

EIR Feature

LaRouche replies to 1988 Doomsday forecast by Castro

by Lyndon H. LaRouche, Jr.

In remarks delivered during the first week of June (*Folha de São Paulo*, Brazil: June 2), Cuba's Fidel Castro announced a 1988 Doomsday for the United States. Those who attempt to ignore Castro's statements as "just more communist propaganda," are very, very foolish people. In an outburst of the sort for which Fidel Castro has long been famous, he blurts out publicly the date at which Moscow plans to win thermonuclear war against the United States: before the end of 1988.

It is no longer a secret, that Moscow is now engaged in "crash program" preparations, to launch total thermonuclear war, as a surprise attack on the United States, by no later than 1988. I first discovered that fact during May 1983, and reported my now massively corroborated findings and forecasts to appropriate officials. The highest levels of the NATO intelligence-community in Europe agree, as many leading members of the U.S.A.'s intelligence community also agree, privately. The facts are so overwhelming, that any government official but a State Department or a liberal Republican or Democrat would be totally convinced.

Henry Kissinger's admirer, Soviet Foreign Minister Andrei Gromyko, would not permit any top-ranking Soviet official, including Fidel Castro, to announce publicly the exact dates of Soviet war-plans. Nonetheless, Fidel Castro is irrepresible; he knows the military secret, and he is bubbling over with an uncontrollable impulse to brag about what he knows is planned for 1988. So, at the end of May, he made the outburst which was bound to come sooner or later: He bragged that the United States would be finished by 1988.

Castro's psychological profile

To understand certain important features of Fidel Castro's series of recent public statements on the imminent doom of the United States, it is indispensable to take into account his distinctive psychological profile. He is a prototype of the intelligent, Jesuit-trained, "charismatic Macho." The "macho syndrome," which Miguel Cervantes ridicules in the figure of Don Quixote, is a defective cultural trait introduced to the Iberian peninsula and southeastern (Catharist) France, from



"To understand certain important features of Fidel Castro's series of recent public statements on the imminent doom of the United States, it is indispensable to take into account his distinctive psychological profile. He is a prototype of the intelligent, Jesuit-trained, 'charismatic Macho,' the syndrome ridiculed by Miguel Cervantes in Don Quixote."

Syria, during the twelfth and thirteenth centuries. The Sufi chivalric love-cult, made famous by Omar Khayyam's writings, was introduced through both Islamic and Templar conduits, into Spain and the Cathar regions of southern France, whence it was spewed northward, to become the Arthurian legend of Brittany and England, and later the cult adopted by the circles of the proto-Nazi composer, Richard Wagner, the Thule Society, and Hitler's Nazis. The most naked and extreme version of this Sufi cultism, is the Sufi-Gnostic cult of would-be papal assassins, Tradition, Family, and Property (TFP). The nominally Catholic, but actually Gnostic-Sufi freemasonic cults of Spain, based around the abbey of Montserrat, are also typical of this tradition. The knight who sacrifices his life in a gesture of unconsummated love of a virgin, symbolizes the essence of the love-death cult underlying the "macho" cultural trait. This Sufism is the tradition of the *conquistadores*.

It is most relevant to the case of Fidel Castro himself, that this religious-cultural offshoot of European Sufism, was re-introduced massively into the Caribbean region during the nineteenth and early twentieth centuries. The generic name for this offshoot of Sufism is "Synarchism."

Formally, Synarchism is the name for the French variety of fascism, and is known in France as positivism and special outgrowths of French fascist positivism such as ethnology (anthropology) and sociology. The home region of Synarchism is Paris, southern France, French-speaking Switzerland, and the region of Italy dominated by Genoa.

So, in Mexico, Synarchism is associated most promi-

nently with either the political heirs of the Hapsburg emperor Maximilian, or with French influences centered around French specialists in ethnology and sociology. In Mexico, and throughout Ibero-America, synarchist ideology and Paris-based ethnology and sociology, are consistently key to the organization of ethnic, religious, and similar modes of organized insurgency by activities of missionaries, as well as anthropologists and sociologists. The Jesuit-created Sandinista government of Nicaragua, is merely one example of this. The role of the alliance between the Gnostics and TFP, in steering "death squads" and terrorism and drug-trafficking alike, in Colombia, Peru, and elsewhere, is an example of this.

Synarchist influence throughout Ibero-America has another major component: the spill-over of the Montserrat-abbey-centered, Iberian Carlist tradition, throughout the Spanish- and Portuguese-speaking regions of the Americas. Formal Synarchism flourishes, when grafted onto the Carlist substrate of the Iberian Sufi-chivalric, love-death tradition. The most accessible demonstration of this point, is the celebrity of those Ibero-American novelists, poets, painters, and sculptors, such as Colombia's Gabriel García Márquez, or Mexico's Diego Rivera and David Siqueiros, and of Havana, Cuba, whose European home-base is the "artistic" cult-circles common to both Paris and Madrid.

Naturally, in Ibero-America as a whole, the main force of opposition to Synarchism and related cults is based in the Catholic Church. If anti-clerical Mexico appears to be an exception to this pattern, this is so for the special reason that

the Cristero faction in the Mexican Church is riddled with the same Synarchist and related Gnosticism which is characteristic of the pro-Nazi party of Mexico, the National Action Party (PAN) of rabid anti-Semite José Conchello.

The most typical of the Catholic opposition to Synarchism, are the Vatican-tied Peronist movement of former Argentine President Juan Perón, and the forces linked to Pope Paul VI, which organized the Andean Pact.

To examine Fidel Castro himself, we must concentrate on three principal facts. First, Castro's entire career is linked to the Jesuit order in a special degree. Second, to this day of Bulgaria-linked Robert Vesco, the internal political life of Cuba continues to be linked massively to the apparatus which U.S. gangster Meyer Lansky organized in Cuba during the 1920s, earlier around Batista and the Cuban Communist Party's apparatus. Personally, intellectually, Castro belongs to a different track in the Caribbean than the old Lansky apparatus, but his rise to power was dependent upon arrangements with the Lansky apparatus. Third, Castro's rise to power was arranged through French Synarchist (Jean de Menil) and Boston-centered British East India Company interests. Jean de Menil was the husband of Houston, Texas's Monique Schlumberger de Menil, the latter an avowed Sufi mystic and political patron of international terrorism today.

Castro himself could reveal much about United Fruit (now renamed United Brands) and the Schlumberger family, if he chose to do so.

Castro is distinctive in the manner he combines a rationalistic view of Ibero-American objective economic interests, with a contrasting irrationalist impulse. The irrationalist impulse reflects in part, the Soviet and other circumstantial realities of Cuba today; obviously, Castro adapts to those realities of his situation. To that degree, his irrationalism suggests a chameleon trapped on a Soviet version of a scotch plaid, huffing and puffing, as he attempts to rearrange his coloration to fit his background. Thirdly, in addition to such externally-imposed, adaptive irrationalism, there is an inner irrationalism in Castro's speeches and actions, an inner irrationalism which reflects directly the Sufi-derived, "Macho," cultural syndrome.

On his rational side, Castro's public utterances are the most rational and close-to-truthful of any leading communist spokesman of the past quarter-century. Castro combines genuinely superior personal intellect with a fatalistic impulse to blurt out the truth. Unlike Soviet spokesmen, Fidel Castro hates to lie; even when he is peddling a Soviet-dictated line. Castro often "spoils" the lie, by adding in some rather rational exposition of the truth. Whenever Castro goes on a public-speaking binge on any subject, he gives brief lip-service to the Soviet line; but, for the rest, he tells a large measure of truth, mixed with falsehoods which are saturated with more less the same intense sincerity with which he blurts out the truth. The most important characteristic of Castro's sincere falsehoods, is that they reflect the influence of the Sufist

cultural influence, combined with a corresponding susceptibility to Synarchist varieties of Jacobinism in matters of politics and art.

All that we have said on Castro's psychological profile, is massively documented as to fact, documentation richly available in U.S. diplomatic and other intelligence files. Yet, U.S. diplomatic and other efforts to deal with Castro and his influence throughout the developing sector, have thus far been consistently the most wretchedly incompetent sort of bungling.

U.S. mishandling of Castro

My late-departed and dear friend, Col. Mitch WerBell, would never touch upon an area of classified secrets; but, we did have many frank discussions on U.S. bungling of the "Castro Question." When he insisted upon "facts" concerning Castro which I knew to be false, he defended those "facts" by reporting that he based himself on secret briefings he was not free to disclose to me. Since I trusted his honesty and accuracy implicitly in such matters, I knew that the relevant State Department and related dossiers on Castro were riddled with deliberate falsehoods, and I also knew that the nature of these concocted falsehoods was an effort to cover for the role of circles including Jean de Menil and the Boston British-East-India crowd, classed as "assets of the intelligence community." I insisted, to my friend, and to others, that it was in the vital interests of the U.S.A., that I be given clearance to get into those files, to the purpose of developing a competent appraisal of potential avenues for approaches to the growing instabilities in the Caribbean. I never received such clearance, but I know with certainty that the official intelligence-profile of Fidel Castro is riddled with fraud.

Apart from the cover-up and other falsehoods which I know for a fact to be permeating U.S. Caribbean and South American intelligence, U.S. diplomacy and intelligence are permeated with another crippling folly. This affects not only U.S. policy toward Ibero-America, but every other region and nation of the world. U.S. policy toward Japan, toward India, toward Southeast Asia, toward the Middle East, toward Africa, toward our Western European allies, is not merely wrong; it is disgustingly incompetent. Our diplomacy is pathetically incompetent, and our State Department controls the foreign policies of the Departments of Defense, Treasury, Commerce, Labor, as well as the Central Intelligence Agency and Federal Bureau of Investigation.

The incompetence works like this. The U.S. government adopts a policy, and then measures foreign nations, governments, and political factions, by the yardstick of conformity with each and every zig and zag in the changes in U.S. foreign and domestic policy. Since our government supports only those who are willing to submit to every turn in U.S. foreign and domestic policy, we make official friends of the United States' government appear mere "Yankees" in their own countries. It is this stupidity which makes "anti-

Americanism" so popular a political commodity throughout most of the world. It is this stupidity of our diplomacy, which feeds the mythology of "American imperialism" throughout most of the world, and currently nourishes the growing estrangement of Western Europe and the Middle East from the United States. The word in Washington is, "If they are our friends, they will prove themselves by following our policy."

That is only the beginning of our government's raging incompetence in diplomacy and intelligence.

If you are a U.S. government official or civil-service or Defense Department bureaucrat, and wish your career to prosper, "Learn to keep your nose clean. Stick within established policy, methods, and procedures." Do not report facts, no matter how important those facts are, if the facts tend to contradict currently prevailing policy; and report only through approved channels, by approved methods and procedures.

If a field operative stationed in some foreign country, discovers, today, important facts which are potentially very damaging to the reputation of Henry A. Kissinger, the prudent operative will suppress those facts, or will probably be soon transferred or terminated. Even if the operative is so incensed by patriotism that he reports facts contrary to current policy, his superior in the field will edit those facts out of the report transmitted to Washington. If the station-chief, for example, fails to edit those facts out of existence, they will be edited out either by the desk-jockeys in the nation's capital, or turned upside down by the desk-jockeys in the National

Security Council. If the truth should leak through the National Security Council, the State Department and the pinstriped old-boy network generally, will soon drive the relevant National Security Council official out of his post.

At the same time, the desk-jockeys working together with the private think tanks and academics on the State Department pad, will concoct total fabrications, designed to offset the facts which threaten to leak into the U.S. government through private channels. Or, especially since Admiral Stansfield Turner's reign at the CIA, British or Israeli intelligence will concoct frauds circulated among U.S. briefing officers as "best intelligence." Even the Soviet KGB cooperates with corrupt sections of the U.S. government, in supplying some of the forged intelligence circulating as "official" among U.S. briefing officers.

So, by combinations of such methods, the diplomatic and intelligence profile of most topical matters, is fabricated to the purpose of lending support for one or another faction's currently proposed policy-line.

In particular, U.S. policy toward Ibero-America as a whole is a policy of supporting the interests of the Boston and New York bankers, and their Anglo-Swiss partners. Power in Washington, and in the top layers of the major political parties, is based upon political agreements with the Boston-Manhattan-London-Switzerland crowd. The policy which that crowd demands the United States impose upon Ibero-America, is usually the policy which the U.S. State

Castro's interview on 'capitalism's debt crisis'

The following are excerpts from Fidel Castro's interview to Folha de São Paulo, published June 2:

Now we will discuss the salvation of capitalism.

The collapse, which is getting closer, is going to bring down the American and European creditor banks of the non-performing debtors. And the banks are the physical foundation of capitalism. . . . The IMF itself deserves to be saved, but as a forum for governments, not banks, to make decisions. . . . The deviations of the IMF are a byproduct of the greater crisis, the disorganization of the monetary system, the indiscipline of the financial system, and the truculence of international trade practices.

My scheme is to save the banks and not merely the depositors. A proposal to save capitalism before the defeat

which is approaching in 1988 at the latest. . . . The countdown of the time bomb of the "debt crisis" [English in original] could reach zero in 1988. The indebted countries will not be able to pay their accounts in 1986, if they are able to honor their interest obligations in 1985. The cracks will appear in 1987 and the castle will come down on top of the king in 1988. This is not just my forecast. The prophesy also comes from some American economists and certain European bankers.

. . . We are going to save the banks. The debt no longer collectable from the Third World will be reimbursed to the banks by governments, with the approval of their parliaments, through a simple budgetary transfusion with low annual payments: a small part of the military budget will be injected into the financial system, the pillar of capitalism, the basis of national security. . . .

If my proposal seems utopian, due to the foolishness of men, President Reagan's projection on the recovery of the world economy is based on a nice fantasy, if not to say an elegant lie. . . . The U.S. recovery is a facade; its foundation is not solid; the internal process is a repressed volcano.

Department and Treasury demand, and usually the policy which the United States follows, even when that policy is almost treasonous in its impact upon vital U.S. strategic interests.

The classic case is the U.S. post-war policy of overthrow of the popularly-based democratic government of Argentine President Juan Perón. The orders for the overthrow came through U.S. Ambassador Spruille Braden, with support from the Coordinator of Inter-American Affairs (CIAA) Nelson Rockefeller; the orders came from the Swiss and British banks, principally the Swiss banks. Throughout the continent, the United States' foreign policy is essentially that of Teddy Roosevelt's "Roosevelt Corollary," the U.S. Navy and State Department as a mere errand-boy for the Morgan-linked Anglo-Swiss banking community.

When this crew demanded that the United States back Fidel Castro as part of the effort to overthrow Batista, the United States' government as well as the *New York Times* and pro-Nazi Errol Flynn backed Castro. When the same Anglo-Swiss banking interests demanded the overthrow of Castro, within the year of Castro's assuming power, the U.S. government used many of the same channels earlier employed to run weapons to Castro, to attempt to overthrow his government and to assassinate him. So, through this comedy of errors in U.S. policy, Anastas Mikoyan moved in to absorb a desperate Cuba.

Naturally, Castro is rather intimately familiar with this part of history. He is familiar with this, not only from personal experience with U.S. Caribbean policy. He was raised as a member of a very closely associated group of the young elites of the Spanish-speaking Caribbean region, including the leading families of all the Caribbean nations. Spanish-speaking America, because of the common cultural and language heritages, tends to represent a single nationality, at the same time that it is represented by a group of nations. There is a close affinity and relationship among the financial and professional elites of the continent, more intimate than even that we find among the elites of the various nations of Western Europe. Castro's attitudes, policies, and actions toward the United States reflect not only the cynicism he acquired from personal experience with zigs and zags in U.S. policy during the 1950s and later; he reflects a broader experience, an experience seen largely in the same terms of reference as most of the elites of Spanish-speaking Ibero-America.

For these same reasons, Castro's personal influence in the Caribbean must be distinguished from the influence of Soviet-dominated Cuba. Ibero-Americans generally are fearful of falling into Soviet spheres of influence, either regionally or within their own nations; broadly, insofar as they see Castro himself, as distinct from Soviet-linked Cuban influence, they see him as one of themselves, who happened to have been trapped into Soviet overreach through the follies of U.S. diplomacy. Serious Ibero-Americans will not disagree in the slightest, that to the degree Cuba radiates Soviet, East German, and Bulgarian influence, it is a menace to the

Caribbean and the Hemisphere; but, they see Castro far differently than the bungling inanities of U.S. policy view him.

The root of the problem in U.S. foreign policy, and in related endeavors of U.S. intelligence, is that the "dumb American" refuses to recognize that foreign nations do have well-defined objective interests, to the effect that when U.S. foreign policy savagely violates those vital interests, U.S. foreign policy is wrong. It is true, that the prevailing policies of foreign governments do not necessarily represent the interests of their own nations; U.S. State Department policy rarely represents the true vital interests of the United States. Nonetheless, there always exists, for any nation, an objective policy-interest, often contrary to the officially perceived national interest of that nation's government.

Sound U.S. diplomacy is based on discovering the objective interest of each foreign nation, and steering U.S. policy such that we never do damage to that objective interest. It is the proper, principal function, of the U.S. intelligence services, to discover that objective interest, and to discover also the best means by which the United States can aid that interest without intruding upon the nation's sovereignty over its own internal affairs.

There are many means, by which the United States can promote the objective interests of friendly nations, without meddling into their sovereign affairs. These are chiefly economic and defense matters. The economic development of every nation is always in that nation's most vital interests, and so is its competence to defend its sovereignty. If the government of that nation has policies contrary to the nation's true interest, good diplomacy uses correct relations with that nation's government as a means of fostering policy-evolutions toward better service of the nation's true objective interest.

If we support efficiently, those kinds of policy-measures which correspond to a foreign nation's truly objective interest, this support will become clear to the institutions and people of that nation. This recognition will redound to the vital advantage of the United States.

The proper approach to Castro, is to provide Cuba's neighbors the kinds of policy-cooperation which Fidel Castro, for one, jealously desires Cuba too might share. That is not the extent of proper U.S. policy toward Cuba and Castro; that is the rock, the cornerstone, upon which effective other elements of policy and action are premised.

Beyond the 'objective'

Unfortunately, it does not follow automatically, that foreign governments and peoples will necessarily love the United States, merely because we practice a foreign policy consistent with the vital objective interests of that foreign nation. The case of Qaddafi's Libya and Khomeini's bloody lunacy in Iran, are more or less extreme as proof that the policy-perceptions of governments are often directly opposite to the vital interests of the nations over which they rule. We must follow the line of objective interests, but U.S. diplomacy and

intelligence must also appreciate, and in a fully practical way, the contrasting "subjective" factor.

In the case of Ibero-American nations, the problematic feature of the "subjective factor" is that which is epitomized by Synarchism-Carlism. In short, if our diplomatic and intelligence services do not recognize the pure evil characteristic of Gabriel García Márquez, Diego Rivera, and Jacques Soustelle's ethnology, our diplomatic and intelligence services are behaving as packs of blind fools.

The characteristic fault of the post-war U.S. intelligence services, is aptly illustrated by the popularity of the fictional "James Bond." U.S. intelligence services are at their best in "technical advice and services," in gadgetry and analogous matters of techniques. We do well in these matters, even when we have no idea of what we are accomplishing or why we operate as we do. An American operative, typically, does what he does because it is a matter of policy, methods, and procedures, that he do so. He tries to do it well. Whether it is the right policy, or not, is not his affair.

This fault in our intelligence services has been greatly aggravated during the past 15 years, beginning with Kissinger's appointment as National Security Adviser, and James R. Schlesinger at CIA. Vice-President Mondale and Admiral Stansfield Turner, virtually eliminated U.S. competence of the intelligence services in entire regions of the world. Notably symptomatic, was the imbecilic argument, that increased reliance upon electronic surveillance more or less eliminated the continued need for "human intelligence."

The U.S. diplomatic service is the most incompetent of any major nation of the world. Like the Soviet diplomatic service, the U.S.A.'s depends upon the perception and exercise of the raw muscle of a superpower. Typically, often enough, in the developing nations, and, to a varying degree, in other countries, U.S. diplomats instruct nations that their fate has been decided by backroom negotiations between the U.S. Secretary of State and Soviet Ambassador Dobrynin. The U.S. diplomatic service has all the nastiness of the British foreign-policy establishment's colonialist mentality, without British competence. To most nations of the world, the U.S. diplomatic service is a bad-tempered, ignorant, errand-runner for Anglo-Swiss masters. As U.S. raw power collapses, in face of increasing Soviet power, all of the absurdities of habitual practice of U.S. diplomatic and intelligence services become painfully obvious, to both foreign governments and U.S. observers well-informed of the interests and history of foreign nations.

The clearest example of gross incompetence of the U.S. foreign service's performance, is the twentieth-century history of U.S. diplomacy in Ibero-America. This simple fact, is Fidel Castro's most powerful weapon of influence in this hemisphere and abroad. True, Castro's statements on this matter, include sundry mistakes and exaggerations, as well as factitious falsehoods; but it would be difficult for Castro to exaggerate the ham-fisted incompetence of the U.S. foreign-service establishment.

Castro knows, that Soviet diplomacy's successes in the Americas would have been impossible, in every case, without the brutish incompetence of U.S. foreign policy and the slavishly Anglophile U.S. foreign-service "mafia." This "mafia" has turned positive U.S. diplomacy—the 1823 Monroe Doctrine, Franklin Roosevelt's "Good Neighbor" policy, and the Treaty of Rio de Janeiro—into a dead letter. The U.S.A.'s diplomacy today is consistently, directly opposed to the United States' vital strategic interests in the Americas.

Castro also knows, that the U.S. population is conditioned to behave as a collection of chauvinistic, ignorant gossips, on the subject of the nations and peoples of foreign countries. The U.S. soap-opera mentality, believes whatever ignorant gossip it receives from "my friends," or from what it identifies as the "respectable" print and electronic media.

The root of the problem in U.S. foreign policy, and in related endeavors of U.S. intelligence, is that the "dumb American" refuses to recognize that foreign nations do have well-defined objective interests, to the effect that when U.S. foreign policy savagely violates those vital interests, U.S. foreign policy is wrong.

In summary of this most important, included, point: Competence in republican diplomacy and intelligence practices, begins with discovering the vital objective interests, the cultural and political history, and the current "subjective" outlook of the various nations and their governments. Good republican foreign policy, and intelligence work, proceed from the fact, that the strategic interests of a great republic can be served only by bringing the foreign policy of the United States into conformity with the vital objective interests of our actual and potential allies, our principal current and prospective trading-partners.

Fidel Castro's current policy

The "1988 doomsday prophecy" against the United States, which Fidel Castro delivered to *Folha de São Paulo*, should be read as one of a series of escalating public pronouncements by him, beginning with his extensive commentaries on the Ibero-American debt-crisis appearing at the end of March in Mexico's leading daily newspaper, *Excelsior*.

Insofar as Castro directly contradicts President Reagan's stated views on the current economic situation inside and outside the United States, Castro is relatively accurate, and

the President savagely misinformed by former Treasury Secretary Donald Regan, et al. The U.S.A., acting on the orders of Kissinger Associates, Inc., "successfully handled" the Ibero-American debt-crisis over the 1982-84 period, by turning the threatened mere crises of 1982-83 into the global catastrophe of 1985-86. Moreover, Castro echoes relatively accurate Soviet intelligence estimates, estimates shared among leading circles in Western Europe, that the "miraculous U.S. economic recovery of 1983-84" never, in fact, occurred.

On those points, Castro's forecast of doom for the United States is relatively correct, and contrary opinion around Washington wrong to the degree of absurdity.

However, it would be totally an error, to imagine that Castro's recent public statements on these matters are of the form of a debate with the Reagan administration. Castro has been informed by Soviet and Socialist International-linked circles, that the Reagan administration is doomed. Castro echoes Soviet confidence that the President's own blunders in monetary and economic policy, combined with the treasonous impulses of the Liberal factions of the two major parties, ensure the accelerated downslide of U.S. power.

Castro is confident that President Reagan will react to the futility of his efforts on defense budgets and in diplomacy, by committing the United States to a naked show of force against the Nicaragua scapegoat. Castro states plainly, that neither the Soviet Union nor Cuba will come to the military assistance of Nicaragua in case of a U.S. intervention; they are building up Nicaragua's military capabilities, to the point of making resistance against U.S. intervention credible, but neither Moscow nor Havana intends to deploy its military forces in aid of Nicaragua.

Castro's official policy on Nicaragua is the same policy which former Soviet President Yuri Andropov announced in the pages of West Germany's liberal newsweekly, *Der Spiegel*, in April 1983. Andropov stated clearly, that Soviet policy recognizes Central America as part of the U.S. strategic sphere of influence; in that statement, Andropov invited the U.S.A. to do as it pleases with Nicaragua. Soviet strategic objectives are Western continental Europe and Asia, not the Americas. Soviet policy toward the Americas, is to turn Ibero-America into one giant "Vietnam-War" theater for the United States, to pin the U.S. military forces down in the Americas, to the degree that the United States withdraws military capabilities from Europe.

Soviet and Cuba strategic policy toward the Americas is, to use the destabilizing effects of IMF "conditionalities," to promote conflicts between the U.S.A. and the Ibero-American states. Castro is not debating President Reagan; he is laughing at the follies of the Kissinger Associates-steered Reagan administration.

Castro is not debating President Lyndon LaRouche, LaRouche's "Operation Juárez." Castro, like the Soviet Academy of Science's Tashkent-directed subversive operations in Ibero-America, fears nothing from the United States except LaRouche's proposed transformations

in U.S. foreign policy, as typified by LaRouche's 1982 policy-paper, *Operation Juárez*.

The official Soviet policy on the subject of "LaRouche," is the classification "principled adversary." The Soviet government hates me bitterly, but respects me as the most dangerous intellectual force confronting it in the Americas. The series of attacks on me in leading Soviet publications, including the official *Literaturnaya Gazeta* of the Soviet KGB, have been very consistent on this point. It was directly on Soviet orders, transmitted through the Harriman-Mondale wing of the Democratic Party, that a campaign was launched through certain U.S. news-media and the leadership of the Democratic Party, beginning early 1984, to force the Reagan administration to publicly "distance itself" from me. The official characterization of me in the Soviet press is "ideologue of late-capitalism."

The Soviet government, during 1982-83, called back to Moscow an assortment of high-ranking specialists who had been earlier assigned to monitor me and my associates in the U.S.A. and Western Europe. Additionally, the resources of the Soviet Tashkent teams responsible for both Asia and Ibero-America, were tapped for the same purpose. According to several distinct, high-level sources, in Moscow, a daybook is maintained, up to date, on details of each and every activity by me and my immediate associates.

The Soviet attention to me was upgraded to this level after March 23, 1983. Prior to that March 23, Moscow was confident of assurances given to it by leaders of the Democratic Party, that President Reagan was efficiently blocked from adopting my proposals for a strategic ballistic missile defense (SDI). The President's March 23 address prompted Moscow to upgrade my strategic importance immediately, a decision made at the highest level of the Soviet government (e.g., Gromyko). It was as a result of this, that the Democratic Party, the Anti-Defamation League, and NBC-TV were deployed at Moscow's demand, to run the campaign aimed at forcing the Reagan administration to "publicly distance itself from LaRouche."

The Soviets are convinced, that my strategic proposals on defense and economic reforms are the only policies which might enable the United States to resume its position as a world power. Hence, the Soviets class me as an "ideologue of late-capitalism." They fear, that, under the press of perceived crisis, President Reagan might turn to my policies as the needed alternative. They fear the President very much since March 23, 1983, because on that date, he showed an unusual personal quality of command, the *Entschlossenheit* needed both to adopt a new approach to policy, and to implement that change abruptly, as if "turning on a dime." They fear that the President is capable of acting to change U.S. monetary and economic policies as fundamentally and as abruptly as he acted to dump the long-standing Nuclear Deterrence policy on March 23, 1983. Thus, the Soviets fear more than anything else, that I might gain the ear of the President.

This is the most important element of background, for understanding Fidel Castro's recent statements on the economic situation in the Americas. The Soviets have recently made a sudden about-face, away from their 1975-85 policy of total support for the policies of the International Monetary Fund. They are now assuring debt-ridden developing nations, especially those in Ibero-America, that the Soviet Union will give political and economic assistance to nations which act to reject IMF "conditionalities."

For 10 years, since my Bonn, West Germany press conference of April 1975, while Moscow was actively backing IMF "conditionalities," my associates and I have been the leading agency in the world, working for general reforms of the international monetary system. Since 1975, I have been toe-to-toe against Henry Kissinger and George Shultz personally, on the issues of international monetary policy; according to official U.S. government documents, as well as highest levels of foreign governments, Kissinger's continuing vendetta against me was launched that year, using many channels of the U.S. and foreign governments, in an effort to block those of my reform-proposals adopted as a leading part of the Non-Aligned Nations' resolution at the August 1976 Sri Lanka conference.

Now, as Castro is unleashed by the Soviets, to move into the Ibero-American movements which have been opposing IMF "conditionalities" and Kissinger Associates, Inc., Castro faces the difficulty, of attempting to take over a movement throughout the Americas in which I, as an economist and policy analyst, am the leading international figure. Therefore, Castro is faced with the problem of, on the one side, echoing my numerous published analyses of the debt-crisis problem, while, at the same time, attempting to squeeze me and my associates out of our position within the international leadership of this movement.

In those parts of his recent statements, in which Castro merely echoes analyses I have been publishing over years to date, there is no doubt that Castro sincerely supports my views. He is, of course, repeating my familiar analyses, as a matter of attempting to squeeze me and my associates out of the movement: but there is no doubt that he sincerely agrees with me on those particular points.

The differences come with the "therefore." When two opposing parties agree on the facts of a problem, the differences usually appear following the "therefore": "This is the problem, therefore, what we must do is. . . ." The difference is, that I am a spokesman for the American System of political-economy (Gottfried Leibniz, Benjamin Franklin, Alexander Hamilton, the Careys, Friedrich List, et al.). The key to Castro's own economic philosophy is not Soviet doctrine; it is the Synarchism of France and of Haya de la Torre's old Caribbean Legion. To be precise, Fidel Castro is a "left Synarchist," both in cultural outlook and in matters of economics.

Thus, if my policy prevails, there is a rapid strengthening of economic and political cooperation between the United

States and Ibero-America. If Castro's policy prevails, the opposite occurs. In Castro's and Soviet eyes, I am the only U.S. public figure, and my associates the only agency, by which the alliance between the United States and Ibero-America might be rescued.

There is a recent precedent in post-war Ibero-American history, for the present issue between Castro and myself: the conflict between Peronism and Synarchism. In that sense, in the "logic" of Ibero-American politics today, I am a "Peronist" in South America as I am a "Juarista" (and "Obregonist") in Mexico. Generally speaking, there is no inconsistency between what Peron proposed as continental policy, and what my friends and I represent throughout the continent today. That is the way the conflict between Castro and me appears through Ibero-American eyes.

As a result of the legacy of lies spread by Spruille Braden and Nelson Rockefeller's crowd, almost no one in the U.S. government today knows what "Peronism" was and is. Juan Perón and his influential wife, Evita Peron, created the only major Catholic labor movement which is not based on, or at least greatly influenced by, Lassalleian "Solidarism." Peronism is distinguished from Solidarism in the respect that Solidarism was concocted by Church-linked circles in Germany which looked back to pre-Renaissance "guild socialism" as the model for society. Solidarism is a pro-feudalist sort of labor utopianism, which is efficiently antagonistic to generalized technological progress. Peronism, by contrast, is enthusiastically industrial-capitalist: promoting generalized scientific and technological progress, as the most vital interest for the moral, cultural, and material improvement of the condition of all persons in society. Peronism is fairly described, as a movement of forces of industry, the military, and organized labor, a movement resting upon the mass political base represented by organized labor.

President Juan Perón stressed emphatically and repeatedly, that Synarchism is the leading adversary of the population of Ibero-America. I discovered this, when I outlined the importance of the Synarchist menace to groups of Peronist leaders, during my June 1984 visit to Buenos Aires. There was a stunned silence in the room, and then the reply, "That's what Peron taught us." So, on the ground, every remnant of popularized U.S. myths about Juan Perón, dropped, one after the other. During the same period, as I outlined to a Buenos Aires scientific audience, my view of the implications of the SDI's technologies for society, I learned on the spot from a leading Argentine scientist, that my remarks echoed an address by Peron, the address which had motivated that figure to dedicate his life to science.

The real conflict between Peron and Spruille Braden, as distinct from the lies spread by Nelson Rockefeller's circles, was Peron's commitment to the high-technology development of Ibero-America. Spruille Braden, echoing Teddy Roosevelt and the Morgan interests, represented those Boston-centered British East India Company offshoots, who insisted that the United States' policy toward Ibero-America be



During the summer 1984 period, as LaRouche (center) outlined the implications of the SDI's technologies for society to a scientific audience in Argentina, he learned from a leading Argentine scientist that his remarks echoed an address by Juan Perón, the address which had motivated that figure to dedicate his life to science.

modeled on the British East India Company's 1763-83 policy toward the English-speaking colonies in North America. In Anglo-Swiss algebra, Juan Perón was a "new Benjamin Franklin" and "George Washington" of the Americas, rolled into one. That, the faction of Teddy Roosevelt has always hated with a special passion. Spruille Braden's hatred against Peron was bottomless.

Today, throughout Ibero-America, there are only two choices. Either a return to the principles of the 1823 Monroe Doctrine, basing relations among states upon Hamilton's American System of political-economy, or successful Soviet subversion of the entire continent. There is no way in which the present U.S. monetary and economic policies toward Mexico and South America can be continued. If the Reagan administration continues its present support for Kissinger Associates' policies, then all of Ibero-America will now fall rapidly under Soviet subversion. Either the United States changes its policies, as I have proposed, or the United States loses Western Europe, the Asian Rim, and Ibero-America as well.

The opposition to my policies around Washington, comes chiefly from exactly the same faction, formerly rallied around Spruille Braden, which organized the two coups d'état against President Juan Perón. These are the U.S. puppets for the same Anglo-Swiss financial interests which control Raul Prebisch and Martínez de Hoz. If these factional opponents of

mine win out in Washington, then Fidel Castro will beat me in Ibero-America.

If these factional opponents of mine continue to win out in Washington, then the United States is finished as a power, and the Soviet empire will dominate most of the world by no later than 1988.

Many in Washington disagree. Liars and credulous fools alike, around the White House and intelligence community, say that their "hard intelligence" refutes my estimate of Soviet strategic capabilities, my assessment of the September 1984 military threat by Marshal Ogarkov against West Germany, and my assessment of the Greek situation. On the contrary, I have the facts available to our military and other intelligence services on the ground in Europe and elsewhere, the same best sources on which the CIA and DIA must rely for their source-information. Representatives of the highest levels of European intelligence agree entirely with my estimate of these facts we share in common. Around the White House presently, the fools and liars run the show. Those who deny these facts are either liars, or the credulous sort of foolish bureaucrat who scrupulously suppresses all evidence contrary to prevailing policy.

On the same grounds, such liars and credulous fools have deprecated my 1982 analysis of the implications of the Ibero-American debt-crisis. I suspect, these are incurable fools. Perhaps the fools will continue to prevail in their silly, lying,

gossiping against me around the White House. If so, the United States will be finished as a power by about 1988. The opinions of such persons, are less than worthless. I tell you the truth, if you have the intelligence and guts to prefer truth over the incompetent gossip of your silly "friends."

Some think, we can give Moscow and Castro an exemplary bloody nose in Nicaragua. "Light at the end of the tunnel," all over again! The State Department and FBI, are in collusion to bring to power in Sonora a PAN gubernatorial candidate, Adalberto Rosas, who has recently proposed Mexican military operations to reclaim Texas! There are now about 60,000 armed PANistas in northern Mexico, prepared to mobilize an insurrection against the government of Mexico, with State Department and FBI support! Such is the wisdom of the fools who presently prevail around the White House.

Castro's falsehoods

What Castro states on the debt-crisis is analytically correct. Also, when Castro insists that the United States could reduce interest-obligations on outstanding Ibero-American debt, and organize moratoria on payment of principal amounts, his proposals are sound, as far as he goes. Moreover, it would be to the strategic advantage of the United States to do more or less what Castro proposes along these lines: The gains to the U.S. economy in trade would substantially reverse the growing trade-deficit of the United States, and would revive U.S. capital-goods industries through greatly expanded export-markets into Mexico and South America.

Beyond that, there are three general falsehoods featured in Castro's extended statements on these matters:

1) Castro's monetary analysis is sound, but his economic analysis is riddled with a mixture of Marxian and Synarchist nonsense.

2) Castro faithfully follows the long-standing Soviet line: that the solution to all economic problems of the developing sector flows from U.S.A. and NATO general disarmament, redirecting military expenditures into aid.

3) Castro is certainly lying when he argues, in *Folha de São Paulo*, that 1988 is the estimated date for the "financial crash" in the United States. 1985-86 is the official Soviet estimate for the date of such a "crash," a reasonable estimate. 1988 is not the Soviet estimate of the date for a "financial crash"; 1988 is the Soviet target-date for reaching the level of mobilization needed to launch total thermonuclear war against the United States.

Castro's reference to 1988 as the year of the fall of the United States, is plainly a reflection of his knowledge of Soviet military policy, not Soviet economic forecasting.

Some around Washington deny hysterically, that Moscow is preparing to be ready to launch thermonuclear war

by 1988. In Western Europe, among highest-level intelligence circles, there is complete agreement on the general features of my own economic and strategic analysis. There are, admittedly, differences in proposed policy among these circles, including strong disagreement with major elements of my own policy, but there is no disagreement with my facts among these circles. If anything, leading circles in Europe warn me that I tend to understate the danger. Anyone of influence around Washington who denies my facts as such, is simply a liar or a credulous fool.

On the first of the three types of falsehoods, Castro is most probably not lying; the preponderance of evidence is, that his economic thinking is sincerely his own.

On the second point, although he is merely mouthing the consistent Soviet propaganda-line since 1975, it is probable that he sincerely believes in that line of argument.

On the third point, he is only partially lying. He lies by representing 1988 as the projected date of a "financial crisis," rather than the Soviets' projected date for a thermonuclear showdown. However, he is not lying in emphasizing that the pre-1988 collapse of the U.S. economy is indispensable to the Soviets' willingness to risk such a thermonuclear showdown.

Naturally, as a Soviet factional leader to whom the U.S. government is especially sensitive, Castro is not going to say the sort of thing which might alarm the administration and the Congress into supporting a major military mobilization of the U.S.A. This must frustrate Castro greatly; how delicious it would be, to him, to announce to the world that Soviet power is going to crush the United States in 1988! Twenty-five years of deep frustration and rage against threats and containment by the United States, make "revenge" against the United States a hot point of "Macho" honor for Fidel Castro. How he must rankle at being forbidden to prophesy the military defeat of the United States in 1988! He contains himself, obviously with great difficulty. He does not refer to the military significance of 1988; but he finds a way to refer to that ominous date. He prophesies that it is the economic collapse of the United States which will doom the U.S.A. by this portentous date of 1988.

A eyebrow or two must have raised around the Kremlin, at reading the statements in *Folha de São Paulo*, and a few rumbling references to Castro's "big mouth" must have been circulated. Castro didn't explicitly violate Soviet rules of military secrecy, but he bent them almost to the limit.

My letter to Castro

For reasons which are implicit in the preceding review of the matter, the time has come for me to challenge Fidel Castro to an open dialogue on the issues of the Americas. Therefore, I am circulating the following open letter.

This letter addresses most explicitly, the leading implications of the referenced items in *Excelsior* and *Folha de São Paulo*. These items are read by me with aid of background

information which I have received recently from high-ranking circles in several Ibero-American nations. What Castro states in the two referenced items, echoes what he has been saying behind closed doors in several locations, and also echoes certain maneuvers which Castro's agencies have been conducting within the Ibero-American labor organizations. Castro himself is aware that these matters have been referred to my attention, and will read my open letter with that in view.

Diplomatically and legally, the character of my open letter is that of an editor of an international newsweekly, who is seeking to develop an important news item, for the advantage of our readers generally, and readers in the U.S. government in particular.

In view of my position as an international, as well as U.S. public figure, including my position as vigorous advocate of the SDI, this action of mine has multiple political and strategic implications. Indeed, every major news publication's writings on any important subject, including especially the *New York Times*, *Washington Post-Newsweek*, *Time*, and so forth, has major impact on the political and strategic circumstances of the United States, and often of other nations as well.

Additionally, throughout Ibero-America, major political and trade-union forces are awaiting my personal response to Castro's current maneuvers. Many of these are my dear friends of long standing; others simply regard me as the chief hope for a sane U.S. policy toward Ibero-America. When my "star" declines on the Washington horizon, all Ibero-America suffers a heavy dose of Kissinger's obscenities automatically; when my "star" rises, Kissinger's declines to the same degree, and Ibero-America's hopes are encouraged. How I respond to Castro's current maneuvers does, to a large degree, determine the alternative options available to the Reagan administration.

The time has come for a new turn in U.S. policy toward Fidel Castro and Cuba. The time has come for real diplomacy, as opposed to the British liberals' diplomacy which has dominated the State Department throughout my lifetime to date.

Our policy toward Castro and Cuba must become a shrewdly devised "hard cop/soft cop" policy concerning Castro's influence throughout the Americas. This policy must include the following elements of change:

- 1) The United States military forces are not going into Nicaragua, except possibly for limited, surgical operations against introduction of prohibited classes of aircraft and other weaponry into Central America: to destroy those weapons, purely and simply.

- 2) The United States will act to give technical advice and services and other support, under the provisions of the Treaty of Rio de Janeiro, to any Ibero-American nation or nations which issue a formal declaration of warfare against the international drug-traf-

ficking interests, and will aid in enabling such nations to conduct warfare, by methods of warfare, against all growing areas, all logistical support for supply of the drug-traffic and of distribution and processing of product, and against all forces whose assistance or sympathy for the drug-traffickers constitutes enemy operations or treason under rules of warfare.

- 3) The United States will act under the Treaty of Rio de Janeiro, to provide assistance to Ibero-American nations against the use of missionaries, anthropologists, and kindred scoundrels, to foster ethnic, religious, and other separatist insurgencies, in the Americas.

- 4) The United States will act to foster the absolute sovereignty of each and all states of the Hemisphere, as specified by the 1823 Monroe Doctrine.

- 5) The United States resumes the American System of political-economy, as defined by Alexander Hamilton and others, as the policy governing economic relations among states within the Americas.

- 6) Whoever cooperates with the United States and other states of the Americas, in service of those policies, is a friend of the United States, and will be treated in accordance with the manifest durability of such cooperative actions.

If Fidel Castro wishes to explore such an arrangement, his exploration should be welcomed unconditionally. If he wishes to enter into such principled agreement, his government should be treated according to the indicated durability of such terms of agreement. The pace of such improvements in relations should be governed by the judgment of durability of agreements by the United States, acting in consultation with other sovereign states of the Hemisphere.

This does not imply any concessions to the spread of Marxist or Synarchist ideologies and related practices. It implies, that the people of Cuba shall not suffer avoidably because of our government's displeasure with their present form of government.

It implies a different doctrine of "human rights" than that of the terrible Carter administration. We do not acknowledge the right of persons to spread the drug-epidemic among children, through their usage of drugs or by other means. We do not acknowledge pederasty as anything but a hideous crime against humanity. We do not regard "integrity" forms of religious-cult insurgency, or terrorist campaigns against unarmed villagers, as involving any human rights. Nor do we regard due process of law, under international standards of civil or military law, against such vile offenses, as violations of human rights.

The inalienable rights of man, for which cause the two wars of the United States against Britain were fought, pertain to the sacredness of those qualities of each living person which absolutely distinguish men and women from the beasts. These rights pertain to natural law, as natural law was defined

by such leaders of the Golden Renaissance as Cardinal Nicolaus of Cusa. They pertain to that divine spark of reason in each new-born infant, by means of which mankind accomplishes scientific and technological progress, in reason's constant search for truth. They pertain, in this same way, to man's power to know right from wrong, according to natural law, and to distinguish beauty from ugliness in both works of art and human practice generally. They pertain, in this same way, to the sacredness of individual human life, that no life may be taken except for defense of those institutions of society essential to the protection of human rights, as by necessary military actions, or civil actions necessary to defend the individual or society from irreparable major harm.

Various forms of society come and pass. Yet, throughout it all, some principles must forever remain in force, more perfectly known and practiced, but never otherwise changed. The Golden Renaissance, and its leading outgrowth, the American Revolution of 1776-89, represent the highest form of society produced to date, no matter how much we Americans have soiled that noble heritage with such offal from the 1815 Congress of Vienna as Henry Kissinger. For ourselves, we will not retreat from that, for any price. For others, our policy must be to persuade them to improve their form of government accordingly, but to leave the changing to their free choice, insofar as they do not damage our vital interest in this matter.

In history to date, war continues to be the unavoidable price of progress. This is necessarily the case, because mankind is divided into two irreconcilable factions, the one consistent with Solon's republican reforms at Athens, and the opposing oligarchical faction modeled variously on Lycurgus' slave-society of Sparta, upon the Roman and Byzantine Empires, and so forth. Between these two forms of society, republican and oligarchic, no durable peace is possible, and war is sometimes therefore inevitable.

The unavoidable quality of that violence, which grows out of the persisting conflict between the republican and oligarchic forms of society, springs from the fact that no common body of law is shared between the two forms. If all nations were self-governed by natural law, then differences within and among states could be resolved by process of law according to natural law; in such a state of affairs, war would always be an obscene thing. Unfortunately, oligarchic law, such as Spartan or Roman law, opposes the rightful condition of society and of the individual in society. Under oligarchic rule, such as Roman Law, the law provides society and the individual no peaceful means of redress of grievances. Lacking the force of law to redress grievances, republicans must resort to the law of force, so that an order according to natural law might be established to make force unnecessary.

Until the desired order is achieved, good generals are the best republican patriots, since only efficient force knows how to defend republican law against the insolence of the

oligarchical adversary.

Thermonuclear weapons have not outlawed general war. Thermonuclear war can be fought and won. That is the doctrine of Soviet Marshal V.D. Sokolovskii, who viewed military science rightly on this point. That is the essence of the War Plan of Soviet Marshal Nikolai Ogarkov, one of the ablest military commanders of the present century. That, from a different vantage-point, is my military doctrine. I hate war with a deep passion against the destruction of human life, but I would fight it at all risk, rather than give this planet over to the unchallenged rule of an oligarchic empire; I would fight to ensure that my republic survive and win that war, by aid of the most terrible of efficient means required.

Fidel Castro must understand very clearly, as the Soviets should also understand this. This is not only the temper of

I hate war with a deep passion against the destruction of human life, but I would fight it at all risk, rather than give this planet over to the unchallenged rule of an oligarchic empire; I would fight to ensure that my republic survive and win that war, by aid of the most terrible of efficient means required.

my mind, but also the underlying temper of the majority of my fellow-citizens, as was shown before during 1941-45.

My policy is to postpone thermonuclear war, hopefully until such point an international order consistent with Cusa's description of natural law is made efficiently universal among states. War can be postponed significantly beyond 1988, only if the United States and its allies deploy those "new physical principles," by means of which the strategic defense is afforded superiority in firepower and mobility over the offense. That does not eliminate war; it merely postpones it. Generally, for the moment, nothing more can be desired.

The postponing of war, provides time during which to develop more durable solutions. This time will be fruitful, if mobilization of war-postponing defense incorporates measures of change in economic relations among sovereign states, to afford to each and all peoples ready access to means for increasing the productive powers of labor per-capita.

My policy is, therefore, to postpone war also with Cuba, if Cuba is efficiently disposed to assist us in making that possible. Granted, the United States must offer the efficiently durable policy required to this effect, admittedly including some changes very much to U.S. advantage in current U.S. policy.

Such options come into being only if they are openly discussed. What must be explored openly, are not the details to be negotiated among diplomats. What must be explored openly are matters of principle, including principles of economy.

So, the following open letter of response to Fidel Castro is situated.

Letter

Comandante Fidel Castro!

I have reviewed your recent remarks on the subject of Ibero-American external debt, including the extended report in *Excelsior* and the more recent report in *Folha de São Paulo*. It would be superfluous to discuss areas of agreement, since my own warnings and proposals on this matter have been widely circulated and hotly debated internationally since my Bonn press conference on this subject in April 1975, including my widely circulated *Operation Juárez* of August 1982.

I limit attention here, to certain important points of disagreement, especially your mistaken argument, that reduction of the U.S. defense budget is more or less indispensable, to enable the U.S.A. to solve the Ibero-American debt-crisis.

The economic crisis

Contrary to widely publicized delusions, the past 25 years of U.S. military expenditures have not added a single dollar to the present level of the U.S. budget deficits. If the actual rate of U.S. monetary inflation is taken into account, the United States has spent far less on military expenditures under the Reagan administration, than it did under the Carter-Mondale administration. In fact, the total expenditures by the U.S. federal government, excepting debt-service charges, have dropped significantly since 1980.

Contrary to your assumption, the high-technology portion of the military budget has had a positive impact upon the health of the U.S. economy, to the degree, that if this sector of military expenditures were to cease, the U.S. economy's rate of collapse would be accelerated as a result. Such a reduction of U.S. military expenditures would have a catastrophic impact upon the still-surviving margin of the industrial and agricultural sectors of Ibero-American states! Why this is true, I shall explain in the course of this Open Letter.

Summarily, the recent history of the U.S. economy is this.

During the 1936-38 period, President Franklin Roosevelt knew that the world was headed into a new major war. Certain policy shifts, in preparation for such a war, were already under deliberation in the U.S. government and other influential U.S. circles at that time. By 1939, the President had begun certain lines of action, intended to mobilize the U.S. economy to the extent needed to support a major war. Thus, the period 1939-43 was one of general recovery of the U.S. economy from the Great Depression.

From the close of that war, despite the dangerous postwar inflation and the 1957-59 recession, there was an irregular advance in the levels of productivity of the U.S. economy into 1966. This 20 years of progress was sustained chiefly by the combination of technological spill-overs from military production, and a sustained growth of investment in improvements of basic economic infrastructure.

During 1967-68, under President Johnson, a profound and disastrous shift in U.S. economic policy was introduced as a newly adopted policy of the federal government. This was introduced under the demagogical cover of the "Great Society" programs, a fundamental shift in U.S. economy policy, toward transforming the United States into a "post-industrial society," sometimes called a "technetronic society." This policy led into the monetary crises of 1968 and 1971-72.

Over the interval 1967-71, the U.S. economy's rate of growth came to a stagnating halt. Prior to 1977, the combination of the 1972 Azores and 1975 Rambouillet monetary conferences, and the 1973-75 "energy crises," turned the U.S. economy's productivity downward, led by a general collapse in expenditures for maintenance of basic economic infrastructure. The Carter-Mondale administration introduced a nakedly Malthusian policy, and unleashed a full-scale, accelerating collapse of the U.S. economy, with Carter's and Paul A. Volcker's introduction of a policy called "controlled disintegration of the economy," beginning October 1979.

President Reagan has continued the monetary and economic policies which he inherited from the Carter-Mondale administration. So far, President Reagan has made no significant deviations from the policy guidelines which the New York Council on Foreign Relations laid down for the incoming Carter administration in the CFR's 1975-76 *Project 1980s* manuals. Since February 1980, when the first impact of the Volcker measures was felt in the economy, the U.S. economy has been continuously on a roller-coaster-ride downward, with no impulse for general recovery toward 1979 levels.

As my associates and I forecasted at the close of 1979, and during early 1980, the economy plunged downward, from February 1980 until it reached a temporary plateau during the autumn of that year. Then, it plunged to deeper levels, again, during 1981-82, until it reached a new, lower plateau, at the close of 1982. During 1983 and most of 1984, agriculture, industry, and infrastructure continued to collapse, although at a slower rate than during the worst period of 1982. During the second quarter of 1984, the economy began to collapse more steeply again, with effects of this showing clearly during the third quarter of 1984. During March of 1985, a precipitous rate of decline began.

There never was a 1983-84 economic recovery, nor was the rate of monetary inflation ever turned back. During this two-year period, the real rate of inflation was in the order of between 10% and 15% per annum, and, despite temporary increases in number of automobile units sold, the net physical

output of the economy continued to decline at a generally accelerating rate throughout this period. The important net increases in reported National Product were, partially, increases in financial and services income, whose impact upon the real economy is chiefly parasitical. The increases in some categories of sales were chiefly a reflection of increased indebtedness, not increased net income. The remainder of the illusion of a 1983-84 "recovery," is nothing but fraudulent manipulation of statistics by, chiefly, the Federal Reserve System and the Bureau of Labor Statistics.

The increase of the U.S. federal debt, since October 1979, has not been caused by increases in real rates of federal expenditures; those rates have declined. The increased indebtedness has been caused by the combination, of a contracting (real) tax-revenue base, and of a usurious cost of refinancing public indebtedness.

There is no competent objection to this portrayal of the general trends. Granted, the data on physical input and output by U.S. and official supranational agencies, are riddled with margins of error. However, my associates and I have made an exhaustive compilation of this data for the 1952-82 period, and some later data. In terms of physical output per capita, the rate of collapse since 1970 is clearly shown, and the rate of collapse since 1979 massive and accelerating. If this raw data is used, rather than the arbitrary indices, the picture is simple and clear.

To trace the impact of this upon developing nations, three principal points must be considered:

- 1) Impact of monetary policies;
- 2) Impact of decline of demand for primary materials by contracting industrial sectors of principal industrial nations;
- 3) The mid-1960s shift, away from the avowed development objectives of the U.N.O.'s "First Development Decade," toward an increasingly Malthusian policy of collapsing the economic basis for sustaining populations of developing nations.

In Ibero-America, for example, the 1950s policy of the United States was so-called "import substitution": the movement of U.S. firms toward "cheap labor" markets in the Hemisphere. This was deployed to gobble up capital available within Ibero-American nations, but also attuned to the role of Ibero-American industrial development as a supplier of cheap goods into both the U.S.A. and Western Europe, and into other markets. The United States had a significant interest in at least the limited development of the Ibero-American economies, on condition that "no new Japans" emerged south of the U.S.A.'s Rio Grande border.

During the middle of the 1960s, this changed, echoing the introduction of "neo-Malthusian" dogmas into the policies of Western Europe and the United States. The shift came very quickly, but increased in intensity of effects only step by step. The 1967-68 crisis of the British pound and U.S. dollar, was followed by the 1971-72 monetary crises,

the 1974-75 energy crisis, the 1975 Rambouillet conference, the 1979 introduction of "controlled disintegration of the economy," and the 1982-83 "debt-crisis" measures. Beginning 1971-74, a bubble in external indebtedness of Ibero-American states was generated, through IMF interventions to force down currency-values arbitrarily, and increasingly usurious refinancing of existing debt.

In part, the Ibero-American governments are themselves largely to blame for this. In 1975 and 1976, they refused to unite in support of the policies of monetary reform adopted at the August 1976 Non-Aligned Nations' conference in Colombo. In 1982, they refused to unite in support of Mexico's President José López Portillo. In 1982, they preferred the policies of Kissinger Associates, Inc., to those of President López Portillo; entire nations of this hemisphere could be swept away in convulsions of the coming period, as a consequence of that fear-ridden submission to Kissinger.

Admittedly, the weak and frightened governments of Ibero-America have far more credible excuses for their lack of courage than the United States' government. That does not lessen the price entire nations and peoples are now paying for such lack of awareness of irreversible destruction caused by the submission.

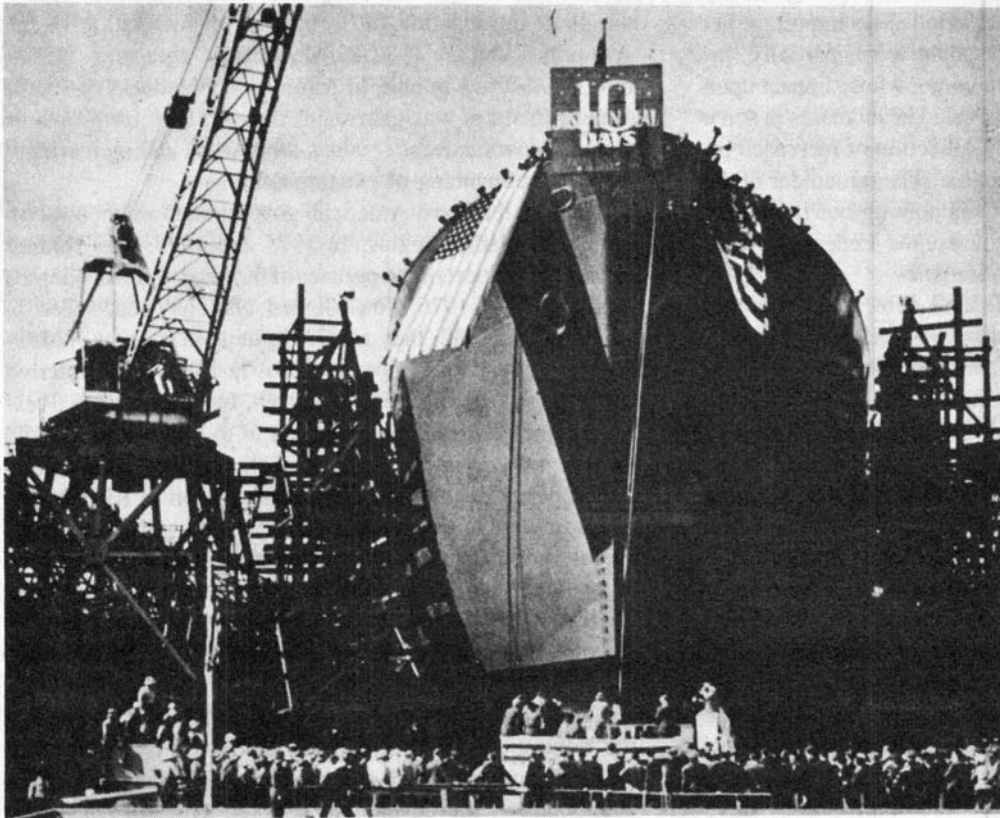
The more general lesson to be learned, is that it is chiefly the domestic economic policies of the United States and Western Europe, which determine the circumstances of the economies of the developing nations. True, in *Operation Juárez*, I elaborated the joint measures by which the nations of Ibero-America could defend themselves efficiently against the worst effects of the deepening world-wide economic depression. Although each and all of those nations are vastly weaker now than they were in 1982, and the benefits of such measures far less now than they would have been then, these are still the optimal measures of economic defense. Optimal they may be, but without a change in the economic policies of the United States, tens of millions of people in Ibero-America are doomed soon to die, as the price to be paid for failing to take courageous and effective joint-actions earlier.

The U.S. Strategic Defense Initiative

Directly contrary to your proposal, the only possibility for a change in U.S. monetary and economic policy toward Ibero-America, is an accelerated rate of implementation of the U.S. Strategic Defense Initiative (SDI).

During the period 1871-86, the United States was put through a deep and prolonged depression, by joint actions of the Anglo-Swiss financial interests and their Morgan-centered agents inside the United States. This was highlighted by a corrupted Congress's passage of the U.S. Specie Resumption Act, which made the U.S. dollar and banking enslaved to foreign, Anglo-Swiss financial interests' manipulations.

Since that period, there has been no general economic recovery in the U.S.A., except during major wars or mobi-



A merchant ship is launched in Vancouver, Washington in the fall of 1942. "The possibility of a change in U.S. monetary and economic policies today, can occur only as the result of an undeniable collapse of the monetary order, or a perceived military threat to the United States itself. It is probable that only a perceived military threat would prompt a positive change in monetary and economic policies."

lizations in preparation for anticipated wars. Although certain aspects of military expenditures do stimulate civil economy most directly, it was not military spending which accounts for these economic recoveries. Rather, it is only in anticipation of war fought in aid of the British cause, that the Anglo-Swiss financial interests permit the U.S.A. to resume the kinds of economic policies specified by U.S. Treasury Secretary Alexander Hamilton.

At the beginning of this century, Lord Milner's circles adopted a policy of economic mobilization to arm Britain for the impending war on the continent; they explicitly borrowed some of Hamilton's policies to accomplish this. A few years later, Britain directed the United States to aid in these preparations, and a general economic boom persisted in the United States, from the aftermath of the 1905-07 crisis, until the close of World War I.

Again, at the onset of World War II, Britain ordered the United States to mobilize, to assist Britain in the coming war in Europe. Until the middle of the 1960s, a similar arrangement persisted.

In each case, "Hamiltonian" measures of economic mobilization, permitted the U.S. economy to be expanded in scale and technological advancement, to the extent the mobilization of military preparations required.

Today, behold the behavior of leading U.S. institutions and the electorate generally. Over the recent 20 years to date, the U.S. economy has been collapsed to a relative degree

unprecedented in its history. Not even during the interval 1929-38, did the relative levels of output fall as deeply as they have fallen since 1970. How much impulse do you witness, to change those monetary and economic policies which have caused this accelerating enmiseration of agriculture, industry, and the lower half of the household-income groups?

The United States is not to be specially ridiculed for such foolish behavior. It is the record of history, that nations and peoples respond to a step-by-step worsening of conditions, rather by grumbling accommodation to this decline, at each level, than by becoming aroused to demand correction of the policies which have sponsored such calamities. Contrary to populist mythologies, the "people" generally have learned nothing from "lessons of experience," as long as those calamities develop only gradually.

For such reasons, the history of major changes in popular opinion, is a history either of gradual changes for the worst, or a history of wars and kindred convulsions.

From the top to the bottom of U.S. society, like all societies of the world, only convulsive shocks can prompt a general reaction of leading institutions and citizenry against policies which have fostered calamitous conditions.

The possibility of a change in U.S. monetary and economic policies today, can occur only as the result of an undeniable collapse of the monetary order; or a perceived military threat to the United States itself, or a combination of

both. It is probable, that only a perceived military threat, would prompt a positive change in monetary and economic policies.

The effect of military threat upon economic policies occurs in this way. In modern democracies, most emphatically, the diplomats and bankers dominate monetary and economic policy, and military policy, too, until a military threat causes the military to be given relatively greater weight in policy-shaping. Since military planning emphasizes material and logistics, the influence of the military upon general policy-making, in such crisis-circumstances, is directed to promoting rapid increases in output of physical goods, in development of basic economic infrastructure, and in emphasis upon rapid rates of introduction of advances in technology.

The first reaction of the U.S.A. and NATO, to a perceived threat in the presently accelerating Soviet mobilization, is a shift to "launch on warning," to offensive deterrence, of course. However, since the SDI is already established U.S. policy, the escalation of "deterrent" posture must be accompanied by a somewhat slower-paced but accelerating emphasis on rapid deployment of strategic defensive capabilities. It is not necessary, and would be incompetence, to speculate upon imagined "secret plans" in the U.S. Defense Department. Military affairs, more than any other aspect of policy, are governed by principles which impose their guidance upon thought, even among those who have no forewarning of such new directions in their own thinking. In face of a threat, the U.S. military policy will become rapidly what reason dictates it must become, despite any contrary thinking presently afoot.

Reason in military science stipulates that absolute preponderance of the offense is both unscientific and intolerable. Whenever the offense runs ahead, the emphasis must be placed on seeking to make the defense preponderant. As firepower and mobility in military arms, is merely the complement to increased productivity in economy, there are fundamental principles of economic science which dictate that wherever the defense or offense presently prevails, the other must next prevail.

The essence of SDI is three kindred frontiers of science today: 1) controlled thermonuclear fusion; 2) coherent modes of directed energy; 3) optical biophysics. There are other technologies involved, of course. Those others are essentially auxiliary; it is the three cited which are primary. These represent the greatest firepower and mobility ever supplied to weapons, by an order of magnitude or more, and represent implicitly less cost to destroy offensive weapons, than to build and deploy those offensive weapons. Thus, the power which emphasizes the defense, prevails over the power which continues to emphasize the offense. The military logic is obvious.

These same technologies also represent the basis for the immediate emergence of the greatest technological revolution in economy. This potential for the economy of our planet, is typified by the fact, that thermonuclear fusion is essen-

tial to both powered interplanetary flight and to powering colonies on Mars, for example. Coherent modes of directed energy, powered by fusion, are the tools indispensable for space-colonization. Optical biophysics, is the frontier of biology, a biology which is the precondition for sustaining life in space-exploration and colonization.

It is the case, that a U.S. defense budget of between \$400 and \$500 billion annually could be easily sustained, on condition that the impact of new military technologies spills over into the expansion of the civil economy. There is no conflict between U.S. military expenditures and assistance to the Ibero-American economies. Probably, the higher the U.S. military budget, the greater the impulse and ability of the U.S. to assist Ibero-America economically: A new mobilization resembling that of 1939-43, is probably the only circumstance under which the U.S.A. would be able to improve the economic conditions of Ibero-America substantially and quickly.

Requirements for economic recovery

After the wicked Malthusians, the most dangerous fools today, are those influential spokesmen of developing nations, who insist that the essence of the problem of developing economies, is an inequitable distribution of shares of income between the OECD and developing sectors. These fellows are dangerous, not merely because they are passionately attached to silly superstitions. One of the most effective means which the Anglo-Swiss usurers have deployed, to sabotage Non-Aligned unity on the issue of monetary reform, was U.S. Secretary of State Henry A. Kissinger's mid-1970s manipulation of terrified and credulous developing-nations governments, into supporting such diversionary schemes as the proposed "Common Fund."

You must certainly remember, in some vivid detail, that the notion of establishing OPEC-mimicking primary-materials cartels, to create a fund out of which development might be financed, was presented during the 1970s as an alternative to changes in international monetary organization. Typical of that "Abe Rellis of diplomacy," Henry A. Kissinger, as you may recall, the governments were warned to the effect: "If you demand monetary reform, a terrible example will be made of your government, you, and the members of your family." It was "suggested," that such homicidal unpleasantness might be avoided, if those governments would support physiocratic concoctions, such as the "Common Fund," instead.

Kissinger's variety of tricks has been complemented on the Soviet side, emphatically since 1975, by the repeated argument, that the problem of "technology transfer" to developing nations can not be solved, until the United States accepts a drastic reduction in its military spending, and agrees to donate a large portion of the funds cut from military spending to development assistance. Even now, when the Soviet government has recently reversed its 1975-85 policy of sup-

port for IMF "conditionalities," Soviet spokesmen, and you, repeat the argument, that "technology transfer" must come chiefly out of a redirection of U.S. arms-expenditures. This line of argument is identical in essence, to Kissinger's recommendation of such schemes as the "Common Fund."

A certain leading aspect of modern history helps make clear how and why some spokesmen of developing nations are lured into such destructive delusions as the Kissingerian and Soviet dogmas identified. Beginning with the arrival of the seventeenth-century British colonial governor Sir Edmund Andros in Massachusetts, but most emphatically beginning in 1763, the leading motive for the preparations of the American Revolution, first by the networks of Gottfried Leibniz, Jonathan Swift, and Cotton Mather, and, continued by Mather's protégé Benjamin Franklin, was the same British colonialist policy defended in Adam Smith's *Wealth of Nations*, and continued as Anglo-Swiss monetary and trade policies down to the present date. Indeed, in chief, the two U.S. wars against Britain, 1776-83 and 1812-15, were fought against the "free trade" dogmas of the British East India Company's Adam Smith.

Smith was a basely immoral creature, who insisted that public morals should be based on nothing but the Hobbesian beast-man's doctrine of exclusive service to hedonistic impulses, for individual pleasure and avoidance of pain. He insisted that the individual and society should never intervene on account of the foreseeable consequences of such hedonistic impulses. Smith was a follower of British intelligence's David Hume, and since no later than 1763, explicitly an agent of Lord Shelburne. Smith's education in economics, like Hume's earlier, was taken under sponsorship of the same Swiss circles which co-sponsored Montesquieu, Voltaire, Rousseau, and, later, in alliance with Shelburne, Bentham, and William Pitt the Younger, Necker, Robespierre, Danton, and Marat. In France, these circles of the Geneva and Lausanne banking interests, were allied with the same Clermont which produced the Jacobite circles in Britain. The chief economic apologist for these Swiss bankers, was the anti-Colbertist Dr. Quesnay, from whom Hume and Smith received the chief part of their modest instruction in political-economy.

The British themselves have insisted, *ex cathedra*, that it was the radical version of Hume's and Smith's irrationalist hedonism, nakedly advocated by the British East India Company's Bentham, Malthus, James Mill, and John Stuart Mill, which constitutes the essence of what is alternately styled as "British nineteenth-century philosophical radicalism," or more simply, "British nineteenth-century Liberalism." This was the essence of Anglo-Swiss nineteenth-century colonialism. After approximately 1950, the Anglo-Swiss and the U.S. Eastern Liberal Establishment, retreated into a thinly disguised neocolonialism, until the last half of the 1960s. Now, the British-based private firm, Kissinger Associates, Inc., has reverted to naked nineteenth-century British colonialism, resurrecting the "debt-for-equity" policies by which nine-

teenth-century Britain used Egypt's Suez Canal debt, to loot and conquer Egypt. The political-economy of the British East India Company's Haileybury economists, Smith, Malthus, Ricardo, James Mill, J.S. Mill, Jevons, et al., can not be understood apart from the Hobbesian form of hedonistic immorality, the which is embedded in the Mill-Jevons adoption of Bentham's "felicific [hedonistic] calculus," the dogma of "utility."

To understand why many educated circles of developing nations are seduced into such physiocratic delusions as the "Common Fund" or the Soviet argument on transfer of U.S. military expenditures, the post-1945 experience of developing nations must be examined in light of Franklin's, Hamilton's, the Careys', and List's emphasis upon the feudalistic character of British (Anglo-Swiss, Venetian) political-economy.

That is, the British economy, from the Stuart Restoration of 1660 to the present date, is a mixed feudalistic-industrial economy, with the feudalistic component politically and financially on top.

Smith's colonialism, and neo-colonialism, have three leading and interconnected impacts upon developing nations. First, is the export of usuriously refinanced indebtedness. Second, is the persisting effort to reduce these nations to exporters of cheap primary commodities. The third is exemplified by the efforts of the Morgan-centered and Anglo-Swiss interests, to prevent any "new Japans" from emerging, south of the United States' Rio Grande borders, or in any other part of the developing sector as a whole. These three are precisely the policies which the United States fought against in its two wars against Britain.

The self-destructive tendency prevailing among developing nations' governments, up to this point, has been to capitulate on the first issue, usurious monetary and banking practices, and on the third, domestic capital formation, and to concentrate on supposed remedies in the form of higher prices for primary commodities.

The formal side of this failure of perception among developing nations, is the utter ignorance of economic science widespread among those governments which believe that either they or their specialist-advisers, are qualified professionals in political-economy. This problem, and its correlatives, you fail to address efficiently in any among your known statements of the recent period. This is in no respect a merely academic issue, for reasons I shall now indicate in summary.

Economic science

Forgive me for including this brief lecture on the ABCs of economic science. This is required on two counts. First, very few governments today possess even the rudiments of knowledge of economic science. Second, although I am certain that you have the practical knowledge of economy adequate to learning rapidly the rudiments of economic science, there are included major errors of grave practical importance

in your public statements, whose implications must be made clear.

Modern economic science was founded, as a science, by Gottfried Leibniz during the interval 1672-1716, beginning with his 1672 paper on "Society and Economy." Until Leibniz, up through the policies of Leibniz's sponsor, France's Jean-Baptiste Colbert, there was a movement toward establishing an economic science, beginning with the collaboration on the subject between Plethon and Cosimo de Medici. This movement led through the Erasmians in sixteenth-century Tudor England and France, including Jean Bodin, and through Naples, a current known during the sixteenth and seventeenth centuries, variously, as "*les politiques*" or "the cameralists." It was Leibniz, whose work on the subject of the heat-powered machine, and whose conception of "technology," established economics as a science.

After Leibniz, eighteenth-century economic science developed through, chiefly, three channels, the English colonies in North America, the circles centered around the Oratorian teaching-order in France, and instruction in Leibniz's economic science as "physical economy," in the cameralist training-centers in Germany. Leibniz's economic science became institutionalized at the turn of the nineteenth century, under the name supplied by U.S. Treasury Secretary Alexander Hamilton, "the American System of political-economy." In the revival of Hamilton's policies, under Presidents Monroe and John Quincy Adams, the work of the Ecole Polytechnique's economists, Chaptal, Ferrier, and Dupin, was incorporated, largely through the collaboration between the Marquis de Lafayette and Friedrich List. This became not only the basis for the industrial development of the United States, but also of Germany, and the work of Cavour's circles in unleashing the economic development of northern Italy.

The successful Anglo-Swiss subversion of the United States, through the Specie Resumption Act of the 1870s, the containment of the republican faction in Germany, especially under Bismarck and his successors, and the suppression of governments committed to the American System in Ibero-America under the reign of President Theodore Roosevelt, made the doctrines of Adam Smith and his utilitarian successors politically hegemonic world-wide. The United States' surrender of its sovereignty over its currency and banking, beginning with the Specie Resumption Act and continuing with the establishment of the Federal Reserve System, eliminated all efficient resistance to Anglo-Swiss financier monopoly over international banking and monetary affairs.

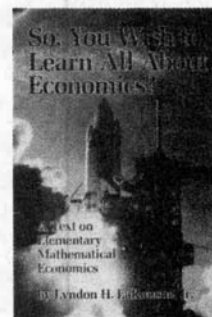
Since the American System ceased to be a policy practiced by powerful factions of government and business, its study was more easily eradicated from the universities and the professions. Although nineteenth and twentieth centuries' Anglo-Swiss political-economy is merely a collection of "money theories," which can not, by definition, recognize actual issues of physical economy, the Anglo-Swiss have attempted to circumvent this inherent incapacity of "money theories," by borrowings from, chiefly, the positivist Lau-

sanne School of Walras and Say, and, since the 1890s, by aid of adding borrowings from Marx to the Cambridge Apostles' doctrines of marginal utility: the root of so-called "systems analysis."

On the subject of economy today, the professional economists of all countries, are, chiefly, pathetically, viciously, conceited ignoramuses.

I refer your attention to a refutation, published in the June 10, 1985 issue of *Executive Intelligence Review*, of the recent item by Prof. Wassily Leontief, "The Choice of Technology," the latter published in the June 1985 issue of *Scientific American*. Relevant background is also provided in my "The Continuing Hoax of 'Artificial Intelligence'" (*EIR*, May 14, 1985), indicating the exemplary points of synthetic geometry applicable. In these locations, and in my 1984 introductory text to mathematical economics, *So, You Wish to Learn All About Economics?*, you will find the essential points to be made on my line of argument here. On the history of British political-economy, see LaRouche and Goldman, *The Ugly Truth About Milton Friedman*, 1980. On the documentation of the three-point conspiracy among Cotton Mather, Jonathan Swift, and Gottfried Leibniz, in establishing the movement which Franklin soon after headed up in North America, see the forthcoming book by Graham Lowry.

To be continued



So, You Wish to Learn All About Economics?

by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:
Ben Franklin Booksellers, Inc.
27 South King Street
Leesburg, Va. 22075

\$9.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Information on bulk rates and videotape available on request.