Bareux, a hospital worker from Rouen, was interviewed on local television explaining the importance of a strong Franco-American alliance.

However, the number of votes cast for the POE in the European parliamentary elections June 17 will not re-

flect the real support that the organization has developed throughout the country. Because of the French electoral laws meant to discourage the entrance of smaller parties, political parties are obliged to print ballots and programmatic declarations for every voter in France at their own expense. Due to the prohibitive costs, the POE had to restrict its printing and distribution of ballots to 10, out of a total of 95, departments. This will mean that only about 20% of the voting population will have the opportunity to vote for the POE.

The head of the POE slate made an official three-minute appearance on the three national television channels and Radio France. Cheminade's posters read, "Faced with the war danger and the financial crash, we must think bigger than de Gaulle." Appealing to the republican movement that was created by the late Charles de Gaulle when he first warned of the Nazi danger in the 1930s and then mobilized Free France to fight the Nazi occupation, Cheminade began his television spot with the words: "Munich 1938. We say, never again. That is why we are running in the European elections.

"Munich 1938 was humiliation by Nazism. Today, faced with the Russian threat, it is the same story. All the conditions for thermonuclear blackmail are in place. . . . Therefore, we must react. Not by a flight forward but by an in-depth economic and military mobilization, doing European-wide what de Gaulle did with our force de frappe and civilian nuclear program.

"Today we must develop directed-energy weapons, lasers and particle beams. The arms are defensive and peaceful. They will constitute a shield for shooting down in-flight enemy missiles. In this way, an age of mutual survival can replace the intolerable age of lightning-terror."

# International Intelligence

## **Weinberger, DIA expose Soviet military increases**

The Soviet Union's spending on military hardware jumped "between 5% and 10% . . . primarily the result of the introduction of many new and more costly weapons systems," officials of the Defense Intelligence Agency (DIA) announced at a press conference June 13, according to United Press International. Defense Secretary Caspar Weinberger directed the officials to present the estimates at the news conference.

This estimate directly contradicts those on Soviet military expenditures made by the Central Intelligence Agency last fall. At that time, a CIA report asserted that the rate of increase of Soviet military spending had declined to 2% per year in 1983. Following its release, high-ranking CIA officials held a press conference in which they warned that Soviet spending on military hardware would jump in 1984 and 1985.

The DIA officials reported that the increase in Soviet procurement covered two new attack submarines for anti-submarine warfare forces, improved versions of the SS-18 and SS-19 missiles, and many other weapons.

## **Denounce Papandreou as head of 'fascist left'**

Former Greek Defense Minister Evangelos Averof, a conservative nationalist, has called for a break with "the wretched government" of Prime Minister Andreas Papandreou, "which has never known Greece." Averof, a leader of the opposition New Democracy Party, was speaking to Greek voters on the eve of the European elections. "Papandreou should not forget that he is the prime minister and not the head of the fascist Left," Averof declared.

This attack follows wide circulation of *EIR*'s "Attic Chronicle" column in Greece. On May 7 and May 18, Greece's largest-circulation evening newspaper *Vradini* ran, with front-page promotionals, extensive excerpts from the writings of columnist Phocion (with the full English text alongside in

one instance), documenting the Kissinger-KGB plot which put socialist Papandreou in power, and explaining how Papandreou is implementing the "Lebanonization of Greece."

## **Spanish labor federation calls for 'no' to NATO**

Nicholas Redondo, chairman of Spain's largest labor union federation, the Union General de los Trabajadores, on June 9 urged the Socialist government of Felipe González to stop stalling on the referendum on whether Spain will withdraw from NATO, originally set for spring 1984. Spain joined NATO a year ago, but its role has been primarily political, rather than military.

Redondo, speaking at a labor rally in Madrid, stated that he expects "all members of the unions and of the Socialist Party to say a clear *no* to NATO."

Premier González first promised the referendum in 1983, but has tried to gain time to stabilize his government in a precarious economic and political situation. Separatist/terrorist threats are growing, especially in the Basque and Catalonian regions. Pressure has been increased on González from the Socialist International faction to which his Socialist Party of Spain belongs, and on Spanish King Juan Carlos, who was recently in Moscow.

## **Map Soviet spetsnaz activity in Scandinavia**

Trucks from the Soviet bloc are being used for espionage and sabotage operations throughout Scandinavia, according to a new book published in Sweden June 6, titled *The Soviet Threat to the North*. The book provides additional documentation of *EIR*'s charge that Soviet spetsnaz undercover commando forces have stepped up their operations in Western Europe dramatically over recent months.

According to a June 7 article in *Svenska Dagbladet* newspaper, author Dragan Jovius (a Yugoslav emigré) states that increasing numbers of Soviet trucks are passing

through Swedish territory, with the following assignments:

- industrial espionage;
- illegal sales of alcohol, tobacco and drugs;
- charting militarily vital facilities such as bridges, tunnels, and canals;
- picking up radio signals, radar waves, and other telecommunications which are processed by Soviet intelligence centers.

Jovius's book provides the names of 98 Soviet citizens who he claims are intelligence agents working in Scandinavia, 51 in Sweden.

A Swedish military intelligence source, asked by *Svenska Dagbladet* to comment on the charges, said that the Swedish secret service has "suspected" such activity but has been unable to confirm it, and has been "wondering" for a long time about unusual overflights of Swedish territory by the Soviet planes.

## **Czechoslovakia charges Nazi revival in Germany**

The Czechoslovak government recalled its ambassador from Bonn for a week in mid-June, in protest over a meeting in Munich of 150,000 members of the refugee Sudeten German organization. The Czechs summoned the German ambassador in Prague to the foreign ministry to receive a harsh note denouncing "the revival of revanchism and Nazism in West Germany."

The KGB propaganda line that fascism is being revived in Germany is intended to provide the pretext for an eventual military intervention by Warsaw Pact forces into Western Europe.

The official Czech news media emphasized that "former Nazi" German President Karl Carstens attended the Munich conference. *Prace*, the trade union daily, declared that Carstens, "who voluntarily joined Hitler's fascist NSDAP in 1937 . . . has always supported the reestablishment of Greater Germany within the 1937 boundaries—as the demands of the revanchists are officially termed in Bonn now—in other words, the reestablishment of the Hitler Reich." The Czech press agency CTK said that Carstens's presence proved that "there has been

a shift in Bonn ever since the conservative government came in," and that the activities of the Sudeten Germans "prove the close links of revanchists and the traditions of fascism and Nazism."

### **Philippines deputy foreign minister hits Iran**

In an exclusive interview with *EIR* correspondents Sophie and Pakdee Tanapura in Manila, Philippines Deputy Foreign Minister Pacifico Castro declared that Zbigniew Brzezinski and former U.S. ambassador to the Philippines William Sullivan, had destroyed U.S.-Philippines relations. These are the same people, Castro noted, that had brought down the Shah of Iran. The only beneficiary of the destabilization of the Philippines, he said, will be the Soviet Union.

Castro also indicated that while joining the debtors' cartel in Ibero-America may not be a policy option for the Marcos government at this moment, the Philippines is in a good position to do so. Its diplomatic and cultural ties with Ibero-America are very close, and it is placed with Ibero-America on the commissions of the IMF and World Bank.

He also indicated his willingness to help build for regional development along the lines of the high-technology development program for the Pacific Basin put forward by Lyndon LaRouche.

### **De Benedetti wants emergency austerity government**

Speaking at a Milan meeting on the "Technological revolution and the Italian system," organized by the liberal daily *Il Giornale* on June 15, Carlo De Benedetti called for an emergency government in Italy based on "an agreement by all groups in society to impose an emergency period, in which everybody will have to face heavy sacrifices and austerity." De Benedetti is president of Olivetti and one of Italy's leading oligarchic bankers.

De Benedetti used the debt crisis to jus-

tify his demand for sacrifice, more extensive than any measures demanded by the IMF in Italy so far.

"Italy has 500,000 billion liras (\$300 billion) debt, which is the equivalent of 10 million liras debt per person. It is better that we get the population to pay this debt: in this way they will finally understand that the public deficit is everyone's debt, and they will rebel."

### **Sources say Anderson leak helps Iran**

In his syndicated column of June 11, U.S. columnist Jack Anderson revealed a current Pentagon scenario which describes a frightening possible escalation of events in the Persian Gulf leading to a U.S.-Soviet conflict. The scenario includes the danger of a full-scale confrontation between the United States and the Soviet Union inside Iran, coupled with a retaliatory Soviet military invasion of Western Europe.

Intelligence community sources say the Anderson piece reflects certain excerpted sections of a national security document which considers a number of possible outcomes of the ongoing Persian Gulf crisis.

One of the scenarios omitted by Anderson describes a British manipulation of the Gulf crisis to bring about an increase in world oil prices.

Analysts in Washington, D.C. characterized the Anderson leak as an attempt by State Department centered factions within the Reagan administration to counter consideration of a direct U.S. intervention to defeat Khomeini and check Islamic fundamentalism.

One source, identified as "Ed," indicated that, despite the line leaked to Jack Anderson, options presently exist for active military initiatives inside Iran from anti-Khomeini forces formerly associated with the Shah.

This option is being considered by pro-Western moderate Arab governments, but it would depend on approval from Washington.

## **Briefly**

● **SERGEI ANTONOV**, the "Bulgarian" arrested for involvement in Ali Agca's attempt on the life of Pope John Paul II, is no Bulgarian at all, but a "Russian and an officer in the GRU, Soviet military intelligence," West German television journalist Gerhard Löwenthal reported on June 13.

● **LT. GEN. DANNY GRAHAM** will arrive in London in July "to drum up British and European support" for his High Frontier alternative to President Reagan's Strategic Defense Initiative, the *Daily Telegraph* reported June 15. Graham's group is organizing two conferences on "the implications of the new technology"—one for parliamentarians and press, and another for industry. Working with Graham from the British side will be Air Vice-Marshal Stewart Menaul. High Frontier's "new technology" has been around since the 1960s, and it can be easily saturated by the current Soviet strategic arsenal.

● **LIBYA'S COLONEL QADDAFI** on June 11 threatened to "deal with America" by unleashing a terrorist wave there, according to a Libyan state radio report. "We can assassinate and set fires inside the territory of the United States as it did to all of us," he said. Qaddafi was speaking at ceremonies marking the 14th anniversary of the closing of U.S. bases in Libya.

● **McGEORGE BUNDY**, the chairman of the board of the U.S. Eastern Establishment, was praised in *Izvestia* on June 8 for attacking President Reagan's "Star Wars" program: "Bundy called the plan proclaimed by the master of the White House to deploy a powerful anti-missile defense system with space-based components 'one of the most irresponsible and dangerous declarations by a president in the nuclear age.' The discussion about 'star wars,' he stated, 'only favored the substantial growth of danger on an international scale' and was considered by the U.S.S.R. as a 'provocation.'"

## Moscow's machine in U.S. Congress under attack

by Richard Cohen

When, on June 13 the U.S. Senate blocked further cuts in funding the U.S. beam-weapons program by a 47-45 vote, it was the first significant defeat for the Soviet-inspired "arms control" lobby's efforts to cripple both the doctrine and its practical implementation first announced by the President on March 23, 1983. The vote defeated an amendment sponsored by Kissinger intimate and chairman of the Senate Foreign Relations Committee Charles Percy (R-Ill.) to delete another \$100 million in funding from President Ronald Reagan's Strategic Defense Initiative (SDI). In its final recommendation, the Senate is certain to authorize virtually the entirety of the (insufficient) White House request of \$2 billion to initiate its ballistic-missile defense program.

Of even greater importance, beginning with the June 12 Senate floor debate on the administration-sponsored Anti-Satellite (ASAT) program, a full-scale backlash against the year-long dominance of the Soviet inspired "arms-control" lobby over the legislative agenda and President Reagan's conciliatory re-election rhetoric was unleashed.

Typical of the debate that preceded the ASAT vote, Sen. Malcolm Wallop (R-Wyo.) opened up asking: "Who runs this country—this Congress or the leadership of the Soviet Union!" Then on June 13, debate on the Percy amendment to the SDI reached such intensity that a number of senators took to the floor to charge that the Percy amendment was aimed at protecting the Kissingerian doctrine of Mutual Assured Destruction (MAD). A terrified Percy, attempted to exonerate himself by stating that his amendment was not meant to re-introduce the MAD doctrine, whereupon Sen. John Tower (R-Tex.), chairman of the Senate Armed Services Committee, shouted, "By George, it comes pretty close!" By June 14, Capitol Hill sources reported that the Wallop question of whether Moscow was dictating the U.S. Congress's defense policy through the instrument of the Soviet-inspired "arms-control" lobby was being echoed

throughout the corridors of Senate office buildings.

The Wallop charges and the sudden round of serious questioning of Soviet intervention in U.S. defense legislation followed a report to the nation on that specific subject aired on May 31 on national ABC-TV by Democratic presidential candidate and *EIR* founder Lyndon H. LaRouche. Since that broadcast, in which LaRouche detailed evidence demonstrating a direct Soviet role in drafting legislation against weaponry in space then sponsored by U.S. congressmen and senators, the LaRouche campaign staff has provided congressmen and senators, as well as the Reagan administration, with complete details on the direct intervention by Moscow into U.S. defense legislation.

So explosive is the information that in an unprecedented maneuver, House Speaker Tip O'Neill (D-Mass.), a deputy of the Soviet-directed "arms-control" lobby, on June 2 ordered a ban on the free distribution of LaRouche's information to the House. Then, on June 11, CBS network television "misplaced" a scheduled tape of candidate LaRouche's half-hour exposé of retired Gen. Daniel Graham's "High Frontier" proposal, a phony low-technology substitute for the Strategic Defense Initiative which has been given wide publicity. Capitol Hill sources reported in the wake of this week's "backlash" against the Soviet-directed Capitol Hill operation that "you [i.e., LaRouche] have something to do with it."

On June 12, Sens. Larry Pressler (R-S.D.) and Paul Tsongas (D-Mass.) were forced to withdraw their long-standing amendment demanding a moratorium on ASAT testing, for lack of support. Last month a similar measure was passed in the House.

Even more remarkable was the near-victory—in a 45 to 48 vote—of a Wallop amendment that stipulated that "nothing shall be construed to limit the ability of the President to act in a manner consistent with the national security interests of the United States." In its place, the Senate passed only a

“certification” amendment, requiring the White House to regularly certify that the administration is trying to negotiate in good faith with Moscow on ASATs.

The debate on ASATs saw the first direct attack on Moscow’s congressional machine. Sen. Barry Goldwater (R-Ariz.) challenged the Senate: “What are we going to wind up doing—compromise with the Soviet Union across the board?” In response to a “certification” amendment demanding that ASAT testing be consistent with the Anti-Ballistic Missile Treaty, Wallop followed up by asking: “Who is to say that [the head of the Soviet’s U.S.A.-Canada Institute, Georgii] Arbatov or one of those other people who has almost total access to the press of the United States will not say that this is outside the circumstances provided for in the ABM treaty?”

This momentum carried over to the defeat of the Percy amendment on the SDI. Informed Capitol Hill sources had been predicting that the Senate might even cut more than the \$400 million the House last month slashed from the President’s request. Sen. Charles Mathias (R-Md.) had been proposing an amendment that would have cut the SDI by \$900 million, while a \$700 million slash was seen by Hill observers as the aim of other anti-SDI Senate forces. Yet on June 13 both amendments were dropped. Finally, the Percy version fell on the Senate floor. It should be noted that key Senate Democrats, including Hollings (S.C.), Heflin (Ala.), Long (La.), Boren (Okla.), DeConcini (Ariz.), and Glenn (Ohio), voted against the Percy amendment.

Reportedly, during the course of the recent London economic summit, President Reagan, joined by West German Chancellor Helmut Kohl, rebuffed attempts by British Prime Minister Margaret Thatcher to get the President to make more concessions in order to secure talks with Soviet President Konstantin Chernenko. (In addition, the President reportedly scolded Thatcher for her request that Britain be officially allowed to sell small weapons to Iran.) One Reagan intimate tells me that his circle is now convinced that Moscow is certain of U.S. retaliation if it sought a provocation prior to the November elections.

Before the ASAT vote in the Senate, the President reaffirmed on June 8 that because of verification problems, the United States would not rush into an ASAT agreement. The President, with an eye to the upcoming Senate vote, was sending a message to the Hill and to the Soviets. Two days later, on the eve of the Senate vote, Chernenko, in a move clearly known beforehand to the White House, pressed publicly for an ASAT negotiation.

Then on June 12, on his return from the London summit, Reagan was confronted by two key senators representing the Kissinger wing of the Republican Party: Percy and Senate Majority Leader Howard Baker (R-Tenn.). After having stood firm in the face of Maggie Thatcher’s pressure, Reagan rejected an appeal delivered by the senators at the White House to change his approach to summitry with the Soviet leadership. Taking their cue from the campaign script of former Vice-President Walter Mondale, Kissinger’s front-men Per-

cy and Baker demanded that the President drop his requirement that a U.S.-U.S.S.R. summit be “carefully planned” and have “a reasonable chance of success.”

Baker, publicly calling these conditions “anachronistic,” made his call for an immediate summit, to later be institutionalized, when he spoke at the June 9 commencement exercises at Dartmouth University in New Hampshire. A few weeks before, the leading Soviet Congress handlers, including Georgii Arbatov, met with the supporters of Henry Kissinger and Democratic Party foreign-policy guru Averell Harriman to plot strategy at the annual Dartmouth Conference (On U.S.-Soviet relations) held at the university.

While the President was snubbing the Percy-Baker operation, Lt. Gen. James Abrahamson, director of the Office of Strategic Defense, was deployed to the annual meeting of the American Stock Exchange in Washington on June 11 to debate Sen. John Glenn on the SDI. Abrahamson emphasized early deployment of anti-missile defense systems, stating that while a complete system may take five years, partial systems could be deployed in the interim as research makes them feasible. Explicitly distancing the administration’s program from General Graham’s “High Frontier”—stating that while High Frontier may be short-term, “it is less effective” than what the administration wants—Abrahamson told a friendly group of top corporate executives that American scientific and technological know-how makes ballistic-missile defense a certainty. Debater Glenn, who would later vote against the Percy amendment, could only complain that the White House was overstating the feasibility of the program, while confiding that during his short presidential campaign, he found the so-called “Star Wars” issue the hottest item, with the great majority of the population supporting it.

The day before the Abrahamson-Glenn debate, the SDI program had chalked up a major technological victory with the success of the Homing Overlay Experiment (HOE)—proving that an ICBM could be intercepted and destroyed in flight (see article, page 54).

The liberal leadership of the Democratic Party responded to these developments with a new level of hysteria. National chairman Charles Manatt called a June 12 press conference to denounce the U.S. Army’s successful HOE test and to announce that the Democratic presidential nominee will oppose strategic defense. Joined by Kissinger crony and former opponent of the Apollo Moon Shot project Jerome Wiesner of MIT, Manatt called the test and the whole Strategic Defense Initiative “a radical provocation”; Wiesner termed it “absolute insanity.” Manatt then directly posed the November election as a contest between “Reagan’s preparations for war in space” and “the Democratic nominee who will support a moratorium on testing such weapons,” thus confirming the LaRouche’s assertions, in the broadcast suspiciously delayed by CBS, that a Democratic candidacy of the current liberal front-runners would be based on the Moscow-encouraged effort to destroy U.S. advanced strategic capabilities—in particular the SDI.

# Missile interceptor test shows ABM defense capability is within reach

by Paul Gallagher

On June 11 a Rockwell-made U.S. Army interceptor missile, with Honeywell-designed infrared guidance systems and computers on board, rose 100 miles into space and flew several hundred miles to hit an ICBM re-entry vehicle on the nose, destroying the "ultimate weapon" in mid-course. The successful test of the army interceptor, launched by a Minuteman I booster, made headlines around the world.

Dr. George Keyworth, President Reagan's science adviser, gave a briefing that afternoon in Washington for other nations' press correspondents on the U.S. anti-ballistic-missile defense program, known as the Strategic Defense Initiative. For the first time for any ranking administration military/science official, Keyworth stated that the United States and its allies could build and *potentially deploy* some elements of a multi-layered ABM system during the 1980s.

Keyworth made clear that he referred to elements of beam-weapon systems—such as ground-based high-powered lasers shot up from earth and reflected off orbiting mirrors—and not merely to older anti-missile interceptor technologies such as those the Army is currently testing.

Last May, in the Airborne Laser Laboratory test series against Sidewinder missiles, the Air Force demonstrated that a refiring laser can repeatedly shoot down missiles. Now the Army test has demonstrated capabilities for precise guidance, tracking, and homing in on a target at 5-10 miles per second combined speed, and sensing of the destruction of the target. These are essential command and control features of any ABM system, whether using frontier energy-beam technologies or older interceptors.

At the same time West German work on laser interception of *short-range* attacking missiles, essential for the defense of Western Europe, is making significant breakthroughs. Japan is working on the high-power laser, laser sighting, and stealth technologies essential to overall strategic anti-missile defense. And U.S. laboratories are reported solving the "impossible" problems of propagation of high-power lasers and particle beams for long distances through the atmosphere without losing focus (see *EIR*, June 19).

Rapid technological breakthroughs continue across the

board in the U.S./NATO/Japanese effort—which is still critically underfunded, an order of magnitude smaller than comparable Soviet programs, and under Soviet-coordinated attack by the entire "MAD lobby" in Washington and the capitals of Europe.

## The precision factor

The Army's Homing Overlay Experiment (HOE) interceptor test was a significant achievement in precision sensing and guidance. Even more crucial in defending against a general missile attack is the ability to determine instantly whether the target has been destroyed or not—this was accomplished in the HOE test by a combination of optical (laser), radar, and infrared sensors.

Ground-based interceptor missiles can, and have, accomplished the same results without such precision. Army Ballistic Missile Defense Commander Maj. Gen. Elvin Heiberg announced after the successful test that "the direct intercept was a first for the United States, and, as far as is known, for the world." But *destruction* of reentry vehicles in space, without direct interception, by the blast from interceptor missiles' nuclear warheads, was successfully demonstrated 20 years ago by the U.S. Project Defender program.

Heiberg said that the Soviet Union has nuclear-tipped antiballistic missiles that can destroy targets inside and outside the atmosphere. He added that a nuclear-armed interceptor does not need the pinpoint accuracy of a non-nuclear "collision kill" rocket because of its far-reaching blast effect.

Ground-based ABM interceptor system designs during the 1960s combined a long-range, "Spartan" interceptor like the current HOE, and a short-range but very fast-rising "Sprint" interceptor for last-chance point defense. Both had nuclear warheads for the ability to "kill" re-entry vehicles across a radius of one kilometer or more.

If such interceptors were fitted with *neutron* warheads (enhanced radiation nuclear explosives), the kill radius would become larger, up to five kilometers or more, and the interceptors far more efficient. If in addition they were given current U.S. guidance and tracking capabilities as used by



the "HOE," then a very efficient two-layer backup to beam-weapon systems could be deployed.

The HOE test success must be gauged against Soviet results. The Soviets have the kill capability of a whole regional system of nuclear-tipped interceptors guided by long-range radar target acquisition systems, already deployed. But they may not have the same precision guidance capabilities that the United States has now demonstrated. Sources indicate that the Swiss and Swedish "businessmen" arrested in March on the initiative of U.S. Customs, were trying to smuggle to the Soviet Union the computer capabilities to achieve the level of guidance precision of the HOE for their ABM interceptors. If true, these reports indicate not a "Soviet catchup attempt," but that the Soviets were seeking to add precision to an in-depth interceptor capability which otherwise far exceeds that of the United States.

Included among defense budget funds which the House has tried to cut, but the Senate has so far sustained, are projects to develop a high-altitude aircraft for long-range infrared scanning out into space; and an advanced space-based sensor to track targets for high-power lasers in space.

### **Laser and optics breakthroughs**

High-power lasers based at high-altitude sites on earth will have multiple uses in anti-missile defense, ranging from short-range firing at reentry vehicles to interception of missiles thousands of miles away by reflection off orbiting mirrors—once we solve the problems of propagation of the beams through the atmosphere.

Breakthroughs in optical elements which correct for atmospheric diffusion or "spreading" amplify the beams and maintain "lock-on" of the beam to a distant moving target. Experimenters at Hughes Lab and Los Alamos National Laboratory forecast the ability to propagate high-power lasers for 60 miles through the atmosphere in a bright, focused state—enough to "burn a hole" out into space. This is one of the achievements which a successful beam-weapon defense will require, and which the Pugwash Conference's disarmament lobby insists is "against the laws of the universe."

In the West German aerospace industry region south of Munich, the Messerschmidt-Bölkow-Blohm (MBB) firm, among others, is reported to be developing a laser for defense against aircraft or tactical missiles, with a range of 10 kilometers for "point defense." The laser will be based either on an armored vehicle or on the ground, according to the May 21 edition of *Aviation Week*.

Large numbers of such fixed and mobile ground-based laser weapons for use against short-range and tactical nuclear missiles are essential for a beam-weapon defense of Europe. While Soviet SS-20s are the primary threat, and can be attacked through space with lasers and long-range interceptor rockets, shorter-range tactical nuclear missiles and aircraft will obliterate European cities unless those missiles can be attacked and disabled from the ground with very fast firing

(i.e., pulsed laser and particle beam) weapons.

The laser weapon technologies MBB is developing at its laser test site near Munich are also directly applicable to defense of naval task forces against missile attack at sea.

### **Advances in Japan**

Japan is directly contributing technology vital in a number of areas to the Strategic Defense Initiative. According to informed sources, Japan is contributing new capabilities in high-power lasers, ceramic and lamination techniques, static-reducing technology for microchips, and stealth technologies—the most important countermeasures against beam weapons—in which Japan reportedly leads the world.

Japanese industry is working on "3-D" radar systems said to be capable of pinpointing incoming missiles while deflecting enemy jamming beams. It is also developing superconducting technologies for superfast computers, necessary for battle management of speed-of-light defensive weapons. Japan has done extensive work on extremely high-power laser-matter interaction and x-ray lasers.

One large Japanese firm is developing a new tank with a laser gun sight that is extremely accurate, able to line up targets at 60 miles per hour on rough terrain.

### **Dr. Bethe vs. the x-ray laser**

Both the United States and the Soviet Union currently have productive underground tests underway to develop a bomb-powered x-ray laser, the most efficient of the anti-missile technologies being actively developed today—although electromagnetic particle accelerators and plasma beam accelerators may become even more precise and efficient.

X-ray lasers, because of the extremely short wavelength radiation which makes them so lethal to missiles, must be fired from just above and outside the earth's atmosphere. American, Soviet, and Japanese laser scientists have proven the feasibility and deadliness of these anti-missile devices. Thus the Pugwash opponents of anti-missile defenses, led by Dr. Hans Bethe of Cornell University, have resorted to the argument that the compact, light x-ray laser device cannot be rocketed up above the atmosphere fast enough to hit an ICBM on the rise thousands of miles away. The solution to this problem requires the development of extremely fast-rising rockets to carry the x-ray laser devices into low orbit within a few minutes, from polar submarines or other launch sites near the Soviet Union where the attacking missiles are rising. Sources at the nation's most experienced military rocket-makers, such as Martin-Marietta, indicate that this problem too is on the verge of solution.

The technological breakthroughs in ABM systems such as the world saw on June 11 are sweeping aside the objections of the Pugwashers. But the serious question is still the relative rate of U.S. and Soviet development. The Soviets still lead, and may seek a "Sputnik"-type demonstration of that fact in the aftermath of the U.S. Army success.

# LaRouche Democrats emerge from primaries 1.5 million strong

by Warren J. Hamerman

Now that the Democratic primary skirmishes have ended, the real war has begun. Despite all of his organizational and financial advantages, Walter Mondale could emerge in the last primaries with at best an approximate four-way split among Democratic constituencies with Gary Hart, Jesse Jackson, and Lyndon LaRouche. While Hart and Mondale are currently negotiating their dealing positions, the fact that more than 1.5 million votes were cast and counted in Democratic primaries for the LaRouche citizen candidates' movement (despite extensive vote fraud) means that a powerful counterpole has been built up nationally to the policies which Hart and Mondale represent.

The Harrimans, Bundys, and other friends of Henry Kissinger in the Eastern Establishment who destroyed the Democratic Party of Franklin D. Roosevelt and now pull Walter Mondale's strings (along with their Russian counterparts) can no longer allow the relentless and rapidly growing challengers from the LaRouche wing of the party to cohabit the same political institution.

As the primaries came to a close, LaRouche-foes McGeorge Bundy and chairman of the Democratic National Committee Charles Manatt danced together to Moscow's tune. Manatt publicly pledged on June 12 that the Democratic presidential nominee will oppose what the KGB and he refer to as the "Star Wars" beam-weapons defense system. Manatt, flanked by pseudo-scientists Jerome Wiesner and Henry Kendall of MIT, called a press conference to denounce the U.S. Army's successful test of an ABM interceptor missile as a "radical provocation." On June 8, the Soviet government newspaper *Izvestia* had run a front-page article hailing McGeorge Bundy's opposition to the Strategic Defense Initiative, which Bundy called a "provocation" against the Soviet Union.

Thus Manatt and Bundy in their own words have confirmed LaRouche's charge that they view the defense of the United States as "dangerous and provocative"—while looking the other way at the massive Soviet arms buildup.

Within the nation and the Democratic Party, the policy clashes are intensifying. The principal conflicts are fourfold:

- either an emergency strategic defense mobilization for the United States and the Western allies, of the kind that Franklin Roosevelt launched—and the Democratic Party

supported—on the eve of World War II, or Neville Chamberlain-style "appeasement" of the Russians;

- either a restoration of the traditional Democratic commitment of the United States to lead the fight against the brutal austerity and genocide hitting Africa and the rest of the Third World, or a U.S. decision to climb down into the bunker with the International Monetary Fund and the Swiss and London bankers;

- either the traditional Democratic Party policy of low-interest credits to agriculture, industry, and domestic infrastructure projects, or the anti-labor, anti-farmer, and anti-minority philosophy of austerity and unemployment;

- either a "harmony of interests" among labor, agriculture, minorities, and business, or a corrupted coalition of drug-pushers, pederasts, and kooks controlling an elitist institution oozing the "post-industrial" outlook.

## The four-way split

This year delegates to the Democratic convention in San Francisco are not legally bound to vote for the person they came to the convention to represent. The four-way Democratic constituency split in the late primaries presents the following interesting situation. Jesse Jackson is politically hostage to an angry anti-genocide sentiment among minorities who will accept no concessions to anyone who was intimately linked to the Carter-Mondale administration's *Global 2000* program for world genocide, let alone to Mondale himself; most of Gary Hart's delegates are merely "ABM" (Anyone But Mondale) delegates; large numbers of Mondale delegates hate everything Mondale stands for on defense and credit policies and are like wild horses in a corral waiting for the gate to open.

LaRouche, on the other hand, pilots his own ship, because he alone has built a mass political movement of citizen candidates from scratch, on the issues and policies he himself designed. Nearly 1,800 citizen candidates running with LaRouche have already come up for election this year.

Through these Democratic primaries the National Democratic Policy Committee (NDPC), the political action committee founded by LaRouche, has elected approximately 300 Democratic Party officials at the grass roots level in the states of California, New Jersey, Oregon, Massachusetts, Florida,

Illinois, Pennsylvania, Texas, Ohio, Indiana, New Hampshire, and New York.

In New Jersey, 14 LaRouche Democrats won Democratic Party county committee posts while two more tied their elections. The LaRouche wing of the Democratic Party has a demonstrated capability to elect between 5% and 20% of the party posts anywhere it chooses to contest the control of the Harrimanites.

The scope and strength of the LaRouche movement can be measured by the fact that the LaRouche Democratic slate already received an official vote of more than 100,000 Democrats this year in each of the following states: New Jersey, California, Illinois, Pennsylvania, Texas, Ohio, and North Carolina (see "One Million Votes Counted in 1984 for LaRouche Citizen Candidates," *EIR*, May 29, 1984). Already in 1982, LaRouche Democrats had received well over 100,000 votes in major elections in the states of New York and Pennsylvania.

### The West Coast

Out of the total 90 candidates who ran for public office on the NDPC slate in the Oregon primary on May 15, 80 were for Democratic precinct committee positions. Of these, 65 precinct candidates won election. This represents an overall victory of 72% of the LaRouche slate and an 82% victory rate for the LaRouche Democrat precinct races.

In California, the home of Charles Manatt and the state hosting the July 16 Democratic convention, Jack Hornsby was the victor in his race for the Democratic state senate nomination in the first district in northern California, and 52 LaRouche candidates—32 Democrats and 20 Republicans—were elected to party central committee posts on the bipartisan anti-Kissinger LaRouche slate. LaRouche Democrats, furthermore, won a majority in the Long Beach Assembly district, the same area where congressional candidate Georgia Irey, a LaRouche Democrat, won 49.9% of the vote, losing by a slim 500-vote margin. In other California congressional races, Kevin Schmidt won 26% in the 43rd Congressional District, coming in second in a three-way race; Linda Carlston came in second in a four-way race in the 41st C.D. with 20% of the vote; and Paul Jeffrey won 33% in the 33rd C.D. The 22-person California LaRouche congressional slate averaged more than 18% of the vote. The LaRouche California state senate slate averaged well over 21% of the vote, and the state assembly slate averaged over 14% of the vote.

The NDPC in California, with 15,000 members, is the largest and most powerful political action committee in the state, and ran a bipartisan "anti-Kissinger" slate which sought 593 seats. The slate included 22 candidates for U.S. Congress, 13 for the state legislature, 278 LaRouche delegates, 99 candidates for Republican county committee seats, 1 for mayor, and 2 for board of education.

### Protecting the vote

The strength of the LaRouche movement is actually much greater than the reported tallies would indicate because of extensive vote fraud. Therefore on June 15, LaRouche, his national campaign organization, and a group of New Jersey voters representing the citizens disenfranchised in the June 5 Democratic primary filed a federal civil rights class action law suit to defend the constitutionally guaranteed right to vote and have each vote counted.

The total number of Democratic voters disenfranchised nationally in this spring's primaries alone is well over 1.3 million; the LaRouche-Democratic slate has already received over 1.5 million votes officially, while LaRouche himself was given fewer than 200,000 votes in the same primaries.

In six states this spring, LaRouche filed court actions or complaints on the state level, only to have the extensively documented proof of vote fraud and tampering with the evidence after the election rejected by corrupt judges tied to Manatt's Democratic faction. These six states were Maryland, New Jersey, California, Pennsylvania, Ohio, and Texas (see "Vote Thieves Caught Red-Handed in Maryland Presidential Primary Race," *EIR*, May 29, 1984).

In New Jersey, Hudson County state court judge B.I. Humphreys, on the day after the June 5 primary, dismissed evidence of theft of the votes of at least 20% of Democratic voters in at least 13 cities around the state. In New Jersey the 247-person LaRouche slate included 1 candidate for U.S. Senate, 13 for U.S. Congress, 84 LaRouche delegates, 1 candidate for freeholder, and 148 for Democratic county committee.

A LaRouche "citizens' militia" mounted a fullscale mobilization on election day to "trap, mount, and stuff" any perpetrators of vote fraud. In three targeted Election Districts in the city of Patterson alone, 49 Democratic voters signed statements swearing that they had cast their vote for LaRouche in the Democratic primary, yet only 11 LaRouche votes were officially tallied in these districts. Since there is no remedy against vote fraud under the state court system, LaRouche has filed a federal civil rights case in New Jersey to defend the constitutional right of each citizen to vote and have that vote counted. LaRouche's political movement has also reached the threshold of political strength necessary to back up the legal action with the necessary citizen action.

The Democratic Party today is a house divided. On the one side, the LaRouche patriotic movement is growing into a major challenge to the entrenched leadership of Charles Manatt, the Harrimans, the Bundys, and their ilk. On the other side, the nominee-apparent upholds policies inimical to the security, economy, and well-being of the nation, and is therefore loathed by vast constituencies who compose the base of the Democratic Party. LaRouche remains the only rallying point for patriotic Democrats. In the coming period, one side or the other shall prevail.

## Kissinger Watch by M. T. Upharsin

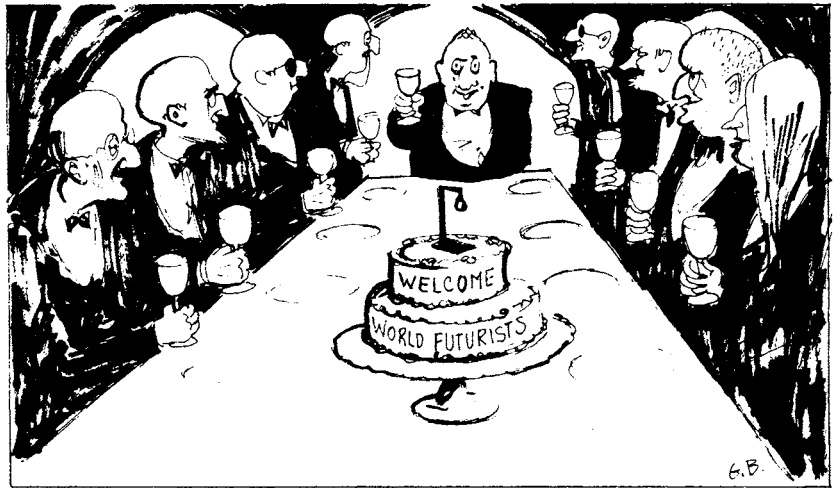
### Bringing back the Congress of Vienna

We were recently handed a 1983 book titled, *Managing U.S.-Soviet Rivalry: Problems of Crisis Management*, where one U.S.-based "crisis" expert proposes as the model for negotiations between the superpowers the "especially impressive" system developed by the "skilled negotiators who assembled at the Congress of Vienna" in 1815 to achieve a "balance of power" for Europe.

EIR's Kissinger Watchers debriefed top "crisis managers" at Harvard University, Stanford University, and other centers of treason on this idea of reviving the Congress of Vienna. We were persistently told: "If you want to understand this idea, you must read Henry Kissinger's book, *A World Restored*. That is the best account around. We have a lot to learn from 1815."

Given Kissinger's current drive to "decouple" Western Europe from the United States and his treacherous maneuvers against the U.S. Strategic Defense Initiative, it's no surprise that *A World Restored* is a handbook for running dirty tricks against the American System. It was the Congress of Vienna, and its affiliated "Holy Alliance" of European oligarchical powers that became the headquarters for international operations to undermine the American Revolution's influence around the world.

Kissinger's *A World Restored* evolved out of his Harvard Ph.D. thesis on Count Metternich, the head of the Hapsburg Imperial Court and architect of the Congress of Vienna. It was first published in 1957—the same year the first Pugwash Conference was set up to conduit backroom deals with the Soviet Empire into the mainstream of U.S. foreign policy.



*Today . . . a short atomic war—tomorrow . . . the world!*

Kissinger dedicated his book to **McGeorge Bundy**, today's head of the treasonous Eastern Liberal Establishment, and to William Yandell Elliott, head of Anglo-Jesuit cultural-warfare subversion operations in the United States after World War II.

### Discovery of America was 'destabilizing'

On page 201 of the 1973 re-publication of his book, we read what Kissinger has to say about the 1820 *Confession of Faith*, the political principles drawn up by Count Metternich in a secret memorandum to Czar Alexander I of Russia, a partner in Metternich's Holy Alliance. The passage Kissinger refers to is in the introductory section of Metternich's *Confession* entitled, "The Source of the Evil":

"... his analysis of the nature of revolutions is lucid and powerful. . . . Up to the 16th century, Metternich maintained, the forces of conservation and of destruction had been in an increasingly spontaneous balance. But then there occurred three events which in time caused civiliza-

tion to be supplanted by violence and order by chaos; the invention of printing and of gunpowder and *the discovery of America*. Printing facilitated the exchange of ideas which thereby became vulgarized; the invention of gunpowder changed the balance between offensive and defensive weapons; and *the discovery of America transformed the situation both materially and psychologically*. The influx of precious metals produced a sudden change in the value of landed property which is the foundation of a conservative order, and the prospect of rapid fortunes brought about a *spirit of adventure and a dissatisfaction with existing conditions*. . . . All this gave rise to a type of individual who symbolized the revolutionary era: the presumptuous man, the natural product of a *too-rapid march of the human spirit towards seeming perfection* [emphasis added]."

Metternich's view of "the source of the evil" is a violent indictment of the optimistic, technologically progressive American cultural matrix created by Benjamin Franklin and his allies. We'll say more about that, and why Kissinger agrees with it, in a future column.

# Elephants and Donkeys

by Kathleen Klenetsky

## Democratic Party 'peace' plank: 'Made in Moscow'

The Democratic Party is seriously considering including a so-called peace plank in its 1984 presidential platform which bears all the earmarks of having been "made in Moscow."

The four-point plank enjoins the Democratic presidential candidate to "make the reduction of the nuclear war threat the paramount goal of his government," and mandates him to launch the following initiatives upon his inauguration: a "quick freeze" on nuclear weapons production and deployments; a "prompt summit" with Soviet leaders to work out treaties for a comprehensive nuclear weapons freeze; a spending halt on the MX missile and other weapons systems; and an immediate effort to end the "arms race in space."

The plank was cooked up by some of the most extreme world-federalist, KGB-tainted networks in the Democratic Party. Its main sponsors are Sen. Alan Cranston (D-Calif.), who was going to make it the central thrust of his presidential campaign until he was forced out of the race, and former presidential science adviser Jerome Wiesner. On June 11, Wiesner distinguished himself by joining with his fellow MIT pseudo-scientist, Henry Kendall, and Democratic National Committee boss Charlie Manatt, to denounce the Reagan Administration's Strategic Defense Initiative as a "radical and extreme provocation" of the poor Russians.

Other people involved in formu-

lating the "Wiesner-Cranston" plank, as it is known, include the dean of the Eastern Establishment, McGeorge Bundy, who was recently praised by *Izvestia* for his courageous denunciations of "Star Wars"; "nuclear winter" scenarist Carl Sagan; George Kennan; Arms Control Association president Herbert Scoville; and Jerome Grossman, head of the Council for a Liveable World (CLW).

The CLW, which describes itself as carrying on the work of Bertrand Russell and Leo Szilard, is now serving as the base of operations for a campaign to get the plank included in the party platform. According to Roger Landrum, who is coordinating the campaign from the CLW's Washington legislative office, the plan is to line up support from platform committee members first, and then start working on the convention delegates proper.

Landrum says that Manatt has given the effort "an open door," and that Ian Kalitski, the Ted Kennedy staffer who is currently in charge of drafting the foreign- and defense-policy planks of the party platform, has been "extremely responsive." That is no doubt partly due to the fact that Senator Kennedy was an early endorser of the plank.

As for Hart, Mondale, and Jackson—they have all written letters endorsing the essence of the plank's four points. Cranston is so confident of their support that he has notified platform committee chair Rep. Geraldine Ferraro (D-N. Y.) that he expects the three stooges to arrive at a consensus on his plank momentarily.

The CLW's Landrum recently revealed that the "peace plank" may have received input from the same expert advisers who have shaped as much of the other anti-defense legislation now in Congress: namely, the KGB. Asked if the plank had been discussed with the Soviets, Landrum replied: "I know there was an effort seven or eight months ago to run [the plank] past [Georgii] Arbatov, and Cranston was

considering going to the Soviet Union before the [Democratic] convention to run it by people there."

## Hart at the Pentagon?

Consistent with the total betrayal of national interest in the Democratic leadership are rumors about what Mondale will offer Hart in exchange for his endorsement. The latest scuttlebutt on Capitol Hill has it that while Mondale plans to put Texas Sen. Lloyd Bentsen in the vice-presidential slot (a not unexpected choice), he is going to offer Gary Hart the Pentagon!

This has nothing to do with "party unity." Mondale apparently believes Hart to be qualified for the post on the basis of his Senate record; as a member of the Senate Armed Services Committee, Hart has strenuously fought against the MX, strategic defense, and other military systems which the Kremlin doesn't like.

## Ted Kennedy: Out of the closet?

Senator Ted Kennedy kept a noticeably low profile during the Democratic primary campaign, but that phase has ended. On June 13, Kennedy appeared at a fundraiser for former New York Deputy Mayor Basil Patterson, who will probably soon challenge Ed Koch in the city's 1985 mayoralty race. Kennedy's speech was carefully crafted: For example, he attacked Louis Farrakhan—the Jesse Jackson backer who has praised Adolf Hitler—but praised Jackson himself. A few days earlier, New York governor Mario Cuomo suggested that Kennedy keynote the Democratic convention. These developments come as Establishment media pundits like Joseph Kraft and James Reston are warning that the Democrats will surely lose in November if Mondale heads the ticket—provoking a new round of speculation that Kennedy could emerge as a "dark horse" candidate.

### Population policy fight spills onto Capitol Hill

Members of Congress quickly took sides in the battle over U.S. population policy which has erupted between the State Department and the National Security Council (NSC). According to press reports, the NSC and Office of Policy Development—both based in the White House—have prepared a U.S. position paper for the August International Conference on Population Policy to be held in Mexico City, rejecting the view that overpopulation is an underlying cause of Third World problems. The position paper states that population control cannot replace economic growth as a solution, nor can it “substitute for the rapid and responsible development of natural resources.” Bastions of the depopulation lobby, such as the State Department, have taken strong exception to the paper.

The opening shot was fired on Capitol Hill by Rep. John Edward Porter (R-Ill.), a liberal Republican in the Charles Percy vein. In a floor speech of June 7, Porter stated, “If this [NSC] position paper is approved, and becomes official policy, it will constitute a great step backward by our government in this vital area.” Porter points out that the administration (namely, the State Department) had strongly supported the FY 85 foreign aid appropriation, which contains an increase in funding for population assistance.

“I urge the White House to reject this draft and adopt a policy statement reflecting the longstanding and strong support of our country for voluntary family planning efforts worldwide,” he concludes.

On June 14, Rep. Jack Kemp (R-N.Y.), chairman of the House Repub-

lican Conference, counterattacked with a letter of support for the NSC paper sent to the White House. But Kemp, a Swiss-tutored free-enterprise advocate, focused on those aspects of the NSC paper which assert that the problem of development in Third World countries is a result, not of population pressure, but of state-directed economic activity. Kemp stated, “Programs that force people to accept population control are elitist, anti-democratic, and at odds with economic history. Freeing up the human mind and human spirit and allowing people to develop their talents is the key to economic growth, not pushing population planning down the throats of the Third World.”

### Pugwash congressmen embrace Soviet position

Rep. Tom Downey (D-N.Y.) embraced Soviet leader Konstantin Chernenko's call for negotiations on anti-satellite weapons (ASAT) in a floor statement on June 12. Downey is the U.S. chairman of the Parliamentarians for World Order, an outgrowth of world-federalist Pugwash Conferences, through which Lord Bertrand Russell determined the outlines of U.S. arms-control policy in the 1960s and 1970s through back-channel negotiations with the Soviet Union.

Referring to the Chernenko call to negotiate without delay a pact banning the use of anti-satellite weapons (a ban which the administration has shown could not be verified), Downey lied that the United States is “in a position of strength with respect to ASATs—a position the administration has supposedly been waiting for.” The Soviets have the only operational ASATs in existence, and the House recently

tied the hands of the administration in the pending tests of America's first ASAT capabilities.

Assuming that the Soviets are ready to sign a treaty today, Downey declared, “We should move without delay to the bargaining table and stop this next round of dangerous and destabilizing weapons.”

One of Downey's fellow travelers in the Pugwash network on Capitol Hill, Rep. Tom Harkin (D-Iowa), has adopted some questionable tactics in his drive to unseat pro-defense Sen. Roger Jepsen (R-Iowa) in this year's election. In early June, front-page headlines suddenly appeared, charging Jepsen with having “visited” a sex spa several years ago.

Capitol Hill sources report that the story was broken by a Washington, D.C.-based reporter for several Iowa radio stations who used to be a business partner of Harkin's current press secretary. Harkin has strong support from the Council for a Livable World, founded by Leo “Dr. Strangelove” Szilard in 1961 to elect congressmen trained in the goals of Pugwash.

### Sandinista activity on Capitol Hill scored

Following Democratic presidential candidate Lyndon H. LaRouche's May 31 exposé of Soviet involvement in drafting defense-related legislation for the U.S. Congress, further charges of direct foreign lobbying on Capitol Hill have been aired. Rep. Dan Daniel (R-Va.) claimed on June 14 that high-level officials of the Nicaraguan government have been bypassing diplomatic channels and have gone directly to the Hill to press their cause. Daniel stated, “I am reliably advised that the

director for North American affairs of the Nicaraguan foreign ministry . . . bypassed the U.S. ambassador to Nicaragua, the Secretary of State, and the President and came directly to the Intelligence Committee with an 'aide-mémoire' [March 31] presenting the Sandinista negotiating position on matters involving the United States."

Daniel added that he thought the lobbying effort could compromise the House's ability to consider legislation concerning aid to the Contras—the anti-Sandinista, U.S.-backed forces in Nicaragua.

## **F**uturists seek to 'buy time,' 'take power'

Senator Claiborne Pell (D-R.I.) has urged a U.S. withdrawal from the race for defensive beam weapons, thereby assuring Soviet strategic superiority.

Looking glassy-eyed and demoralized, Club of Rome member Pell told a June 25 session of the World Futures Society (WFS) conference in Washington, D.C. that "our strategy for survival must be to buy time until a new generation comes along. Arms control must be the imperative necessity to buy time."

Fretting over the continued U.S. commitment to develop space-based anti-ballistic missile systems; Pell concluded: "War is too important to be left to the generals, and nuclear war is too important to be left up to the government. We the people must rise and take power." Pell managed to find his chair and sit down.

Pell's fellow futurist Rep. Bob Edgar (D-Pa.) keyed the same conference a day earlier, praising the World Future Society as the source of information to make the critical choices facing the world, "the moral

task of the World Future Society is to help us develop solutions." In subsequent WFS sessions, speakers advocated world federalism and "small atomic wars" to bring down the world's nation states.

Edgar, in his capacity as chairman of the Congressional Clearinghouse on the Future, a point of penetration for KGB-contaminated kook and futurist networks, hosted a day-long conference on June 6 on "The New Economy." At that conference, which was co-sponsored by the General Oversight Subcommittee of the Joint Economic Committee, *Limits to Growth* author Jay Forrester put forward a document which called for using the impending international and domestic financial crises to impose a "phase change" on the U.S. economy, away from the current "overbuilding of capital plant" to an information- and service-based economy.

## **I**migration bill is rushed through House

Over the strenuous objections of the Congressional Hispanic Caucus and other organizations, the House approved on June 11 by a vote of 291 to 111 a rule allowing consideration to begin on the Simpson-Mazzoli immigration bill. The rule allows for 69 amendments to be considered as part of the floor debate, a situation which opponents have charged is leading to a bad legislative process of reworking the bill on the floor rather than in new committee hearings.

Rep. Edward Roybal (D-Calif.), a chief opponent of the bill, charged that the bill has been "greased" to pass quickly through the House. Roybal has attacked any form of national identi-

fication system as leading to a potential "police-state" atmosphere in the United States, and has attacked the employer sanctions as leading to discrimination against anyone with an accent.

In action taken so far, the House defeated 304 to 120 a proposal by Roybal that would have scrapped all employer sanctions and substituted tougher labor laws. But instead of criminal penalties against employers who evidence a pattern of hiring undocumented workers, the House voted to impose civil penalties including fines up to \$1,000. The elimination of criminal penalties was offered by Rep. Ron Coleman (D-Tex.) and passed by voice vote, leading some to suspect that the bill's proponents will attempt to put the criminal penalties back into the bill at some future point.

A Roybal proposal to increase funding for the Immigration and Naturalization Service border patrols was also approved by voice vote.

The most heated differences have surfaced over the Simpson-Mazzoli guest-worker provisions, which opponents charge could bring 300,000 to 500,000 foreign workers into the United States. Liberal opponents of the bill such as Rep. Howard Berman (D-Calif.) have attacked the provisions as designed to destroy the United Farm Workers and lower farm-labor working conditions. An attempt by Rep. George Miller (D-Calif.) to strengthen protection for farm workers in the current guest-worker program was defeated 256 to 164. The House next approved an amendment from Rep. Leon Panetta (D-Calif.) by 228 to 172 to allow employers to hire foreign workers on 72 hours' notice when unusual weather conditions demand that crops be harvested immediately.



# National News

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## Copper companies busting unions

Stating it was uncertain whether it will continue operating its mining and smelting divisions, Kennecott Copper canceled all vacations starting June 7 for all its Utah workers.

The announcement came less than a week after 13 unions representing workers in four states said they would not reopen contract talks as the company demanded. This affects a total of 5,000 workers, of whom 3,500 are in Utah. Kennecott is owned by Sohio oil company, which in turn is owned by British Petroleum.

Phelps Dodge Company refused to accept substantial concessions offered by 2,200 unionists on a year-long strike at their Western mines. The union concessions, which were close to the cuts demanded by the company a year ago, accepted lower pay for new employees, a \$2.00 per hour pay cut for strikers, and a two-year freeze on cost-of-living adjustments and medical insurance payments.

Phelps Dodge is insisting that the workers must accept an end to all cost-of-living adjustments, not a two-year freeze. The company has continued to operate the mines throughout the year-old strike, using non-union labor.

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## Auto companies to demand wage freeze?

UAW sources report that General Motors is apparently prepared to demand a freeze on wages and benefits when the July contract negotiations begin. The sources say that GM is conducting a campaign to target high labor costs as a serious threat to the industry's recovery.

With the union leadership under tremendous pressure to reverse the trend of give-backs in recent contracts, the United Auto

Workers is said to have completely rejected any wage freeze proposal. There is now a much better than 50% chance that the union will be forced to strike at the expiration of their current contract on Sept. 14, according to these sources.

In addition, auto industry spokesmen said June 15 that ongoing strikes by metalworkers in West Germany could lead to layoffs in U.S. auto firms, should bottlenecks develop in the supply of parts from idled German companies.

Both GM and Ford indicated that the strikes could affect their production in the United States, although they refused to give details.

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## Club of Rome group for 'population contraction'

Club of Rome president and co-founder Dr. Alexander King was proven a liar at the World Futures Conference, held in Washington, D.C. June 13 and 14. Although King proclaimed that "despite the notoriety of our *Limits to Growth* report, it is simply not true we are for zero growth," in another room at the conference, a Washington-based group called Carrying Capacity presented a report concluding that by the end of this century the United States will no longer be producing huge agricultural surpluses which can be exported, and that countries dependent on U.S. exports must start cutting back population drastically.

Carrying Capacity head Ed Passerini stated:

"This is not a negative finding. . . . We will cause people to think globally and act locally, by becoming locally self-reliant for food." Passerini denounced efforts such as Israel's, to "make the deserts bloom."

Carrying Capacity executive director Gary Imhoff added: "Limiting population is not enough. Population contraction is required for a decent world. Birth reduction is an imperative."

The next day, King and other speakers extolled deceased Club of Rome founder

Aurelio Peccei—who advocated cannibalism—as a "great charismatic leader." King called the Club a "very special kind of animal" that evolved out of the injunctions of anthropologist Margaret Mead to "attack all kinds of problems simultaneously." Member Hazel Henderson of Great Britain said, "I almost feel like I'm extraterrestrial; I don't feel like I belong anywhere on this planet."

King, who formed the Club of Rome together with KGB operative Dzherman Gvishiani over a decade ago, later revealed some of his political connections in a private discussion. "I went to a conference of the Soviet Academy of Sciences two years ago in Estonia, and I can assure you that the Soviets are very interested in global and international organization. . . . They will be participating in our conference in Helsinki next month."

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## D.C. doctors 'pioneer' euthanasia case

The Washington, D.C. courts for the first time determined June 4 that a patient with an immediately treatable, life-threatening condition—neither terminally ill nor in a coma—be allowed to refuse treatment and die.

D.C. General Hospital, the only hospital in Washington without a "bioethical review board," petitioned the D.C. Superior Court in early June to prove that Bertha Harris, an elderly diabetic patient, was incapable of making decisions about her medical treatment. The hospital asked permission to amputate her gangrenous leg before the infection spread throughout her system, killing her. Harris had previously lost her other leg to gangrene.

When the patient refused the operation, Barbara Mishkin, Deputy Director of the now defunct Abrams Commission, was appointed her representative. Mishkin declared that her client's decision against the operation should be accepted, because she is not 30 or 40 years old and does not have a full life in front of her. Mishkin brought in

Dr. Joanne Lynn, another member of the Abrams Commission, who testified that doctors like the ones at D.C. General who said, "This cannot happen . . . this is suicide. . . ." were exaggerating. Lynn suggested that antibiotics could alleviate the gangrene.

Judge Fountleroy of the Superior Court ruled the patient incompetent the last week of May, and ordered the operation to be performed. Mishkin brought the case to the D.C. Court of Appeals, which instructed Fountleroy to review their decision. Fountleroy reversed his opinion on June 4, saying the hospital did not show adequate proof of Harris's incapacity.

While the hospital has the option to return to court with new proof, Mishkin, who says that "bioethical cases are addicting," is determined to make this "pioneer" euthanasia case a precedent to be used in similar cases nationally.

## U.S. nuclear expert deems Bethe a 'know-nothing'

Dr. Lowell Wood, a Lawrence Livermore Laboratory physicist, denounced American Pugwash physicist Hans Bethe as a "know-nothing" and incompetent to make judgments on the question of anti-ballistic missile defensive systems.

Bethe has consistently claimed that beam weapon defense cannot work, and recently helped write a report for the Boston-based Union of Concerned Scientists dismissing space-based beam weapons on the grounds that "the enemy could easily outsmart such weapons." According to the June 14 *International Herald Tribune*, Bethe proclaimed X-ray lasers "unfeasible. . . . The great question is whether you can get an X-ray laser up high enough before the booster has burned out and started to dispense decoys and warheads," Bethe stated after visiting the X-ray laser development center at the Lawrence Livermore National Lab in California. "But that," he added, "is not so easy because the earth is round."

Dr. Lowell Wood, the physicist in charge of the X-ray lasers at Livermore, answered Bethe in the *Tribune*:

"Is Hans Bethe a good physicist? Yes, he's one of the best alive. Is he a rocket engineer? No. Is he a military systems engineer? No. Is he a general? No. Has he ever put a weapon in the stockpile? No. Has he ever fought a war? No. Everybody around here respects Hans Bethe enormously as a physicist. But weapons are my profession. He dabbles as a military systems analyst."

## Eastern Establishment targets U.S. intelligence

"The KGB couldn't have written a better article against U.S. intelligence capabilities than the one the *New York Times* wrote," a U.S. intelligence source reported, referring to the June 8 front page article entitled "U.S. Military Creates Secret Units For Sensitive Task Abroad."

This article revealed details on the newly created Joint Special Operations Agency under the command of Maj. Gen. Wesley Rice and the special counterterrorist operations mandated by President Reagan.

The *Times*' revelations were made as the United States faces the threat of terrorism at the summer Olympic Games, the Republican and Democratic national conventions, and the presidential campaign. Intelligence community sources state that most of the information for the article was released by certain Senate and House Intelligence Committee members.

Especially targeted by the *Times* are the secret training facilities of the Navy Sea Air Land (SEAL), the commando force involved in pre-invasion operations to liberate the island of Grenada from its Soviet-backed coup. The article asserts that Army Special Forces and secret counterterrorist teams will have to be brought under "liberal" congressional "oversight." These teams were set up in the wake of the failed rescue attempt on the Iranian hostages and the rescue of NATO Gen. James Lee Dozier from the Red Brigades in Italy.

## Briefly

● **BLUE CROSS/BLUE SHIELD** has launched a new initiative to slash the availability of high-technology medical care as a "cost-cutting" measure. The company, one of the largest medical-insurance providers in the world, announced on June 13 that it has developed guidelines to reduce the number of "unneeded" tests it claims are routinely performed by hospitals and physicians. The tests in question include such crucial diagnostic methods as X-rays, CAT scans, ultrasound, mammography, and radionuclide imaging. The American College of Radiology and seven other professional organizations assisted the company in developing the guidelines.

● **THE UNITED AUTO WORKERS** union national leadership plans to hold a mass march and rally on June 24 in support of striking Local 14 workers at the AP Parts plant in Toledo, Ohio. Local 14 walked out on May 2 when the company refused to bargain on demands for 35% wage and benefit cuts. The demonstration will include UAW president Owen Bieber and officials from the AFL-CIO

● **LYNDON LAROUCHE'S** half-hour broadcast attacking Soviet contamination of U.S. defense policy centers, particularly Gen. Danny Graham's High Frontier "alternative" to beam weapons defense systems, was "misaid" by CBS television June 11. CBS substituted another LaRouche program. The LaRouche Campaign had planned the broadcast of the speech on strategic defense policy to precede a series of critical congressional votes on funding defense programs. Despite the CBS "blunder," LaRouche's statement was broadcast in the Washington, D.C. area three times the week of June 11: on Washington stations June 14 and 16, and on CBS from Baltimore June 15. The network gave The LaRouche Campaign a half-hour of free time June 15 because of the error.

## Editorial

# Stop the plot against India!

Claiming to be part of the "Western democracies," the Sikh terrorist-separatist movement vowed on June 11 to "support anything that will help destroy the Indian central power." This vow, coming from the London headquarters of the so-called Khalistan Liberation Movement, heralds the beginning of a new, more violent attack against the Indian nation state.

But such an attack will *not* serve the interest of the West, as the terrorists claim. Anyone who gets involved in destabilizing India is playing the Kissinger-KGB game, a game whose success would destroy the leading superpower of the developing sector, and hand it in pieces to the Soviet Union.

It is true that the pedigree of most of the groups now actively working against the national government of India is "Western," i.e., British. Still smarting over their failure to break up India into a mass of squabbling little ethnic states, the British maintain active case files on how to manipulate and exacerbate tensions between India's multifarious ethnic and religious groups. Cambridge- and Oxford-trained anthropologists are routinely sent in to profile and rile up certain sections of the population. And London is the home away from home for terrorist leaders aspiring to foment civil war.

Such a terrorist leader is Chauhan Singh, the self-appointed head of the recently created "Khalistan Republic's government in exile." Singh resides in London, where he organizes exiles from the subcontinent, and receives advice from the counterinsurgency experts in the London Foreign Office. In line with the alliance of a major section of the British oligarchy with the Swiss gnomes and the Soviets, Chauhan Singh also receives funding from the Swiss-based Nazi International, and acknowledges occasional visits to the chief center of Soviet insurgency in the Muslim world, Tashkent.

Singh's alliance with the Nazi International is best reflected in the deal he has made with the Muslim fundamentalists, who are deploying globally on the basis of the Swiss-Soviet alliance. The Muslims are the motive force behind the terrorist-separatist insurgency in the Indian Kashmir, a longstanding area of tension be-

tween the nations of India and Pakistan.

This British-supported movement for "religious freedom" is just a new face for the support of the Nazi International-Soviet deal, the same deal we saw at work in the British-backed revolution of Khomeini. Is it not yet clear to even the most naive observer that the backing of Muslim fundamentalists "against communism" and a "corrupt state" in Iran has turned into an abomination against humanity? Is it also not clear that Western support for Khomeini has not only destabilized a previous area of strong Western influence, but has virtually handed the area over to the Soviet Union and its Muslim Card experts?

True, the pro-separatist lobby in Washington is loud and clear. "Experts" like Soviet agent of influence Henry Kissinger and Club of Rome ghoul Claiborne Pell insist that weakening the Indian government will "hurt" the Soviet, communist cause in Asia. They are playing the same game they did in Iran—and to the same benefit.

But American patriots have no choice. *The great nation of India must be saved.*

India's importance lies not only with her size or leading position in the Non-Aligned movement. Imbued with a fiercely republican commitment, India's ruling elite has nurtured an excellence in science and technology which has put India in the ranks of the United States and the U.S.S.R. in numbers and quality of scientific cadre. The progress made in agriculture and the nuclear industry under Mrs. Indira Gandhi are only symptomatic of that commitment.

India's commitment to scientific progress has brought her straight up against the imperial games being played by both the Soviet Union and the British-run State Department in the United States. So far she has held out with difficulty. But it is not clear she can stave off this new offensive, now targeting her key food-producing region (the Punjab), her nuclear industry, and her central government.

We demand the immediate cut-off of the Khalistan, Muslim, and other separatists. That will disappoint the Soviets, but if the West wants a free and independent India, it is the indispensable step.

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