

EIR

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How KGB doctors 'psychically disarm' the West
Country-club S&Ls get biggest bailout ever
CIA files tie Shackley to Libyan arms dealer

**Millennium heralds new era
in Russian expansionism**



EIR has commissioned this White Paper to bring the truth of the developing Panama crisis to American citizens and lawmakers, so that decisive action can be taken to stop this campaign before the United States faces a new strategic crisis on its Southern Flank.

NEW EDITION
DECEMBER 1987

White Paper on the Panama Crisis

18 months later: the Project
Democracy assault on Panama



Americans have been told that there is a crisis in Panama because a "narco-dictator" rules. That the United States government has mobilized to drive him from power. That only when Defense Force Commander General Manuel Noriega is out of the way, will Panama be safe for democracy, and U.S. interests in the region protected.

Is this true? The answer is no. On this, the Reagan administration is wrong, dead wrong.

Did you know, that the so-called "democratic" opposition movement which the State Department seeks to install in power is led by Nazis, drug-traffickers, drug-money launderers, advocates of narcotics legalization, and arms-traffickers?

Did you know that the liberal Establishment's "secret government" created the crisis in Panama, lock, stock and barrel, as an excuse to bring those drug-runners to power?

That the campaign against General Noriega is being run by the same team which was caught trading arms-for-hostages in the Iran-Contra scandal?

That the attack on Panama went into full gear when Panama's military angered international bankers, by seizing bank accounts caught laundering drug-money? If you had read *EIR's* Special Report, you would know.

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- The story of how that liberal Establishment, through David Rockefeller's Trilateral Commission and the New York Council on Foreign Relations, created the "offshore" banking center in Panama, to handle their debt-and-drug looting of South America;
- A proposed alternative strategy, based upon the industrial development of Panama. With the long-overdue construction of a second, sea-level Canal—the necessary centerpiece of a booming Ibero-American Common Market—Panama can break its dependence on the "offshore" economy owned by the international banking cartel.

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EIR

SPECIAL REPORT

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From the Editor

The cover photo is a still from the Soviet filmmaker Sergei Eisenstein's "Ivan the Terrible," made during World War II about the crazed 16th-century Czar of Russia. Eisenstein revealed a crucial bit of "Holy Mother Russia" ideology when he penned the following comments on a sketch for the film's "Apotheosis of Ivan" (read: Stalin): "The finale in which Ivan subdues the onslaught of the waves echoes back to Uspensky Cathedral, where he triumphs over the onslaught of the human tide. This is crucial. It has deep significance: Putting an end to conflicts among the people, uniting the people into one whole is the only way to assume mastery over nature and nature's upheavals."

If you don't look forward to a barbaric "unity" under the modern heirs of Ivan the Terrible, you will find it necessary to arm yourself with the information contained in our two longer packages in this issue: the *Feature*, which details how the Millennium of Russia's "Christianization" is being used to further the plans for world dominion of the Soviet empire; and the *Investigation*, which looks behind the scenes of the campaign to convince Western citizens that what they thought was evil, is really good—and vice versa.

Indeed, Ronald Reagan came a long way down from his earlier pinpointing of the Soviet Union as an "evil empire" to his recent embrace, in Moscow, of Ivan the Terrible (see page 22). According to brainwasher Horst-Eberhard Richter of West Germany and his cothinkers in the "International Physicians for the Prevention of Nuclear War," we must capitulate to that which we fear, and eliminate, not our enemy, but the "enemy-image" which causes us to be upset over our own destruction.

The "enemy-image" is not just Moscow, the sworn foe of Western civilization. It is also disease. At a moment when AIDS is a greater threat to mankind than nuclear war, Richter and company would have us believe that we should stop trying to conquer disease.

EIR and its founder, Lyndon LaRouche, are leading the fight for the Western ideal that human life is sacred. Our next Special Report will be entitled, "AIDS Global Showdown—Mankind's Total Victory or Total Defeat." Can we win? Well, we are in the dangerous position of being too powerful to ignore, but not yet powerful enough to prevail. Your support can make the critical difference.

Nora Hamerman

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Feature



A scene from Sergei Eisenstein's film "Ivan the Terrible." The mad czar, in his drive for conquest and dominion, summons the power of the Russian Orthodox Church to aid him.

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With the Reagan-Gorbachov summit circus out of the way, an event of real international strategic importance is dominating the Soviet Union during the month of June; the celebration of the "Russian" Millennium, the most important event in decades inside the Russian empire, is heralding Moscow's design to become the capital of a "Third and Final Roman Empire."

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It looks as if former CIA agent and convicted Libyan arms merchant Edwin Wilson is about to win a retrial in his 1982 convictions for shipping tons of plastique explosives to Muammar Qaddafi; and that news has a number of key Irangate players, especially Ted Shackley, Tom Clines, and Dick Secord, reportedly climbing up the walls. **Documentation:** Excerpts from three CIA documents obtained under FOIA (page 62).

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Mitterrand's debt proposal: symbol or substance?

by Chris White

Leading among financial pages' news features in recent days, apart from the effect of Midwestern rains on the New York stock market, has been French President François Mitterrand's initiative on the debt of the 22 poorest sub-Saharan African countries.

In a letter circulated to the heads of state who will attend the June 19 Toronto summit of the Group of 7 nations, Mitterrand has put forward a three-tiered proposal, and, furthermore, let it be known that whatever happens at Toronto, France will move ahead on its own. The initiative was coordinated beforehand with the West German government of Helmut Kohl, which chose to announce on the same day the Mitterrand letter was dispatched, that Germany is canceling official debts of selected African nations, and converting aid funding into grants. It is also reported that Italian Prime Minister Ciriaco De Mita is supporting the initiative. And, not to be left out of something like this, the British claim that the Mitterrand initiative now lines the French up with a standing British policy enunciated last year by Chancellor of the Exchequer Nigel Lawson.

Such unanimity for apparent action on a question which has been dominated since the summer of 1982 by the crude bludgeon of the U.S. government and the creditors' institutions then known as the Ditchley Group, and more recently as the Washington, D.C.-based Institute on the International Economy, might seem surprising. That's only at first sight.

The brutal reality

The brutal reality behind these latest fanfared initiatives is quite simple. Africa isn't paying on its debt in any case. And Africa will not be paying on its debt. Africa, like other

regions of the plundered Third World, cannot pay to service the debts that have been piled on to the continent over the years as the means by which the genocidal policies of IMF conditionalities have been, and are being enforced.

Thus, stripped of the sanctimonious hypocrisy of the language which political types, and the newspapers insist on using, that is the language of "debt forgiveness" and "debt relief," the touted initiative will turn out to be little more than the official go-ahead for banks, and other lending institutions, to write down a category of uncollectible debt with government backing.

Of course, sub-Saharan Africa, ravaged by conditionalities policies since 1973-75, plunged through such looting into famine, repeated and persistent, and one of the principal vectors globally for the spread of the AIDS virus, does need debt relief. No one in their right mind could possibly dispute that. That James Baker, the unofficial head of the Bush election campaign, and Michael Dukakis do, both of them on the grounds that such action would cost too much, giving in the case of the former "budgetary realities" and in the case of the latter "\$160 billion of red ink," is no argument.

There isn't going to be a solution for Africa, or elsewhere, until the dictatorship of the usurers' bankrupt financial system is broken, and measures taken to organize reconstruction for those areas of the globe that have been devastated by the enforcement of the IMF conditionalities policies. Such reconstruction would focus on regenerating industrial and agricultural wealth-production capacity, and on building up economic infrastructure, to provide modern power, transport, and water delivery systems.

The approach to doing this was the core of the debt reor-

ganization proposal presented to the Reagan administration back in the spring and summer of 1982 by physical economist and presidential candidate Lyndon LaRouche. That proposal, centered on Ibero-America, became known as LaRouche's "Operation Juárez." At the time, LaRouche warned that if his proposal was rejected, perhaps five years' time might be bought for the then-foundering financial and monetary system, at the cost of a tremendous aggravation of the crisis when it did ultimately re-erupt.

Rejected back then, by the financial crowd typified by then Treasury Secretary Donald Regan, James Baker, and Walter Wriston, then of New York's Citibank, LaRouche's warnings of the consequences of ignoring his solutions have proven to be right, while all the other so-called "plans," "proposals," and "menus of options" have proven, in their genocidal effect, to be worse than anything that Adolf Hitler and his crowd dreamt of.

As established in the cited 1982 LaRouche proposal, the yardstick by which to judge such debt proposals and plans is the extent to which they contribute to the fostering of the economic policies that permit wealth production and accumulation to take off again worldwide. Anything else is at best symbolic, by this stage of the financial and economic crisis, not even a palliative for the life-or-death crisis situations in which whole continents of the globe are placed.

This element is not mentioned at all in the initiative submitted by Mitterrand. Drafted by Jacques Attali, from the left wing of France's Socialist Party, an open proponent of euthanasia, the Mitterrand initiative encompasses three alternatives. Of these, the first is a proposal to cut the value of the total debt of the 22 countries, include government loans and aid, as well as export credit, by one-third, and then reschedule the balance over 10 years. The second is a call to consolidate debts, that the totality might then be rescheduled at preferential interest rates, half the rate currently charged; debt would then be repaid over 15 years. The third option presented is an alternative to the second case, consolidate the debt at commercial interest rates, but stretch the repayment period out over 25 years.

Of the three, Mitterrand himself prefers the first. "This option, which has the advantage of leading to an immediate fall in the level of debt, seems to me to be far better suited to the needs of the poorest countries," he said. Otherwise, he leaves it up to the other creditor countries to choose which of the three options they will go with. For countries unable to pay the totality of the present debt, reduction by one-third of the total will still mean they are unable to pay.

Among the endorsers of the initiative are the Canadians, who let it be known in a June 9 article in the *Toronto Globe and Mail*, datelined London, that the Mitterrand approach is at least something that all participants at the upcoming summit ought to be able to agree on, to thereby avoid the more contentious matters, which they have heretofore been equally unwilling to address. This view was echoed the next day by

the cynics at the *New York Times*, reporting from an unidentified American planner for the summit, "We have a non-aggression pact," and from a German official, "I'm not feeling any pain. Nobody is twisting my arm." Issues such as trade, the U.S. deficit, agricultural subsidies, and Ibero-American debt, "will be tiptoed around."

The Canadian paper also reports that another proposal, to establish a trust fund at the International Monetary Fund, to provide collateral for bond issuances which will be swapped for debt, is also under discussion. Outlined in an upcoming piece in the magazine *Foreign Affairs* by the team of Henry Kissinger and Cyrus Vance, the proposal is a transparent effort to have Japan use its trade surplus to buy out the debts of larger Third World debtors, and underwrite, by so doing, the U.S. banks. The scheme is in keeping with the joint insistence by the Bush team and by Dukakis, that the U.S. cannot afford to do anything on its own account, because it costs too much.

Return of the debt bomb

For the summiteers, perhaps, the sanctimonious symbols of "forgiveness" and "relief" will be touted, while the substance of the brutal genocide enforced by the financial institutions they represent is left in place.

Beyond that, the debt question so-called, never really off the agenda since 1982, is moving back to the front stage of the crisis. Though the Ibero-Americans are left out of the symbolic package, the southern continent's debt crisis will again be erupting shortly after the summit. Argentina has been in default on its interest payments over the past period. The International Monetary Fund is putting Brazil through the wringer again. Venezuela needs foreign financing to cover its payments deficit.

A recent conference of Newly Restored Democracies in Manila issued a call, June 6, for a global solution to the debt crisis. Participants from the Philippines, Argentina, Portugal, Brazil, the Dominican Republic, Ecuador, El Salvador, Spain, Greece, Nicaragua, Peru, Honduras, and Uruguay issued the call unanimously.

Argentina's Alfonsín has been discussing the same kind of interest rate package put forward by Mitterrand with the Presidents of Brazil and Mexico. He recently told an audience of his country's creditors in New York City, that they ought to accept such interest cuts, because what they will get if they refuse, will be worse. "That which is not accepted today will be imposed tomorrow by the force of circumstance," he said.

Those who currently spend their time reading the tea leaves and related augurs of the stock and bond market, might well be advised to shift their focus of attention to the real world battles and developments which help determine the way those indicators behave. The financial power elite's arrogant insistence on the maintenance of its genocide policies ensures its own doom, in the way LaRouche identified back in 1982.

Proposition 69 loss means millions will die of AIDS

by Warren J. Hamerman

Proposition 69, the ballot referendum calling for traditional public health measures to be used to stop the spread of AIDS, was defeated on the June 7 California primary. Proposition 69 received 1,694,709 votes or 31.9%, an increase of 2-3% over the vote for the similar Proposition 64 in 1986, but not enough to pass the measure.

On election night, Democratic presidential candidate Lyndon H. LaRouche, Jr., who on June 4 delivered a national television prime-time broadcast calling for total victory over AIDS, commented to the media on the significance of the defeat of Proposition 69 in the following terms:

"AIDS will not go away. For every person who voted against Proposition 69, at least one person will die of AIDS. I have been deadly right on this issue. Yes, there was false propaganda put out; but votes and popular opinion do not make right or wrong. Science does. False propaganda does manipulate voters in the short term. However, none of these lies will intimidate the virus."

That the underlying issue in the Proposition 69 vote was whether or not millions would needlessly die, was indicated by the extraordinary, twofold response to LaRouche's nationwide broadcast three days before the election.

On the one side, millions of Americans responded to LaRouche's TV plan to wage a total war to wipe the AIDS virus from the face of the Earth. The population wants to conquer this disease through a scientific crash mobilization. On the other side, LaRouche hit a raw nerve when he went on national television to call for building hospitals and spending as much money as necessary to treat AIDS patients, as well as putting billions into front-line scientific research. Why? Those who opposed Proposition 69 in the health establishment are fiercely committed to holding down budget costs in fighting AIDS, even to the extent of reviving the Nazi practice of euthanasia and low-technology hospices, which LaRouche attacked in his broadcast as "death camps."

The day after LaRouche's broadcast, Mark Madsen, the spokesman for the California Medical Association (CMA) and the head of the CMA's AIDS Information Task Force, stated, "Well, hospitals are a very costly way of dealing with AIDS patients. They don't need hospitalization and 24-hour medical care. . . . Hospices are a very important and humane way of dealing with that." The next day, the Southern California chairman of the "No on Proposition 69" committee

commented, "I don't think building more hospitals really solves the problem. I think it misses the point about the number of people who survive AIDS and the people who are taken care of through hospice care. I don't think more hospitals is the solution, but his [LaRouche's] saying that makes him look compassionate."

Hospices or hospitals

The cry for "hospices, not hospitals," which LaRouche challenged, is in fact the national policy commitment of the budget-panicked national health establishment. The National Academy of Sciences' June 1 report on AIDS called for building hospices for children so that pediatric AIDS patients are not in hospitals as their "home of last resort." Even more, the President's AIDS Commission chaired by Adm. James Watkins issued a shameless report which was promoting *massive cost containment*. Watkins's report states the following on the AIDS cost crisis:

- "Allocating limited health care resources when the needs are so great presents a significant challenge."
- "Cost-effective alternatives to hospital care in general should be encouraged . . . but financial incentives are generally lacking to generate the appropriate level of services."
- We should be "encouraging more cost-effective, out-of-hospital care."

In page after page, the report talks about the "*cost-effectiveness of out-of-hospital care*," or "*alternatives to inpatient care*," or "*alternative health services*."

The Watkins Report estimates that direct AIDS patient medical care will go from \$1.1 billion in 1985 up to \$8.5 billion in 1991. The total costs to the nation, including medical care and services, lost income, decreased consumption, and insurance payouts were approximately \$8.7 billion in 1986. They are projected to reach a total of \$66.5 billion in 1991, based on a projection of 173,000 AIDS cases.

Furthermore, at the same time that the Watkins Report was publicized, the Centers for Disease Control (CDC) and Public Health Service (PHS) hosted a national strategy session with the nation's top 150 public health officials at the University of Virginia in Charlottesville. At the meeting, new national estimates were revealed that there will be at least 450,000 actual AIDS cases in 1993. This is approxi-

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Nation responds to LaRouche's call for victory

In response to Lyndon LaRouche's national television broadcast on June 4, his campaign was flooded with letters and telephone calls. Below we excerpt a small sample of some of the letters he received.

● From Dallas, Texas: "I am 14 years old. I watched your show on channel 5 and enjoyed it a lot. It also gave me a few things to think about concerning AIDS. My opinion in contrast to yours is not important. What is important is wiping AIDS out of our society. Regardless of my age, I am extremely aware and educated on the subject of AIDS. . . . I would like a transcript and illustrations of your show."

● From Butler, Pennsylvania: "After the wife and I watched your TV show on AIDS, we are convinced you are what this country needs for a President. We hope many more 'true Americans' feel this way also. Please send us more literature about your views and party stances. This country needs to go back to right and wrong, moral and immoral, black and white. We feel you can lead us in that direction."

● From a former professor of tropical and infectious pathology: "Let me congratulate you on your presentation of the AIDS syndrome on channel 7 last night. This was a most comprehensive presentation of the problem. It was clearer than the recent government brochure of Surgeon General Koop and also better than the recommendations of Ret. Adm. James Watkins, chairman of the President's AIDS Commission. I am an ex-professor of Tropical and Infectious Pathology of the University of Lima, Peru. The disease is spreading through the Latin American countries."

● From the chairman of the health and welfare committee of the American Association of Retired Persons, Cook County, Illinois: "I saw your very professional lucid program. You are to be congratulated. Please send me a copy of this marvelous program on AIDS. . . . I will help you all I can. Good health!"

● From Califon, New Jersey: "I have now watched your program on AIDS twice. . . . Please send some information. . . . You are more informed than our current President. (It's sad.) Also if you have any information to send on your becoming our next President. You seem to be the only one so far to fill the ticket."

● From North Highlands, California: "Thank you for your informative program about AIDS on channel 3 in

Sacramento. . . . Good luck on your campaign to become our next President. You have my vote! Please send me more information on your 'War Against AIDS.' It certainly is on target. How can I help? I haven't money to offer, but would work free of charge toward this goal of yours, and to eradicate this threat to mankind."

● From Renfrew, Pennsylvania: "I watched your show and I'm concerned. My son, who is a farmer down in Butler, Pa. is raising sheep and horses. Please send him information on this disease."

● From Key Biscayne, Florida: "If you have any more information I'll be glad to receive it. . . . I am a medical student and I have always been very concerned about the AIDS epidemic crisis and wish someday soon to contribute to those persons infected and most of all give them help."

● From Ft. McCoy Army Base in Wisconsin: "I am puzzled at how they 'the government' talks about the crisis, but it seems to be doing almost nothing to try and stop this thing. Serious steps needed to be taken yesterday, and I'm with anyone who agrees with that. I recently had a baby boy and I also have a 5-year-old girl and it scares me to think that they might be cut down before ever having lived. Reagan and the Surgeon General seem to think that the answer to this problem

thing which only registers to stop living in most people's minds, including mine. I for one think they're hiding something from us and wasting more lives in the process."

● From a nursing student in Indiana: "I will be speaking to a group of college students abouts various aspects of the 'AIDS scare.' I would appreciate all the information you can give me on the research of linear spectroscopy by the Baylor team of Texas. I believe this is pertinent information and would be very enlightening as well as enhearten my group. Please rush me the information."

● From Mississippi: "My name is Monica K. I think with your work and my suggestion, we can fight AIDS. I know that this [might] sound kind of stupid, but here goes. Don't think because of my age (13), I don't know anything or can't help fight AIDS! 'Cause this disease isn't going to win over us! Somehow get some acid and get the person with the disease and get some kind of machine that hooks into the person's body. Then, put that machine part close to the person's body parts or part that has the disease. Mix the acid so somehow it won't burn the person's body part. I know it sounds stupid, but it can work if we put our heads together. Please get in touch with me. I think we can win towards AIDS. Just try anything that can burn the disease."

● From North Hollywood, California: "I am both relieved and horrified by your recent AIDS epidemic broadcast. Horrified that what I have always suspected is true, yet relieved that someone is taking this bull by the horns."

Continued from page 6

mately 2.8 times more cases than in the Watkins Report's projection. In other words, the bill in the U.S.A. alone during the next presidential term, based upon the methodology in the Watkins Report applied to the higher caseload baseline, will be at least \$186 billion, not including costs for research, public health, as well as indirect costs.

Therefore, as a massive cost-containment measure the Establishment has advanced its slogan of "hospices, not hospitals."

The Establishment policy

It is to serve the interests of massive cost-containment that the government material to the population on AIDS—from the simplistic and scientifically incompetent Koop brochure to the Academy of Sciences and Watkins reports, contain blatant misinformation. It is not just that the government is lying. They are all lying in a certain way. Their real agenda is not crushing the virus. Their agenda is:

1) Malthusian genocide of black, brown, and yellow races, and birth control among minorities in the so-called advance sector, in the name of "dealing with" the world economic crisis; 2) euthanasia; 3) drug legalization and free dispensing of needles; 4) explicit sex education for children; 5) hospices, not hospitals.

The ugly nature of the government's commitment to policies which will lead to the needless murder of millions is indicated by the fact that, recently the head of the American Medical Association (AMA) claimed that 80% of America's physicians support the Nazi practice of euthanasia or withdrawing life-support from the so-called "hopelessly ill," a crime against humanity for which Nazi doctors were hung at Nuremberg after World War II.

EIR estimate of bank failures now at 236

Banks known to *EIR* to have either failed, in the Federal Deposit Insurance Corporation's definition of "failure," or been the subject of an "assisted transaction," a failure by a different FDIC name, since our last report, are the following:

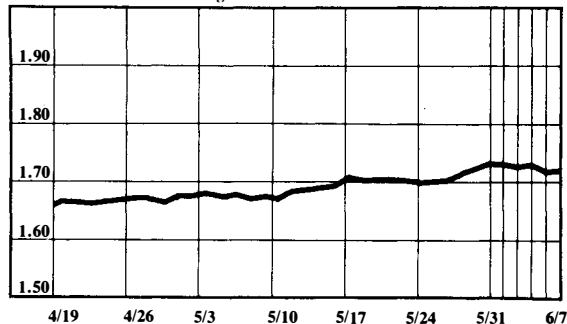
- June 2:** Williamstown Bank, N.A., Houston, Texas
- June 2:** Guaranty Bank, Dallas, Texas
- June 2:** River Plaza National Bank, Ft. Worth, Texas
- June 2:** Security Bank of Boulder, Boulder, Colorado
- June 2:** Security Bank of Aurora, Aurora, Colorado
- June 2:** Community State Bank, Whiting, Iowa

These bring the totals for 1988 so far to an estimated 236.

Currency Rates

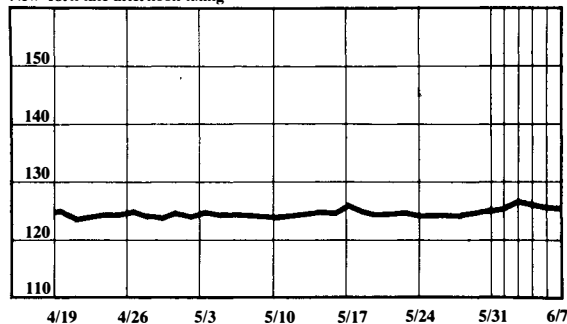
The dollar in deutschmarks

New York late afternoon fixing



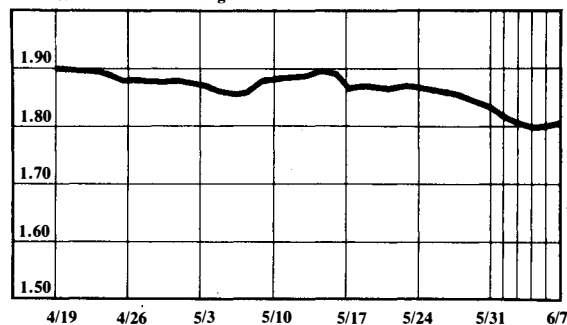
The dollar in yen

New York late afternoon fixing



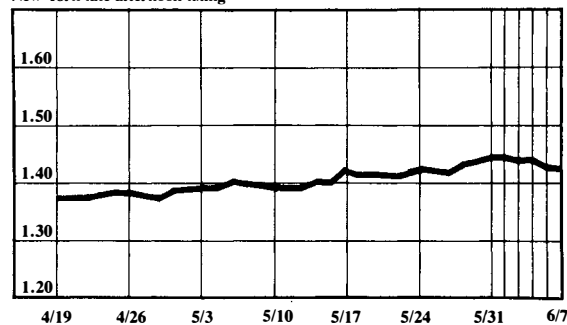
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Country club savings and loans get the biggest bailout ever

by Joyce Fredman

In one of the most egregious displays ever of preference for speculative investment and mismanagement, federal regulators on June 6 announced a record \$1.35 billion payoff to the depositors of two bedraggled thrifts—American Diversified Savings Bank and North America Savings and Loan, both of Costa Mesa, California.

These two institutions represent both the incompetence and corruption that lie behind the Reagan-Bush administration's free market theories. Not only are their histories rife with lousy management, but the fact that these two S&Ls were chosen to receive over one-third of the Federal Savings and Loan Insurance Corporation's paltry \$3 billion (or less) fund, as opposed to the hundreds of institutions representing the savings of workers around the country, is more than suspect. As we shall see, the two savings institutions had very few accounts in the name of average Americans. These are most unusual depositors that the FSLIC has determined to bail out.

Just the facts

Three years ago, federal regulators came up with a scheme to allow the most troubled savings and loan institutions to continue to operate under executives picked by the regulators. In other words, the Federal Home Loan Bank Board (FHLBB) would throw out the boobs and put in sharpies from other well-run institutions to get everything under control. It's called the Management Consignment Program. The idea was that, *within a few months*, FSLIC would either liquidate the thrift, or put up new capital to attract a new owner.

Needless to say, there has been too little money to do either in most cases. Hence, a new category has been created for the most troubled institutions, a kind of limbo, where the thrifts sit and wait for dollars that don't exist to come their way. As one astute consultant put it, "The general sense is that, with some exceptions, management consignment has been a failure. The program has been a mistake, because it has prolonged the problem. It amounted to a bet that things would get better, and they didn't."

Not only did things not improve, they got drastically worse. The two Orange County institutions have the figures to prove it. American Diversified Savings Bank has been in management consignment since Feb. 14, 1986, and North

America Savings and Loan has been in the program since Jan. 23, 1987. The wizards from this program came out with an incredible set of numbers on March 31, 1988.

North America had \$98.2 million in assets and \$215.69 million in liabilities. Its regulatory capital level was -\$317.5 million. Its operating losses were \$1.59 million per month and it had an unbelievable 98% of its portfolio in nonperforming assets.

American Diversified had \$509 million in assets and \$1.166 billion in liabilities. Its regulatory capital level was -\$656 million. Its operating losses were \$8.3 million per month and it had 76.8% of its portfolio in nonperforming assets.

Thus, just as in the case of the Sunbelt Savings and Loan Association, the Texas thrift which gained notoriety by announcing a dramatic \$1.2 billion loss for the month of March, the FSLIC's management consignment cure was as deadly as the disease. Sunbelt had its management revamped by the regulators twice!

FHLBB chairman M. Danny Wall has called the closing of these institutions a "second front." What Wall is peddling as an offensive against the banking crisis is in fact a big payoff. The money will go to depositors—nothing wrong with that. The FSLIC insures depositors in each member institution up to \$100,000 per account. However, about \$2 million in American Diversified and approximately \$700,000 at North America are over the \$100,000 limit. No need to worry. The FSLIC will share with those depositors whatever proceeds are received by the agency from the intended sale of the two institutions' assets.

According to regulators, American Diversified has about 13,500 accounts, and North America 2,500. But these are not the Texas farmer, or the steelworker from Maryland. Very few, if any, are held by small individual depositors. These depositors are what are known as "sophisticated investors who were either shopping the country for unusually high returns or were solicited by the so-called money desks operating at each S&L," said Mary Creedon, the FSLIC's deputy executive-director.

If they were shopping, they found quite a bargain. American Diversified was paying interest that averaged 8.64% and North America was paying an average of 8.53%. The nation-

al average was 7.08%. About 80% of these smart shoppers were other financial institutions, including banks, credits unions, and, of course, fellow S&Ls.

The investments of these two institutions are as strange as their "depositors." American Diversified, which went from \$11 million to \$1 billion in assets in a few years, was run by Ranbir S. Sahni. Sahni's "investment strategy" was to put dollars in wind farms and ethanol plants. It is still not clear what exactly Dwayne D. Christensen of North America was doing. He died in a car crash just hours before the regulators

These depositors are what are known as sophisticated investors who were either shopping the country for unusually high returns or were solicited by the so-called money desks operating at each S&L. About 80% of these smart shoppers were other financial institutions, including banks, credits unions, and, of course, fellow S&Ls.

took over. His S&L has been described as the biggest case of insider fraud in state S&L history, and Christensen's estate and associates are being sued for over \$40 million in racketeering and fraud claims.

The bill

On May 19, 1988, the General Accounting Office issued its report on the state of the nation's savings and loan industry. After completing an audit of the FSLIC, it was admitted that as much as \$64 billion could be needed to safeguard the thrifts in trouble. Last August, Congress, with its inimitable vision, had granted the FHLBB, which administers the FSLIC, \$10.8 billion in borrowing power to solve the industry's crisis. Chairman Wall continues to keep a straight face amid this insanity; he even exudes confidence.

Last August, when Gov. William Clements of Texas cast serious doubt on the ability of the federal government to deal with the disastrous conditions of the S&Ls, the FHLBB went berserk. Wall protested, "I can't state it emphatically enough: FSLIC does not, it has not, nor will it ever pay anything less than 100% of the \$100,000 insured deposits in every institution that bears its insurance." An interesting posture, considering that there are 17,000 depositors in Maryland who

have close to \$500 million still frozen in accounts from 100 "troubled" S&Ls that were shut down in 1985. No sophisticated shoppers here, just ordinary citizens who have not been able to get their money for three years, and it isn't clear if they ever will.

The regulators

Then again, Danny Wall and his pathetic colleagues are hardly winning popularity contests with anyone these days. Three years ago, in an effort to bolster the income of FSLIC, another agency was set up, the Federal Asset Disposition Association (FADA). (There are probably more regulators and agencies than solvent thrifts at this point.) Its task was to market and sell the billions of dollars in assets of insolvent thrifts. FADA itself, however, now appears to be insolvent. It had losses of nearly \$20 million in 1986 and 1987.

The inability of these bureaucrats to sell the largely bad real estate that composed such assets did not prevent them from lining their own pockets. According to the House Banking Committee, 32 top executives at FADA earned over \$3 million a year, with its chairman (since resigned) being the highest paid official in the federal government in 1986.

Most recently, Jack Anderson and Dale Van Atta have reported an even uglier scandal involving M. Danny Wall himself. This regards Lincoln Savings and Loan, which was slated for receivership or conservatorship in May 1987. Lincoln is also in California, in Irvine, and is owned by Charles H. Keating, Jr. The story goes that within a month of Wall taking over as chairman (July 1987), he told fellow regulators that the Keating problem was settled. However, a previous two-year audit had raised allegations of speculative investments in junk bonds, equity securities, and deficiencies in loan underwriting. According to Anderson, after a lengthy audit, Lincoln officials demanded and were granted (May 20) by Wall's office removal to a new jurisdiction. Interestingly enough, the senators involved in pressuring the regulators to bring a halt to the investigation were also recipients of close to \$300,000 in campaign contributions from Keating and his business associates. The senators are John Glenn (D-Ohio), Donald W. Riegle, Jr. (D-Mich.), John S. McCain III (R-Ariz.), Dennis DeConcini (D-Ariz.), and Alan Cranston (D-Calif.).

Such scandals do shed some light on the situation, and go a long way to explaining why a few crackpot S&Ls seem to get immediate attention and royal treatment, while 500 or more of the nation's savings institutions, desperately screaming for attention, are ignored.

When the pompous Danny Wall took over, he predicted, "We're going to be conducting a lot of funerals and shotgun weddings, and that is going to make a lot of people unhappy. Because of the job we have to do, we are going to be stepping on a lot of toes."

But then, stepping on people and conducting funerals has been the hallmark of the Reagan-Bush "Great Recovery."

New period of instability?

World financial markets are likely to react unfavorably to the U.S. trade figures for April.

United States trade figures for April, due on June 14, could well usher in a new period of instability in world financial markets.

The March figures, which reported a \$9.8 billion monthly deficit on the U.S.A.'s merchandise trade, set up a rally in the U.S. dollar, but this will not be sustained unless the forthcoming figures confirm an improvement in the United States trading position.

The chances of this happening are not high.

The March figures were flattered by several favorable, and non-repeatable, special factors.

United States oil imports were depressed at the end of the winter but are likely to rebound.

The United States exported gold to Taiwan, as the latter country diversified its official reserve holdings out of U.S. dollars.

United States agriculture exports were bunched during the month.

The sum of all these special factors probably reduced the U.S. trade deficit by some \$1.5 billion from its underlying level.

In addition, seasonal influences could well have cut \$2 billion off the deficit.

If we add back these adjustments to the reported \$9.8 billion trade deficit, we arrive at a figure for the seasonally adjusted, underlying trade deficit of \$13.3 billion, no narrower than the average for the preceding five months.

Seasonal adjustment factors are

hard to assess, however. This has been one reason for the great uncertainty in world financial markets over the trend in United States trade.

The United States Department of Commerce has, accordingly, decided to revert to its practice up to 1986 of releasing seasonally adjusted trade data.

The first set of figures to be published in this form will be those for April. It is doubtful, however, whether this change in official procedure will really help the market's assessment of United States trading performance, and this, for two reasons.

First, the seasonal adjustment factors to be applied by the Department of Commerce are unlikely to be very accurate, given the year-to-year variation in seasonal conditions.

Secondly, the Department of Commerce will continue to release the seasonally unadjusted data, thereby confronting the financial markets with two sets of numbers each month and creating room for confusion.

Seasonal factors are not expected to have had much impact on April's trade numbers.

Publication of seasonally adjusted figures for the earlier months of the year, also promised by the Department of Commerce, will, however, present a less favorable picture of United States trade performance than the raw data did when they were released.

The international financial markets may well reassess their view of U.S. trade trends in the light of the

new seasonally adjusted figures and may conclude that the reduction in the deficit has been disappointingly small.

The dollar is at risk from the trade figures on two fronts at the same time.

The April deficit is expected to be wider than that recorded in March, and the publication of seasonally adjusted figures for January-March will probably undermine market optimism that the United States trade deficit is pulling round from the unsustainable levels of 1987.

Downward pressure on the dollar in the next few months will be met by strong international central bank support intervention.

The Bank of Japan especially is likely to resist a decline in the dollar's exchange rate, since this could destabilize financial markets generally, and create a climate in which dangerous anti-Japanese feeling might thrive.

While the Washington, D.C. administration remains pledged to dollar stability, the Japanese central bank will do its part to insure that a stable dollar/yen exchange rate is delivered.

With market optimism on U.S. trade evaporating, the Bank of Japan may well find itself accumulating a large volume of dollars from its market intervention through the remainder of this year.

After the American presidential elections next November, however, new political rules may well begin to apply, especially if, as seems likely, the incoming American administration is not committed to any particular level for the U.S. dollar.

The Bank of Japan would almost certainly be unwilling to provide support for the dollar singlehandedly.

City of London senior economist Stephen Lewis contributed this commentary to EIR's European Strategic Alert Service for June 6.

CAP wants to renegotiate the debt

Carlos Andrés Pérez hopes foreign banks will give Venezuela debt relief in return for his efforts to rid Panama of Noriega.

Venezuelan social democratic presidential candidate Carlos Andrés Pérez (CAP) expects the creditor banks to give the country short-term breathing room on its foreign debt in return for his trying to get Panamanian Defense Forces Commander Manuel Antonio Noriega to resign. The Caracas daily *El Nacional* reported June 2 that CAP met May 28 with the leadership of his Democratic Action (AD) party and the economic ministers of President Jaime Lusinchi to analyze how to deal with the economic crisis. CAP is worried voters will blame his incumbent AD party for the mess.

On May 29, the daily *Ultimas Noticias* referred to the meeting in a note entitled, "The thesis is new refinancing or the risk of losing the '88 elections." It seems CAP hopes "not to pay" debt until after the December vote. To suspend debt payment, Venezuela could legally invoke the "contingency clause" in its debt contract. To apply that clause, says *Ultimas Noticias*, "the people of the party take into account something in favor of the candidate: CAP's high credibility with the international banks" and also the fact of "CAP's relations with Panama and the approval Washington has given to his leadership." The article concludes, "The United States banks and government are confident in the performance of CAP, who made a surprise trip to Panama two days ago in the search for a Panamanian solution, and in this respect, it would be no surprise if the banks promptly accept Venezuela's invocation of the contingency clause."

The plan has a few hitches. First of all, Noriega has made it clear he is not going to capitulate. According to *El Nacional* of June 3, CAP had to admit that on the question of Noriega's departure, "It is he who has to decide it, not I." However, CAP insisted that had there not been "U.S. intervention, this problem would have already been resolved and there would be a new commander of the Panamanian National Guard."

Invoking the contingency clause does not mean taking sovereign measures. All the clause does, is to let Venezuela ask the banks for new payment terms. But the contract mandates that Venezuela must ask the creditor banks for permission before invoking the contingency clause, and, must keep paying debts until the banks approve a new timetable.

Spokesmen for the creditor banks, however, are telling the Venezuelan government that they think Venezuela still has enough money to keep paying, without any better terms, the Caracas daily *El Universal* reported June 2. The bankers said Venezuela still has \$10 billion in reserves, and, as a "good payer," it could also go to the International Monetary Fund (IMF) to withdraw its \$500 million quota payment.

President Lusinchi proclaimed at the dinner he hosted for Italian President Francesco Cossiga June 6, "We do not ask the foreign debt to be pardoned, but only that the banks not asphyxiate us."

During the past five years, Venezuela has paid a total of \$30.5 billion

in debt service—\$27.693 billion in interest and \$2.861 billion in principal. Economist Juan Miguel Senior told *El Universal* of May 31 that Venezuela's foreign debt "was \$35.061 billion at the end of 1982" and, despite all the payments, was still \$32.2 billion at the end of 1987.

Economist Ivan Pulido Mora said June 7, "Since there will be a balance of payments deficit of at least \$4 billion this year, it is imperative that measures be taken before the December presidential elections." Pulido Mora estimated income of \$7.19 billion from oil exports, while debt service will require \$5.04 billion this year.

Despite the risk the crisis entails for his candidacy, CAP does not want either a moratorium or to limit debt payments to a percentage of export income. CAP expects to get money other ways—by imposing austerity—and to keep paying debt. In a March 23 campaign speech, CAP renounced what made him popular during his 1974-79 presidency: state industrial investment and job creation, under the Fifth Plan of the Nation. "By itching for industrialization and producing for the sake of producing, we fell into excessive protectionism in certain aspects. . . . We have to reduce protectionism to the selective limits imposed by the modernization of the Venezuelan economy."

CAP promised May 8, "When I am again President of Venezuela, I will open up the oil industry to foreign and domestic private investment . . . but always maintaining the Venezuelan state's control over it."

The fact that CAP agrees with these demands of the IMF and the creditor banks does not shake his good relations with the Communist world. Fidel Castro declared: "My big vote is for Carlos Andrés Pérez, because he is my candidate," reported *El Nacional* May 28.

Back on the usury merry-go-round

Brazil is paying its foreign debt at the expense of snowballing the internal debt—but not for long.

The creditor banks have filled Brazil's press with propaganda claiming that the country lost money because of its February to December 1987 debt moratorium. The bank's "solution" to the debt crisis, about to be formalized by means of a standby agreement with the International Monetary Fund (IMF), will not bring any debt relief.

Almost all of the \$5.2 billion in "new money" the commercial banks will disburse under their part of the package will go out one pocket and back into the other, in payment for interest withheld during the moratorium.

In the name of making itself eligible for such "new money" and for "foreign investment," Brazil will continue shipping out over \$10 billion per year in interest payments.

That loss of capital is equal to 20% of all domestic savings, and leaves Brazil without the resources needed to invest in its own development.

Since abandoning the moratorium last December, the Brazilian government has paid back current interest punctually without receiving new loans or new foreign investment. It did so at the expense of an explosive increase in internal debt.

Finance Minister Mailson da Nóbrega is using the tricks he learned working for monetarist minister Delfim Netto. He is financing foreign debt payments by borrowing on the internal market at astronomic interest rates.

The government paid 13% real interest above inflation on its latest borrowings.

When Dilson Funaro was finance minister, from 1985 to April 1987, the size of the internal public debt remained constant in real terms. He fought to lower interest rates. After he was forced out of office, the volume of borrowing and interest rates took off.

They skyrocketed after the end of the moratorium. Thus, from December 1987, to April 1988, the amount of short-term central bank notes doubled to the equivalent of \$40 billion. Today, it is calculated that the cruzado equivalent of more than \$30 billion in speculative money is turned over daily in the "overnight" market.

Another \$20 billion is played on other short-term speculations.

The usurious merry-go-round works as follows: The central bank issues notes, which are bought by banks and other financial institutions to serve as collateral for their operations in the overnight markets. The banks also get deposits from individuals and companies.

Since nobody in his right mind could borrow at the current interest rates, which go up from 1,500% (against 600% inflation), these deposits are almost all used to buy short-term central bank notes. When these are due, the government amortizes them, paying the bankers an amount equal to inflation plus high interest; and a new vicious cycle begins.

At the end of each cycle, all that happens is that the internal debt is increased on the account books. The total is now estimated to be about \$100

billion. The mounting financial costs of servicing the debt increase the public deficit.

Neither the public nor the private sector invests in growth of the country's productive capacity. This infernal dynamic, of course, pushes up inflation, which is now at around 20% per month.

While speculation takes off, industrial production indexes are falling sharply, as a reflex from the general reduction of real wages. According to the government's Brazilian Institute of Geography and Statistics, industrial output in April fell 2.5% from March and was 7.9% less than April last year, Funaro's last month in office.

The total output for the first four months of this year was 6.3% less than last year. The hardest hit were capital goods and construction, each down 7.3%. The insane interest rates aggravate the depression and have put hundreds of thousands of small and medium businessmen up against the wall of bankruptcy.

This insanity has gone so far that the special secretariat which supervises the budgets of all the state sector companies decided that the billions of dollars "saved" by freezing the wages of government employees for two months and by increasing charges for public utilities, would be invested in the speculative financial markets.

With this government policy of speculating against itself, the federally owned companies achieved a financial surplus, something they had not done for years.

The usury merry-go-round will not keep turning for long. Either the bankrupt industrialists will break the banking system or the public debt papers will collapse, evaporating \$50 billion worth of cruzados, which circulate in the overnight market, and dragging down what remains of the productive system.

Business Briefs

Austerity

Next President's policy drawn up in secret

The Bi-Partisan National Economic Commission has postponed its scheduled June meeting until July. The Commission was appointed by President Reagan, and given a mandate by Congress, to draw up a budget-cutting program for the next President, regardless of who that may be.

Sources at the Commission, which has opened an office in Washington, say that its leaders, like former Democratic National Committee chairman Bob Strauss of Texas, want it to keep a very low profile, lest the voters conclude that it doesn't matter whom they elect in November.

"Bob Strauss and Drew Lewis," said one source, "don't want either candidate to even mention the Commission. Publicly, they can't afford to embrace the Commission with open arms."

The work of the Commission with a quorum present has to be public under the "Sunshine Law." Therefore, continued the source, the commissioners are operating under a system whereby a few of the commissioners, less than a quorum, meet privately to work out positions, on, for example, health care or defense, and then present it to the others at the public meeting.

The work of the Commission staff and the "political heavies" on the Commission, focuses on "trying to educate the commissioners." Two more members of the Commission will be named by the new President immediately after the elections, thereby enhancing the stature of the Commission and of its proposals.

Commodities

Marc Rich behind aluminum price run-up

According to informed London aluminum traders, Zug, Switzerland-based Marc Rich, indicted in the United States for fraud, is behind the astronomical rise in aluminum futures prices on the London Metals Ex-

change beginning in May.

"He's a bloody clever trader and holds 8-12% of world production in his control. Cash aluminum has run up \$1,000/ton this week alone," the source reported in early June.

"It's absurd and ridiculous what he is doing. It's true that demand, especially from the Far East, Japan, is fantastic, but this run is purely speculative. It is going to go bust and when it does, prices will drop \$600-700 in a day. It will be a hell of a crash. Right now, aluminum is on its way to LME warehouses from all over the world. As soon as it starts to arrive, the bubble will burst. I know one shipment of 4,000 tons which arrives in Rotterdam next weekend, for example."

This trader said he thought that the volatility of the metal's price was unlikely to produce any major spillover into stock and other financial markets, but noted that there has been a significant increase in speculative money running into metals as commodity prices rise.

Indicators

U.S. data an unprecedented hoax

Official U.S. economic data is being "rigged" to an unheard of degree, according to an informed European economist familiar with U.S. government statistical practices.

The administration in power is accustomed to slanting figures for political reasons, he said, but in the last several months, the amount of "gimmickry" being introduced into U.S. statistics to make bad situations appear better than they are is "unprecedented."

"Today the U.S. government announced estimated new payroll jobs for May," our source said. "But at the same time they announced they had 'revised' their earlier April estimate. It has been 'corrected' from 174,000 up to 254,000. This is almost a 50% margin of error! Never before have revision adjustments been so extreme.

"They now claim it is because of what they call a 'benchmark' revision! We now will see that every time inflation threatens to

be fed by bad data, the data will be 'corrected.'"

Banking

Bentsen voices concern over Texas situation

Sen. Lloyd Bentsen, chairman of the Senate Finance Committee, told a Houston Forum Club luncheon crowd that he is concerned that Texas banks are not getting a fair shake from federal regulators.

Bentsen said he urged the Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC), and other regulators to "treat us like you treat the New York banks. When they make loans to Third World countries, and don't take action, when you give them some tolerance—you ought to give us some tolerance and time to work it out." He was referring to the well-known bankrupt condition of money-center banks holding bad Third World debt, which to date, the regulators have only winked at.

Bentsen said he sees signs of recovery for Texas, and added, "I'd rather have a mortgage on an empty building in Houston than a piece of a loan from Poland."

Prior to his speech, in a private discussion with *EIR* correspondent Harley Schlanger, Bentsen said he was not planning to do more than "touch on" the banking crisis in his speech. He was visibly startled when Schlanger told him the FDIC was not being truthful in its official figures, and that Texas is headed toward 200 bank failures.

After his luncheon address, Bentsen was asked if he sees legalization as a solution to the drug problem. He forcefully attacked the idea, saying, "I just can't agree with that. It ignores what we know about drugs and drug addiction. There is a big difference between drugs and alcohol. Alcohol addiction affects only 10% of those who drink, but drug addiction affects over 70% of those who use drugs."

Removing the stigma that criminal prosecution attaches to drugs would lead to more experimentation, and more addiction. "Is this the message we want to send to our youth?" he asked.

AIDS

Insurance firms behind euthanasia push

AIDS is a ticking time-bomb for all life insurance companies, because of the enormous medical costs the insurance firms will be required to handle as AIDS caseloads mount, Wolfgang Schieren, the head of the largest West German private insurance company, Allianz, stated in an interview with the German daily *Die Welt* on June 3.

Because of this, the insurance giants have been pressing forward a campaign to make euthanasia a routine practice in medical institutions around the world, and to even legalize it where possible.

Their chief instrument in the United States has been the American Medical Association. The AMA has just conducted a survey purporting to show that 80% of U.S. physicians favor the old Nazi practice.

"There comes a time with the terminally ill or irreversibly comatose patient that the physician must step back and, at the patient's or the family's request, allow the patient to die with dignity," Dr. James H. Sammons, executive vice president of the AMA, so nicely put it.

The results of the AMA survey of physicians from specialties across the medical spectrum was published June 3 in *American Medical News*, the weekly newspaper of the AMA.

Nearly 80% of the 1,000 doctors who responded to the survey favored withdrawing life-support systems from "hopelessly ill or irreversibly comatose patients," if such withdrawal were requested by the patient or the family of the patient, the paper reported.

The survey did not mention AIDS or the costs entailed, its actual motivation.

Markets

Tokyo exchange called century's biggest bubble

Some stock analysts in the United States are worried that the Tokyo Stock Exchange has

grown too big, too fast, and warn that it is a "bubble about to burst"—with potentially devastating effects on world financial markets, according to the June 5 *Washington Post*.

Wariness about the stability of the dollar and dollar-denominated U.S. stock and bond investments has grown since 1985, when the dollar began its long decline, and dramatically so since the October 1987 crash. In consequence, Japan's cash-rich companies and individuals have bid up prices of Japanese stocks.

Nippon Telephone and Telegraph (NTT), the privatized former government telephone monopoly, for example, trades at \$20,000 a share. At that price, NTT's outstanding shares are worth about \$76 billion, more than the entire West German stock exchange!

Marc Faber, a managing director of Drexel Burnham in Hong Kong, calls it "the greatest bubble of this century," adding, "When it breaks, it will be devastating, more than people will ever believe."

Space

Russians far ahead of NASA

The Russians are far, far ahead of the Americans in space, according to a feature in West Germany's *Welt am Sonntag* June 6. The next visible Soviet breakthrough will be the flight of a manned space shuttle, Kosmolyot, in August. General Shalotov, in charge of the Soviet cosmonaut training program, announced the flight.

Kosmolyot will be launched on an Energia rocket, the most powerful booster in the world today.

The head of project design at NASA, Jesco von Puttkamer, said, "This is a big leap forward for the Soviets, and will secure a monopoly position for them. Energia is a universal tool."

The Soviets have launched 24 satellites since the beginning of 1988 with no failures and are preparing two drones for a mission to Mars. Another NASA official told *Welt am Sonntag*, "We must admit such multiple-use activities are not possible on our side."

● **THE AIDS VIRUS** eludes detection by hiding in cells, according to medical researchers at Walter Reed Army Institute of Research in Washington, who have found cases in which the AIDS virus remains hidden in macrophages, a type of immune system cell.

● **THE IMF** opened a three-day conference in Chicago the first week of June. Finance ministers, central bankers, and corporate chieftains from around the world discussed economic stagnation, trade imbalances, and Third World debt.

● **MANUFACTURERS** Hanover, the nation's seventh-largest commercial bank, faces an "uncertain future," say business analysts in New York. They called "Manny Hanny" the sickest big bank in New York, although Chase Manhattan and Chemical, the nation's second- and fifth-largest banks, are not far behind. Large loans in the Southwest and Ibero-America are the cause of Manny Hanny's problems. It reported profits of \$140 million in the first quarter of 1988, but half of that is from currency speculation, a risky thing to hang the future on.

● **WILLIAM C. VERITY**, Commerce Secretary, intervened with Soviet authorities recently to help a Louisiana company secure an offshore oil drilling contract, even as the Reagan administration continued six years of diplomatic efforts to halt a nearly identical Soviet-Japanese oil drilling project. Both involve drilling for oil of Sakhalin Island in the Pacific. Verity reportedly kept State, Defense, and Energy Department officials in the dark about his action.

● **A FARMER** who won \$1 million in a lottery told a friend who asked him what he would do with the money, "I guess I'll just keep farming until the money's gone," according to a story in *American Legion* magazine.

Millennium heralds new era in Russian expansionism

by Luba George and Konstantin George

With the Reagan-Gorbachov summit circus out of the way, an event of real international strategic importance is dominating the Soviet Union during the month of June, the celebration of the "Russian" Millennium. It is the most important event in decades inside the Russian empire, heralding Moscow's design to become the capital of a "Third and Final Roman Empire," and staged to mobilize the Russian masses around that goal. The June 5-17 Church-State celebration of the Millennium, replete with themes of Russian chauvinism, both overt and in undertones, will flood Soviet television, radio, and press. Whatever other differences exist within the Politburo and the ruling *nomenklatura*, they are united in the goal of promoting the Millennium to mobilize the Russian masses for the "mission" of world domination.

The degraded state of the Western elites is reflected in editorials and commentaries in most newspapers praising the Millennium celebrations as marking a "rebirth" of religion in the Soviet Union. Ignored are basic truths concerning the Russian Orthodox Church (ROC). It is the "Church" in the Byzantine mold of "Cesaro-Papism," functioning in tandem with the imperial State and its expansionist policies. This was the case under the czars, and equally so, under the commissars. The Western press is portraying a picture of a "persecuted" Church, with effusive praise of how the Millennium demonstrates the ROC's ability to have survived decades of persecution and now emerge in full splendor.

While extensive and vicious persecutions did occur in the 1920s and 1930s, the truth of the ROC under Bolshevik rule since 1917, is far different. One of the first acts of the Bolsheviks was, in November 1917, to restore the Moscow Patriarchate, which had been dissolved by Peter the Great. If the "body" of the Church has suffered with thousands of churches closed, Soviet policy has enormously expanded the "skeleton," in the form of territory placed under ROC jurisdiction, through Soviet territorial expansion and Russian ethnic expansion through the Soviet policy of Russian migration into non-Russian areas of the U.S.S.R. Thus, under "Bolshevism," the ROC has expanded its ecclesiastical empire to include the Ukraine, later the Western Ukraine and Western Belorussia (both seized from



Uwe Henke-Papart

Contrary to the delusions of Ronald and Nancy Reagan, among others, the 1,000-year jubilee of the Russian Orthodox Church does not reflect a rejuvenation of the Christian religion. The Russian Church is formed in the Byzantine mold, collaborating with the imperial State toward a policy of world domination.

Poland in 1939), the Carpatho-Ukraine (seized from Czechoslovakia in 1945), Bessarabia and Northern Bukovina (seized from Romania in 1940), and acquired through Russian immigration, de facto ecclesiastical control over Estonia, Latvia, and Kazakhstan. The Millennium is inaugurating the phase where the "body," in the form of thousands of new and reopened churches and monasteries, will rapidly fill out the giant "skeleton" acquired under Bolshevism. As even this thumbnail sketch shows, under the post-1917 Russian empire, the ROC has been accorded by far the greatest territorial gains in its history.

The Anglo-American elites are repeating the errors of their predecessors, who, back in the 1930s, either failed to read or ignored the contents of Hitler's *Mein Kampf*. The "spiritualism" of Russian Orthodoxy, now being activated, is based on a fanatical doctrine embodied in the notion of the "Russian mission of world conquest," in the late 19th-century writings of Fyodor Dostoevsky, the founder of Russian Nazism.

The Russian Orthodox Church is in full accord with the State on what the Millennium celebrations are intended to launch. As one edition of the *Journal of the Moscow Patriarchate* during 1987 proclaimed: "The First Millennium was Greco-Roman. The Second Millennium was Germanic. The Third Millennium shall be Slavonic."

Conforming to the Byzantine or Eastern Roman Empire tradition, the Millennium is being celebrated as a joint Church-State celebration. Preceding the mass that officially inaugurated it, the spectacle commenced with the leadership of Russia's parliament, the Presidium of the Supreme Soviet, awarding Moscow Patriarch Pimen with the Red Banner Order of Labor, "for actively peace-promoting activities and on the occasion of the Baptism of Russia, 1,000 years ago."

The Jubilee began Sunday, June 5, with a ceremonial service in Moscow's Patriarchal Cathedral of the Epiphany. The service was attended by over 500 foreign representatives from the Protestant Churches, the Roman Catholic Church, most of the Orthodox Churches, from about 100 countries. From the Russian side, the crowd included the 278 delegates to the ROC, Sobor, or All-Russian Council. The Sobor convened the next day in the Troitse-Sergiyeva Monastery, at Zagorsk, north of Moscow, and continued until June 9. It is the first council held since 1971, and only the third since World War II. According to the Soviet news agency TASS, this council should be "the most important event in the celebrations of the Millennium of the Christianization of Rus." The last council in 1971 ended by electing Pimen as new Moscow patriarch. On June 10, a ceremony in honor of the Millennium is to be held in the Bolshoi Theater. On June 11 and 12, the Danilov Monastery—which has just been re-

stored—will host a meeting between representatives of Orthodox Churches and members of the All-Russian Council.

The joint Church-State theme is predominant. A June 5 press conference by Metropolitan Filaret of Kiev (one of five metropolitans in the ROC, the highest rank after patriarch), carried on Soviet TV and radio, praised the relations between Church and State, including the role of the State Council for Religious Affairs, and stressed that the “circumstances of the Church Jubilee are coinciding with *perestroika* [the restructuring of Soviet society—in reality the code word for the war economy build-up].” The Caesaro-Papist unity continued on June 7, with a ceremony (again televised) in Kiev, where the State returned the Cave Monasteries (built in 1051) outside Kiev to the Church.

The high point of the Church-State imperial alliance, at least for now, occurred on June 8, when the Chorus of the Moscow Patriarchate gave a benefit concert for the “internationalist Soviet soldiers” who fought in Afghanistan, honoring especially the wounded and those who “fell in battle.”

The festivities in Moscow are being attended by a delegation of the Anglican Church led by the Archbishop of Canterbury, Robert Runcie, such U.S. church notables as the Rev. Billy Graham, a large group of the West German Evangelical Church and other Protestant churchmen, and representatives of ancient oriental churches. In all, over 500 representatives of various religious and public organizations from many countries are attending the celebrations. Following the ceremonies in Moscow, the guests are to be divided into three groups traveling to Kiev, Vladimir, and Leningrad, where celebrations will continue.

Rome and Constantinople say ‘No’

The two most important world religious figures were conspicuously absent: Pope John Paul II and Demetrios I, the Ecumenical Patriarch of Constantinople, the *primus inter pares* among the leaders of the various Orthodox Churches. The Pope, being a courageous, principled man, rejected an ROC “invitation.” He was never formally invited but it was signaled he could attend if he agreed to unacceptable conditions, such as that he not visit any of the Catholic regions of the U.S.S.R., including Lithuania, the Western Ukraine; or the Polish community in Kazakhstan, and not speak up for the Ukrainian Catholics, deprived of their Church and right to worship since 1946, when Stalin and the ROC dissolved the Rome-affiliated Ukrainian Catholic, or Uniate, Church.

The Ecumenical Patriarch announced a boycott of the Millennium after the ROC had issued a pre-Millennium declaration of war against Constantinople by unilaterally upgrading the hierarchical order of the (Soviet) Georgian Orthodox Church in world Orthodoxy. The ROC move constituted the clearest possible evidence that the ecclesiastical component of the “Third Rome” imperial doctrine was being implemented, to make the Christian Churches of the world into satraps of the Moscow Patriarchate. It was tantamount

to the ROC declaring, “Not Constantinople, but Moscow is now *primus inter pares*,” or more correct, simply *primus*, in world Orthodoxy. If Moscow wins, the Ecumenical Patriarchate of Constantinople ceases to exist as an institution; the Ecumenical Patriarch knows this. Hence, his decision to neither attend himself, nor even send a representative to the Millennium.

For the Catholic Church, while the Pope is not attending, a huge Vatican delegation has been sent to Moscow for the Jubilee. Just a little over a month before the celebrations, the Vatican received a message from Patriarch Pimen, officially inviting the Holy See to send a delegation. The Vatican delegation attending the Millennium event in Moscow includes Vatican Secretary of State Agostino Cardinal Casaroli (who last visited the U.S.S.R. in 1971), Johannes Cardinal Willebrands (the Dutch head of the Secretariat for Promoting Christian Unity), and Roger Cardinal Etchegaray (the French president of the Justice and Peace Commission). There is also a second Catholic delegation, representing bishops’ conferences around the world: John Cardinal O’Connor from the United States, Franz Cardinal König of Austria, Jozef Cardinal Glemp of Poland, Friedrich Cardinal Wetter of Munich, West Germany, and Carlo Maria Cardinal Martini from Italy, among others.

The imperial drive

The Russian Orthodox Church did not waste a minute in embarking on a display of imperial arrogance before the assembled foreign church dignitaries. On June 5, Patriarch Pimen issued a statement opening the Millennium, followed by Metropolitan Filaret of Kiev, who gave a press conference. The fraud of a “Christian” Jubilee was immediately exposed. Both Pimen and Filaret opened with heavy denunciations of the Constantinople patriarch for not having attended, attacks which well-informed Vatican observers are stressing represent an announcement that a Third Rome offensive has begun, to split and later gobble up the Orthodox Churches outside the Russian empire.

Filaret followed this up in his press conference with a declaration of war against the Catholic Church, and though not by name, against the Pope. The reason for the Pope’s absence was made clear in the press conference statement issued by the Russian Orthodox Metropolitan of Kiev who defined the Uniate (Union with Rome) issue as *sanctum sanctorum* being “violated” by the Pope. Filaret warned the Catholic Church against “interceding for the re-legalization of the Church that had been affiliated with it in the Western Ukraine,” and should the Catholic Church “activate” such a legalization campaign, this would result in “the destruction of ecumenical relations between the Roman Catholic Church and the Russian Orthodox Church.”

Pope John Paul II has defied Russian threats by demanding exactly such a re-legalization of the Ukrainian Catholic Church, through the nullification of the 1946 ROC Council

of Lvov which had dissolved the Uniate Church.

Filaret's press conference marked the culmination of a Soviet Church-State campaign against the Pope, ongoing throughout the spring.

In the weeks leading up to the Millennium celebrations, one of the high points of the campaign was Patriarch Pimen's April 9 interview with the Soviet government newspaper *Izvestia*. In the half-page interview, entitled "Millennium," Pimen stressed his "concern" over the Uniate question: "It [in Russian jargon, the "Uniate problem"] began at the end of 1596 [the Union at Brest, which created the Uniate Church] as a result of the forcible adherence to the Roman Catholic Church of significant parts of our Church in several regions of Ukraine and Belorussia. In the 17th century the process of liquidating this Union, known as the Brest Union, began. This process culminated in the 1946 Lvov Church Council. However, this act was not understood in certain leading circles of the Roman Catholic Church, and for many years, we have run into efforts from outside, aimed at rekindling the Union, rejected by the Ukrainian people." Pimen concluded that Pope John Paul II's support for the Uniates "deeply embitters us and casts a shadow on the normal character of Orthodox-Catholic relations, since the Uniate question, besides our Church, touches many others as well."

In an interview with the Italian daily *La Repubblica* published April 27, the Metropolitan Pitirim once more touched on the Uniate issue:

La Repubblica: But Pope Wojtyla, from Rome, recalled a few days ago that the Christianization of [Kievan] Rus happened before the Schism that gave birth to the Orthodox Church. Thus, should not the spiritual heritage of that Christian baptism, 1,000 years ago, be shared [between the Catholics and Orthodox]?

Pitirim: There are only two great families that after 10 centuries can claim that heritage: the Old Believers [Raskolniki] and us, the Orthodox Church. . . . Only these two families. Nobody else.

The Russians' hatred of the Pope is nothing new. It began soon after Wojtyla became Pope, with the assassination attempt on the Pope in May 1981, via the KGB's "Bulgarian Connection." This was while Gorbachov's mentor, Yuri Andropov, was still the KGB head. The next escalation phase began shortly before Gorbachov came to power. It was brutally signaled by the kidnap-murder of the Polish Catholic priest Popieluszko in late 1984, a wave of murders of Catholic priests in Slovakia, and the simultaneous mass crack-down on Roman Catholic Churches and believers inside the Soviet Union, in the Ukraine, and Lithuania. By early 1985—just when the Gorbachov *glasnost* era began—Soviet state media had declared open warfare against Pope John Paul II and the Catholic Church, in a hate campaign rivaling the most intense levels witnessed under Josef Stalin.

The Pope was refused permission to go to the Roman Catholic Lithuanian Republic in 1984 to attend ceremonies marking the 500th anniversary of the death of the nation's patron saint Casimir (also the patron of Poland), who played an instrumental role during the Lithuanian-Polish Commonwealth in opposing the alliance between the Genoese Pope Sixtus IV and Moscow, warning that recognizing the Russian czar ("Caesar") would mean legitimizing the imperial doctrine "Moscow, the Third Rome." The Pope was again refused permission to visit Lithuania in 1987 for the 600th anniversary of Lithuania's conversion to Christianity.

Roots of the East-West conflict

The thousand-year celebration by the Moscow Patriarchate has nothing to do with the propagation of true Christianity. The core of true Judeo-Christian belief, the foundation of Western civilization, lies in the concept of the sacredness of the individual (or his extension, the sovereign nation-state), his right to life and development, his right, his ability, and his duty to continually perfect himself in the image of God. Muscovite culture, by contrast, does not believe in the existence of the individual soul or the institution of the sovereign nation-state, which, based on common moral principles and a common sharing of a literate form of language, is dedicated to fostering the development of the individual to the maximum. The human individual, for them, is not important. These, the most fundamental tenets of what defines

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Western Christian culture, are precisely what is rejected by the Russian Imperial Orthodox Church. For them, it's the "collective soul" of "Russia"—which has come to mean a collection of subjugated captive peoples under the tyrannical rule of Moscow.

To understand the true nature of the Soviet strategic threat to civilization as a whole, we must look deeper into the Russian ideology and history. The Russian Orthodox Church is not a church as we in the west would understand it, but an imperial church rooted in the anti-Augustinian Byzantine tradition, where, within the empire, the church, the state, and the military collaborate for the promotion of imperial interests. Gorbachov in his keynote speech at the 27th Party Congress in 1986, asserted that Russia's conflict with United States and its allies is primarily a conflict between two irreconcilable cultures and ideologies. The hatred for Western Christian, Augustinian culture, is expressed in the mystical doctrine of "Moscow the Third and Final Rome," the myth that from the ruins of Constantinople—the Second Rome—seized by the Turks in 1453, shall arise Moscow, "the Third and Final Rome."

For Russia to become the empire it is today, it had to smash the undesired elements of Western culture within Russia and their adherence to and support of the Roman Catholic Church.

Dostoevsky clearly stated this "necessity" in his work *Diary of a Writer*:

With the all-European conflict . . . the most essential and momentous aspect of this fatal struggle will consist in that, on the one hand, it will be the *solution of the thousand-year-old question of Roman Catholicism*, and on the other, that, by the will of Providence, it will be replaced with regenerated Eastern Christianity [emphasis added].

Behind Dostoevsky's hatred for Catholicism lies the overriding epistemological and theological issue which divides East and West—the *Filioque* concept. What Russians who think like Dostoevsky hate most, is the Judeo-Christian conception of the individual soul, the wellspring from which our Western civilization emerged, the idea of human reason aspiring to the level of the divine, assimilating with decreasing imperfection the laws of the universe, and with it the ability to transform the world. This is the essence of St. Augustine's concept of the Trinity, as reflected in the *Filioque* of the Latin liturgy (i.e., that the Holy Spirit proceeds from both the Father and from the Son). Without the *Filioque*, man is left as a clever beast in the lap of an unchanging Mother Nature, the *Magna Mater* of the Holy Blood and Soil of Russia.

Reagan's horrid Russian 'vision'

"There are two . . . indispensable lessons that I've taken from my craft into public life. And I hope you won't think it excessively opportune if I use the words of a Soviet filmmaker to explain one of them. . . . It was during the production of 'Ivan the Terrible,' when Eisenstein noted that in making a film, . . . in his words, 'The most important thing is to have the vision. The next is to grasp and hold it.' "

The above was said by ex-actor Ronald Reagan on May 31, 1988, to "members of the cultural and art community" at the House of Artists in Moscow. The Sergei Eisenstein movie referred to is the source of the picture on the front cover of this issue of *EIR*: It is the interminable "Ivan Grozny" (Ivan the Terrible) of Sergei Eisenstein, commissioned by Stalin as a celebration of the consolidation and triumph of the Russian Empire through unspeakable suffering and cruelty.

Not only did the President of the United States hail the "vision" of Eisenstein's Russian imperial film, but this and his other speech in Moscow that day, to Moscow University students, sounded as if they were scripted as a sideshow of the 1,000th anniversary jubilee of Holy Mother Russia, and as if Reagan—if one presumed he ever read any books—were a deep devotee of Russian literature.

Reading from his script, Reagan endorsed the notion that Western civilization has now yielded cultural supremacy to Moscow. This concession is of greater strategic import than any particular agreement reached on military matters, momentous as those might be.

"It's with some humility, that I come here today," Reagan said. He congratulated his audience as heirs of "the seminal figures in many of the arts as they have developed in 20th century Europe and America. I'm thinking of such giants as Kandinsky, Stravinsky, Stanislavsky, Dostoevsky." In citing those four—the non-representational "modern art" pioneer, the primitivist anti-classical composer, the satanist actor from a wealthy Old Believer (Raskolnik) family whose assault on classical drama became the famous "method" of Hollywood, and the ideologue of Russia's imperial destiny to rule the world—Reagan paid homage to the leaders of the 19th-20th century assault on Western civilization and classical culture, unleashed from Russia and by the oligarchy in the

This concept was the underlying factor of the 1054 "Great Schism" between the Eastern and Western churches. At the Council of Florence of 1439, which succeeded, temporarily, in unifying the Western and Eastern churches around the *Filioque* doctrine, it was the Russian Orthodox Church which emphatically rejected the *Filioque* clause, and led the faction in the Orthodox Church which soon sabotaged and terminated the short-lived unity achieved at Florence.

It is this deep, unbridgeable, historical cultural gap between East and West which is behind the ROC's unremitting broadsides against the Pope and those forces in the West who are seeking to launch a new Golden Renaissance, a *republican* movement, based on the Augustinian conception of the Trinity. Their demand for "reconciliation" of the Eastern and Western Churches is an ecclesiastical version of Soviet arms control policy. It is intended to create Western cultural "disarmament," by eradicating the concept of the *Filioque*, the foundation of Western civilization.

This "theological," but in reality essentially cultural issue, continues to be the battleground upon which the future of Western civilization will be decided.

Pope John Paul II, on the occasion of the Extraordinary Bishops' Synod (1985), issued a clear message to the Third Rome's adherents, in the form of a declaration reaffirming that "the Holy Spirit proceeds from the Father and from the

Son"—the concept around which the Uniate Church was formed. This was generally interpreted as a blow against the advocates of reconciliation with the Russian Orthodox and continuing support for the Uniates inside the Soviet empire. He buttressed this in April 18 of this year with his Apostolic Letter: "*Magnum Baptismi Donum* from Pope John Paul II to the Ukrainian Catholics for the One Thousand Year Celebration of the Baptism of Kievan Rus," where he called for the restoration of that church.

The Moscow Patriarchate's latest declaration of war on the Pope, issued by Metropolitan Filaret at his June 5 press conference, did not go unanswered. The next day, in Moscow, Cardinal Willebrands, one of the leaders of the Vatican delegation, read a message which all observers clearly saw as a message from the Pope. "We shall not forget" the cause of the Ukrainian Catholics, it stressed, "whose Church was dissolved," and will "not abandon" the fight for their religious freedom.

Moscow has begun, with the Millennium, the surge phase of its drive for world domination. Whatever happens over the course of the next years, as that drive increases in intensity, the world will look back at June 1988 and see, not the theatrics of the superpower summit, but the celebration of the Russian Millennium, as one of the watersheds of the 20th century.

West that treasures this type of Russian so-called culture.

Speaking with unintended irony, Reagan said, "In the movie business actors often get what we call 'type cast.' That is, the studios come to think of you as playing certain kinds of roles. . . . Well politics is a little like that too. . . . I believe acting did prepare me for the work I do now." Then followed his invocation of Eisenstein as a visionary.

Reagan's scriptwriter also quoted from recently rehabilitated poets Anna Akhmatova and Nikolai Gumilyov, and praised the U.S.S.R. for having allowed director Yuri Lyubimov to return to work in Moscow (after he had inflicted his production of Dostoevsky's "Crime and Punishment" on London and Washington, D.C.).

Speaking at Moscow University, Reagan did depart from his Russian literary excursions long enough to compare himself and Gorbachov to Butch Cassidy and the Sundance Kid, but mainly he stuck with Yevgeni Yevtushenko (" . . . ask the . . . air above the birch and poplar. . . . Ask my mother. . . . Do the Russians want war?"), Boris Pasternak's Dr. Zhivago, Nikolai Gogol on Russia as a troika with unknown destination, and "the fresh green sapling planted over Tolstoy's grave" to express his hopes for the future.

On June 1, Reagan's wife Nancy was greeted by Raisa Gorbachova at Moscow's Tretyakov Gallery, for a display of icons. Gorbachova, a board member of the Soviet Cul-

ture Fund, talked to the assembled press, before Nancy Reagan arrived. She quoted one of Dostoevsky's most famous passages on Russia's destiny to dominate the world; pointing to Andrei Rublyov's icon of the Trinity, according to the *Washington Post*, Gorbachova said, "First, this culture is very ancient, very old. Look at this Trinity. . . . I would advise that you look at the faces of the saints the way our icon painters painted them. . . . They are restrained to a certain extent though quite open, quite friendly. But I wanted to quote Dostoevsky—that the Russian heart maybe more than the heart of a person from any other nationality is prepared for human unity. It seems to me that this picture, which was referred to by Dostoevsky, is perfectly reflected in these icons."

As ever, the best antidote for the gloom of this brand of Russian culture is humor. There's an old joke in Central Europe that's to the point, about the Czechoslovak Navy: the Czechs decide that if Russia can have a Ministry of Culture, then landlocked Czechoslovakia should have a Navy! But maybe Reagan should have visited one of the U.S.S.R.'s many "parks of culture and rest," where culture gets a more precise definition; there, citizens are admonished to behave "culturally" *kulturno*, which means simply to refrain from blowing one's nose with the fingers, defacing park benches in a drunken stupor, and so on.

—Rachel Douglas

The Ukrainian Catholics: 'Achilles Heel' of Moscow's Third Rome

by Oksana Polishchuk

Behind the ongoing Jubilee spectacle in the Soviet Union lies the truth that the Russian Orthodox Church, whether it was under the czars or under Soviet tyrants Lenin, Stalin, and their successors, has been responsible for the persecution of non-Russian nationalities and religions. This has proved to be the most vicious persecution of Christians since the Roman emperors' assault on the Christians. Persecution of non-Russian Orthodox religious communities continues to this day under Gorbachov. The Millennium celebration provides a platform from which to promote his *glasnost* campaign, trying to persuade the West that the persecutions, sufferings, and murder of Christians are a thing of the past.

As a state church of a totalitarian empire, the Russian Orthodox Church has fully endorsed that state's suppression of "competing" religions—Roman Catholic, Protestant, Muslim, and Jewish. The ROC has never done anything—not even a gesture of protest or displeasure—against Moscow's persecution of Protestant Christians in the Baltic Republics of Latvia and Estonia, nor the massive Russification of the Baltic region. The same is true concerning the decades-long relentless persecution of the Protestant parishes of the ethnic German population of the Soviet Union—since Stalin's August 1941 mass deportation of the Volga Germans, now living mostly in Central Asian Kazakhstan and in Siberia. This is the conduct of an imperial church, not very Christian, and, for that matter, not very Orthodox either; it does not even tolerate the existence of non-Russian *Orthodox*, as its complicity with the Communist regime in the obliteration of the Ukrainian Orthodox Church has proven.

The two Ukrainian churches, Catholic and Orthodox, exist clandestinely in the Ukraine today, and many of their believers suffer persecution at the hands of the occupying Soviets.

What the Soviet "glasnost machine" has been covering up, is the fact that the number of non-Russian political-religious prisoners released has been disproportionately low, despite the fact that they comprise the vast majority of known political prisoners in the U.S.S.R. This glaring inconsistency has been all but completely overlooked by the Western media. It is clear that so-called "openness" has its limits, that religious "dissenters," especially Ukrainian Catholics, the national rights campaigners among the captive nations of the Russian empire, and Jewish refuseniks are not to be among

those who will be released.

These facts, which underscore the fraud of the "Russian Millennium," are, with few exceptions, rarely expounded in the Western media today. The history of the Ukraine provides a lesson for all those in the West stupid enough to believe Moscow's siren song of the East-West "common European House."

Baptism of Kievan Rus

A simple look at history will show that the Muscovites (the original name for the Russians) have no right to celebrate the Millennium, let alone declare for themselves the sole right to celebrate it. Only in 1147 did Moscow begin to be mentioned in the Chronicles of the Middle Ages. It is ironical that the same Russian hierarchy—state and church—that is now with such ceremony celebrating a "Millennium," acknowledges 1147 as the founding of Moscow. In September 1987, there were huge celebrations in Moscow commemorating its 840th anniversary. In the subsequent nine months, a "New Math" has been born. Miraculously, $840 + 1$ now = 1,000.

Kievan Rus was the name given to the political formation uniting the Eastern Slavs, the Ulychi, Poliany, Silveriany, Drevliany, et al., who existed in those times, occupying a greater part of what is now the Ukraine and the North European part of Russia. The adoption of Christianity played an important part in the development of the area from a pagan culture to a highly organized proto-Western culture, with the help of the Carolingian "drive to the East" campaign of Emperors Otto I, II, Henry II, and Frederick Barbarossa from the West, competing with the Eastern influence from Byzantium.

It is noteworthy that, despite the Great Schism of 1054, when Kiev was part of the Orthodox world until the Kievan state collapsed in 1135, and through to the Mongol invasions, extensive relations were maintained with the Catholic states of Western Europe. From 988 until 1200, of 73 royal marriages of Kievan rulers, 60 were conducted with Catholic princes, princesses, and kings, and only 13 with rulers of Byzantium.

Russia is the modern name for the Muscovy state, whose center was, and still is, Moscow, and which has existed for 840 years. Christianity was adopted by Prince Vladimir (in

Ukrainian, Volodymyr) in 988 in Kiev, the capital of the Kievan state which is now known as the Ukraine. At the time, the Western and Eastern Churches were still at least formally united. To refer to Kiev's baptism as an "Orthodox" triumph, is a gross historical inaccuracy.

It is doubly absurd for Russia to celebrate the adoption of Christianity, as the state of Muscovy (and the Russian Orthodox Church later) was formed precisely because it rejected the new Christian religion of the Kievan state and the culture and social codes associated with it. Russia is desperate to claim Ukraine's early history as its own. The Muscovite historiography is designed to suppress the historical truth that, in reality, the Kiev and Moscow branches of the Church for the Eastern Slavs waged a centuries-long war over the question of unity with the Western Church.

A simple chronology of historical facts proves the point. When the Russian yoke was broken during the Mongol conquests in the 13th century, the Metropolitan of Kiev (alone among the Eastern Slav principalities) took part in the Council of Lyons in 1245, called by the Catholic Church to reunify the Western and Eastern Churches. The Mongol occupation, with Kiev's total loss of independence, brought this first effort to nought.

The striving for unity with Rome, against Moscow, never died. As the records of the 1438-39 Council of Florence document, it was Metropolitan Isidor of Kiev who signed, on behalf of the Eastern Slavs, the agreement for the unification of the Western and Eastern Churches, recognizing the primacy of the Pope, accepting the *Filioque* clause of the Creed, and creating, unfortunately only for a few years, a universal Catholic Church.

The Moscow Patriarchate itself was proclaimed as an autochthonous entity in 1448, to lead the Eastern Church resistance to the 1439 Council of Florence unification of the Western and Eastern Churches on the basis of the *Filioque* doctrine, which had been accepted by the Church in Kiev. Moscow brutally dissolved that union by jailing Metropolitan Isidor and purging the Ukrainian clergy.

When Moscow's rule loosened at the end of the 16th century, after the death of Ivan Grozny ("Ivan the Terrible") and the following "Time of Troubles," the Ukrainian Church again sought, and this time achieved, unity with Rome. Ignoring the hostility of Moscow, the Ukrainian Orthodox bishops recreated the Council of Florence unification with the Catholic Church at the Council of Brest in 1596. This Union lasted for 350 years, until 1946, when, on Stalin's orders, a Russian Orthodox Church "Council of Lvov" forcibly dissolved the Ukrainian Catholic Church. The entire hierarchy and most of the priests were either murdered, arrested, or sent to Siberian labor camps. With only a handful of exceptions, none survived. The action cannot simply be called "religious persecution." It was an act of cultural genocide against a population which has always wished to be joined with Western Europe.

For more than 30 years, the 1946 cultural genocide as a subject was more or less taboo, even in the Catholic Church. This changed totally after Karol Wojtyla became Pope in 1978.

Soon after becoming Pope, John Paul II issued a letter, *Cum superioris*, dated March 29, 1979, to Ukrainian Cardinal Slipiy, saying: "The Brest Union *to this day* retains all its ecclesiastical and religious power, whose fruits have been plentiful. *Today as yesterday, the Apostolic See attaches particular importance to that Union*" (emphasis added). No other Pope since 1946 has ever dared to say this before in public.

The Moscow Patriarchate considered the Pope's attempt to revive the Union in the Ukraine as "unpardonable." Commenting on the Pope's letter, Metropolitan Filaret of Kiev wrote in the *Journal of the Moscow Patriarchate*: "The Unions of Lyons (1274), of Florence, and of Brest" represent "a great danger to Russia . . . especially its western regions [i.e., the Ukraine] which were under the power of Catholic rulers who were endeavoring to tear [them] away from Moscow." ROC Metropolitan Nikodim of Lvov and Ternopol added: "It would be an *unpardonable sin to support the Uniate* tendencies, and it would be an unpardonable sin to support in our people hatred and fratricidal strife which the [Brest] Union had been."

One often reads today in ROC and Soviet publications how the Ukrainian Catholics were "reunited with their Mother Church" (ROC) by the Lvov Council of 1946 under Stalin, after "liberation of the Ukraine by the valorous Red Army from German fascist occupation. . . . In the united family of Soviet nations, there is no national strife between the blood-related [sic] Russian, Ukrainian, and Belorussian peoples."

In his March 21 Apostolic Letter *Euntes in mundum*, on the "Millennium of the Baptism of Kievan Rus," Pope John Paul II, while stressing his respect for Russian Orthodox traditions, made a point of thanking God for those other "sons and daughters" of "the Baptism administered at Kiev"—the Eastern Rite Catholics of the Ukraine and Belorussia, who are not recognized by the Moscow Patriarchate and remain illegal as a denomination in the U.S.S.R. The Pope concluded his message with the hope that recent improved relations between Rome and the Orthodox Ecumenical Patriarch of Constantinople would encourage "the Orthodox and Catholic heirs of the Baptism of Kiev, stirred by a renewed awareness of their original communion" to take up the "challenge" of ecumenism.

The fact that the Pope will never give up the goal of restoring the Ukrainian Catholic Church is of enormous significance. His policy is in the interest of the West and the captive nations under Russian rule, because it would spark a movement to ally with Western traditions and culture in the Ukraine and Belorussia, forming a potentially powerful proto-bloc of Poland, Lithuania, the Ukraine, and Belorussia, in resistance to Russian occupation. That is indeed a "can of worms" for Moscow.

Dirty tricks vs. LaRouche backfire on Sweden's gov't

by Göran Haglund

Using the murder of Olof Palme as a pretext, an illegal, but government-sponsored political intelligence operation has been conducted by a circle of intimates of former Stockholm police chief Hans Holmér—the same group which wrecked the Palme investigation from the very beginning. Prime Minister Palme was assassinated on Feb. 28, 1986, and the perpetrators have never been brought to justice.

The prominent dirty-tricks bunglers now exposed as violating what is left of Sweden's rule of law, a clique politely described as a clandestine brotherhood of unwed men, is the same crowd that was already caught trying to blame the Palme murder on associates of U.S. presidential candidate Lyndon H. LaRouche, Jr.

The forced resignation of Justice Minister Anna-Greta Leijon on June 7, to preempt a sure vote of no-confidence announced for the day after, was but an attempt at damage control of a scandal that threatens to rock the very fundament of Swedish Social Democratic rule.

The international East-West arms-smuggling combine, whose operations have everything to do with Palme's assassination, is now being exposed as continuing privately the same political vendetta against LaRouche which Holmér, while still in office in Sweden, failed to bring to a successful end in the first year of the so-called Palme murder investigation. Holmér provided the Swedish rallying-point for forces operating internationally in conjunction with the U.S. FBI, the Anti-Defamation League of B'nai B'rith, and Lt. Col. Ollie North's Project Democracy, to eliminate LaRouche from the political landscape.

After Holmér was dumped as the Stockholm chief of police in the spring of 1987 and transferred to an anti-drug

post with the United Nations in Vienna, his longtime buddy Ebbe Carlsson, a private citizen, was secretly assigned to go on where Holmér had stopped. The assignment of Carlsson was cleared with Justice Minister Leijon and the highest level of the cabinet, National Chief of Police Nils Erik Åhmansson, and the Chief of the Security Police (SÄPO), Sune Sandström—but was concealed from the prosecutors and many of the police officers who were officially assigned to continue the Palme investigation, after the dismissal of Holmér.

Nominally a book publisher, Ebbe Carlsson is in fact a top operative of the Social Democrats' secret political dirty-tricks organization, nicknamed SAPO—a pun on the acronyms of the Social Democratic Party (SAP) and SÄPO. Since the early 1970s, the Social Democratic SAPO, newly purged from nationalist, military-linked personnel previously employed in campaigns against communist influence in the labor movement, has been in a recurring fight with SÄPO, which, despite similar purges, has retained pockets of nationalist resistance to the appeasement policy toward Moscow overtly introduced by the Palme regime.

The key actors now exposed in the Ebbe Carlsson ring of SAPO agents were all brought together by the mid-1970s. In 1975, Carlsson himself was the information secretary and Åhmansson the police secretary of the Justice Ministry. Holmér was the SÄPO chief and Leijon the immigration minister, responsible for fighting terrorism. Another key player, current ambassador to Paris Carl Lidbom, was a cabinet member without portfolio, responsible for legislation, and a link to the foreign ministry was provided by Sverker Aström, the grey (Social Democratic) eminence of the Swedish gov-

ernment's diplomacy.

According to eyewitnesses of the terrorist occupation and blowing up of the West German embassy in Stockholm in 1975, a megalomaniac Information Secretary Carlsson already then behaved as though he, and nobody else, was the chief of the Swedish police forces. Carlsson had already gained notoriety in 1970, when working as a labor reporter for one major Swedish daily, he had been caught keeping a file of index cards on each of his colleagues, reporting their various qualities and deficiencies.

The Carlsson-Holmér ring

Reportedly, Ebbe Carlsson first approached Lidbom in 1987 about pursuing a private track in the Palme murder investigation, and Lidbom brought in Justice Minister Leijon. Carlsson himself bragged that he has been talking to Holmér every day for the last 12 years, and Åhmansson has admitted meeting twice with Holmér since Holmér's dismissal, as well as meeting with Leijon and Carlsson in the latter's home "several times this spring."

The scandal broke on June 1 as Sweden's largest-circulation tabloid *Expressen* revealed that Ebbe Carlsson had been secretly assigned by the government and by National Chief of Police Åhmansson, to pursue a private investigation into the Palme murder. This included Carlsson's participation at briefings given by Åhmansson to Leijon, including confidential information not supposed to be released to private citizens. Subsequent revelations showed that both Leijon and Åhmansson had issued letters of recommendation to Carlsson for him to use in opening doors with police and intelligence services in Britain and other countries.

As this sensational news flooded the pages of all Swedish press, it was also revealed that one of Holmér's handpicked former bodyguards, who in the meantime had been assigned to be the bodyguard of Ebbe Carlsson, was caught "accidentally" in a customs check on June 1 attempting to smuggle into Sweden very advanced, illegal bugging technology, of a type which not even SÄPO can use without the strictest restrictions. The wireless bugging equipment had been purchased for a six-digit price from a Hamburg firm, and was supposed to be smuggled into Sweden on Carlsson's behalf, after a request for permission to legally procure such equipment had been rejected by the chief of SÄPO!

The bugging equipment was to be brought to a 10-room apartment in Stockholm, made available at the end of March 1988 as Carlsson's secret headquarters, but police sources do not exclude the possibility of its having been used abroad, for example in West Germany or France. Before the end of March, Carlsson's private operation, including several war councils with Holmér personally, had been conducted from his own office as an executive of the large publishing house of the Bonniers, the most prominent Jewish family in Sweden.

Allegedly, the track pursued by Carlsson's SAPO ring

was that Palme was murdered by the Kurdish Workers Party (PKK), on behalf of Iran, in retaliation for Palme's interfering with Swedish arms exports to Iran. For this purpose, Carlsson is to have met with former Iranian President Abolhassan Banisadr, since 1981 living in exile near Paris, and also to have traveled to Damascus, Syria, to visit the headquarters of the PKK—a rather suicidal undertaking by somebody who's convinced that the PKK killed Palme!

Even the Swedish press openly speculated that a more likely target of the Carlsson SAPO ring was not Iran or the PKK, but the remaining nationalist elements of SÄPO or other political enemies of the Social Democratic regime. In this context, the timing of the scandal is not uninteresting.

Recent weeks have seen an unprecedented intensification of the defense and national security debate in Sweden, ranging from the virtual military occupation of Stockholm carried out as a defense maneuver during the May 7 Day of the Army, through a best-selling book on a Russian 1992 surprise attack on an isolated Sweden, to one of the most intense submarine hunts ever conducted, in early June, with the firing of more live ammunition than ever before against what everybody except the government knows to be Soviet intruders.

It has also been noted that the exposé of the Carlsson ring's illegal activities and the capture of his bodyguard by the customs service occurred only weeks before a new report was to be issued by another commission investigating the functioning of SÄPO, a commission expected to recommend a further undermining and purge of the professional competence of SÄPO, attempting to destroy any remaining independence from the peculiar ideological bias imposed by the current regime. The commission, whose report is likely to have been significantly delayed by the need to investigate this last round of "intelligence irregularities," is chaired by Paris Ambassador Carl Lidbom, one of the leading lights of Carlsson's SAPO ring.

New libel hits LaRouche

Danish national television, under threat of a lawsuit, was forced to retract a libel against Lyndon H. LaRouche and associates. In a June 8 broadcast on the resignation of Sweden's justice minister, the network showed a picture of LaRouche and said that a suspect in the Palme assassination was "Lyndon LaRouche's Nazistic organization in the United States."

When informed that LaRouche's collaborators in Denmark had won two libel suits and secured a court order prohibiting such statements, the station aired a retraction and apology the following day.

'Alternative defense': a case study in Marshal Akhromeyev's maskirovka

by Our Special Correspondent

A June 3-5 conference on "Conventional Stability and Confidence-Building Defense Concepts," sponsored by the Evangelical Academy at Loccum in Lower Saxony, West Germany, proved to be a case study in how the Soviets use psycho-political and psycho-diplomatic warfare to manipulate and disorient the West.

Before an audience composed largely of pro-appeasement "peace researchers" from West Germany and other countries, Soviet representatives Dr. Sergei Rogov of the U.S.A.-Canada Institute (headed by Georgi Arbatov) in Moscow, and Dr. Alexander Kokeev of the Institute for World Economy and International Relations (IMEMO), propagandized that the Soviets have reformed and want to further reform their military strategy, in favor of a doctrine that could be variously described as "structural non-attack capability," "non-offensive defense," or "reasonable sufficiency."

Rogov, formerly the number-two at the Soviet embassy in Washington, said that the Soviets now support such a doctrine as a step toward achieving a "joint security mechanism to manage the security needs of East and West" and "glasnost in the area of defense." Rogov said that the doctrine of Clausewitz, that war is the extension of politics by other means, is "dead, and it is time to bury it," and claimed that the Soviets had increasingly renounced the war-winning doctrines of Soviet Marshal V.D. Sokolovsky from the 1960s. Rogov said that he hoped such Soviet changes could create a "brave new world," a "utopia in this world."

All of this is an application of what is known in Russian as *maskirovka*, which could be rendered into English as "strategic deception" or "camouflage." The *maskirovka* divisions of Soviet military intelligence work out semantic-linguistic formulas, such as "reasonable sufficiency," "structural non-attack capability," and so on, and these are fed into sympathetic quarters in the West, who then carry on over a "break-through" in Soviet thinking on this or that.

The verbiage has a marginal relation to reality, since the Soviets are indeed restructuring their Armed Forces' capabilities. Since the early 1980s, the Soviets have massively *increased* their forces in Eastern Europe. The essence of the restructuring has been to move toward emphasis on special forces, smaller but more effectively deployed military units, weapons based on highly lethal post-nuclear technologies,

and on expanded use of disinformation operations, including those run through Western appeaser and "peace" circuits.

To make the psycho-political offensive yet more effective, the *maskirovka* specialists claim that the "new Soviet thinking" *originated in the West*, whether it be in the Pugwash Conference, the West German Social Democracy, the Stockholm International Peace Research Institute (SIPRI), or others. As Rogov stated June 3 in Loccum, "The Soviet Union did not invent the ideas of the interdependent world, sufficiency, a non-offensive doctrine."

Of course, the conclusion drawn at such meetings, is that the West should itself proceed further along the path of "alternative defense," by renouncing various weapons-systems, reducing the "enemy image" of the U.S.S.R. in Western thinking, changing the perception of the Soviet threat, etc. In Loccum, a delicatessen of such "alternative defense" proposals was on display, from at least 10 different "peace research" institutes, mainly in West Germany. The proposals are all based on ultra-utopian, cabinet-warfare ideas about altering "force structures" in the armies of East and West, to remove offensive attack capabilities.

The case of Marshal Akhromeyev

At the Loccum conference, two documents began circulating midway through the proceedings. One was entitled, "Doctrine for the Prevention of War and for the Preservation of Peace and of Socialism," authored by Soviet Marshal Sergei Akhromeyev, chief of the general staff and first deputy defense minister. It had first appeared in the No. 12, 1987 edition of the magazine *Problems of Peace and Socialism*, published in Prague. The other was entitled, "The Military Doctrine of the Warsaw Pact—Doctrine for the Protection of Peace and Socialism," by Defense Minister Dmitri Yazov, which had appeared in *Pravda* on May 27, 1987.

Rogov repeatedly cited Akhromeyev and Yazov as the authors of the doctrinal transformation toward emphasis on "defense" and renunciation of Sokolovsky, stressing that their importance was increased by the fact that they were two of the most senior surviving veterans of World War II. Leave aside for the moment the fact that Rogov's citations were either selectively taken out of context or were outright misquotes or misinterpretations from the texts of the actual arti-

cles, or that anybody actually reading these texts will learn that the Soviets have a very special, self-serving notion of what "defense" means.

The presence of Akhromeyev at Loccum is itself sufficient to identify the nature of the Soviet deception.

The 1985 *EIR Special Report*, "Global Showdown," had exposed Akhromeyev as a key member of the team put into place by Marshal Nikolai Ogarkov, to implement the "Ogarkov Plan" for Soviet global military hegemony, or victory, by the early 1990s. Now, important corroborating information about Akhromeyev has come out in the No. 4, 1988 edition of *International Defense Review* monthly, published in Switzerland. Author Peter Weiss exposes Akhromeyev as one of the main coordinators of the Soviet military's *maskirovka* operations, who, while working with Marshal Ogarkov between 1974 and 1979, headed the Main Directorate for Deception and Disinformation of the Soviet general staff, which was established by Ogarkov.

Writes Weiss: "In East European military circles, Akhromeyev is seen as one of the most capable pupils of his predecessor Ogarkov and as the most convinced devotee of the latter's military doctrine. Just like Ogarkov, he gives the greatest emphasis to operations of combined weapons which are to be carried out with intense firepower in the strategic theaters of the offensive (acronym TVD, in Russian), and to a centralized deployment of troops. Like Ogarkov, he is of the view, that in future war will not be decided by nuclear weapons, but by conventional offensives carried out with the most modern weapons technology. The use of nuclear battlefield weapons would lead to an escalation devastating for both sides. Under the direction of Akhromeyev, the Soviet General Staff has already developed capacities by which the Soviet Union can win a war even without nuclear weapons—think of the gigantic increase of Soviet air and naval forces in the beginning of the 1980s.

"Akhromeyev is also an expert for *psycho-political conduct of war*, which he integrates into military planning. This can be seen in various articles of the Marshal published in the Soviet press. In a May 8, 1986 article appearing in the government daily *Izvestia*, Akhromeyev gave as an example: 'The main lesson from the Second World War, that one must fight against war before it begins, is today especially useful. Historical experience teaches, that for the protection of peace, it is essential to create a unified active movement against the aggressive forces of imperialism.' Like for other high-ranking Soviet military strategists, who have spoken in a similar sense, so for Akhromeyev, subversive activities and *disinformation through front-organizations operating with peace slogans*, are an essential part of the peaceful defense doctrine of the Soviet Union [emphasis added]."

Weiss identifies Akhromeyev's basic concept, that "counteractions are the main form of action of the military forces," and then quotes from the latter's article in *Problems of Peace and Socialism*, that this "does not at all reduce, but

rather increases requirements for alertness and combat-readiness of the united strike forces and their capability to detect preparations by an aggressor for an attack in time and to deliver an *annihilating blow* to him under any conditions [emphasis added]." Further, Weiss stresses, in the view of "disarmament expert Akhromeyev," it would be wrong to (again quoting the marshal) "interpret sufficient defense capabilities as a unilateral disarmament, or as a unilateral slowing-down of our defense efforts."

'Initiatives' from the West

The case of Akhromeyev also shows precisely how the *maskirovka* operations utilize Western assets, as a "play-back" of Soviet operations into the West. In November 1983, Akhromeyev had a meeting with Egon Bahr, expert on security policy for the West German Social Democrats (SPD) and international security policy adviser to then-SPD chairman Willy Brandt. They discussed the creation of nuclear-free zones, and a new notion of "defensive defense." From all available evidence, that was the launching-point for this now-popular term.

Soon thereafter, the "defensive defense" propaganda began to form the basis for proposals "from the West." SPD official Horst Ehmke first floated the notion publicly in January 1984, and by May 1984, the so-called Von Bülow Commission of the SPD had been formed, which developed the details of the concept. This was, from the outset, a project patronized both by the Soviets and the U.S. Eastern Establishment. SPDer von Bülow collaborated, in formulating the work, with both Akhromeyev and Gen. Col. Nikolai Chervov, and received funding from the New York Council on Foreign Relations, which was then launching its "NATO in the 1990s" project.

From 1984-87, proposals for "alternative defense" were elaborated by the "Conventional Strategy Task Force" of the Pugwash Conference, by the "Stability-Oriented Security and Defense Policy" research group of the Max Planck Institute in Starnberg, West Germany, and others. During 1986 and 1987, Gorbachov both commissioned a special report from the Starnberg group, and then ostentatiously "endorsed" it. By May 1987, the Soviet Committee for Security and Cooperation in Europe sponsored the first international conference on the theme of "non-provocative defense." Around this time, Arbatov's U.S.A.-Canada Institute formed an "alternative defense research group." Several East-West conferences on this theme took place during the late 1987-early 1988 period.

In April-May of this year came the visits to Moscow of SPD leaders Egon Bahr, Willy Brandt, and current SPD chairman Hans-Jochen Vogel. Vogel, during his Moscow stay, met with Akhromeyev, among others.

The propaganda is due to hit a spectacular level at a big conference June 21-22 in East Berlin, sponsored by the East German government, on the theme, "nuclear-free zones."

The summit over, Moscow drops facade

by Konstantin George

The summit is over, and the Russian leadership has wasted no time in dropping the facade of both friendliness toward the West and "internal harmony" at home. The ruling *Nomenklatura*, three weeks before the June 28 Soviet All-Party Congress, has begun preparing the tough anti-Western policy shifts of the coming period. Those preparations have been timed by design to coincide with the Russian Orthodox Church's Millennium celebrations.

Reagan departed Moscow on June 2. On June 4, Yegor Ligachov, the Politburo's ideological czar, issued a very tough attack against Western liberals, echoing the Stalin of the 1930s, proclaiming the coming repeat of the 1927-34 transformation from Bukharinite "deals" with the West, to an autarchy-based war build-up. The coming period, Ligachov stressed, will see "an intensification of the class struggle" inside the Soviet bloc, and no fulfillment of Western expectations of a "market economy" in the Soviet bloc.

One humorous sidelight of the speech was that the *Times* of London, which had been proclaiming the political "death" of Ligachov during the April-May period, had to run a headline June 6, "Ligachov bounces back. . ." It ought rather have read, "*Times* bounces back. . ."

At his post-summit press conference, Mikhail Gorbachov praised one Vladimir Mezentsev, a state radio correspondent on Sakhalin Island in the Far East, as a shining example of glasnost. In May, Mezentsev had authored a radio broadcast attacking the local party leadership for "incompetence" and for rigging delegate elections to the June congress. The broadcast led to the removal of Sakhalin party secretary Tret'yakov. But Mezentsev was summoned to Moscow by the Soviet State Committee for TV and Radio (Gosteleradio) the same day as his radio broadcast, and soon afterward, was fired. That fact was concealed from the media, and from Gorbachov, too! Only after Gorbachov's press conference, on June 6, did the weekly *Argumenty i Fakty* announce that Mezentsev had been sacked. The same *Argumenty i Fakty* in late April had published a KGB bulletin blaming Western intelligence services for destabilizing the Soviet Union.

An individual enjoying the public praise of the general secretary is fired in disgrace for having gone too far with glasnost, by a state body headed by a mere Central Committee member? It is just one more demonstration that, when it

comes to power over internal affairs, Mikhail Gorbachov has none.

The policy shift

The emerging Soviet policy shift has been forced by the economic breakdown crisis afflicting Eastern Europe and a resulting growing economic crisis inside the U.S.S.R. itself. The policy line of Ligachov's speech against deals with the West corresponds to the line emerging in May with the satellite leaderships in Eastern Europe. We can cite two examples.

Right after the summit, an "Internal Circular" by Czech intelligence, titled "Enemies of Socialism," began circulating among leading party cadre. It listed three categories of "enemy operations": 1) dissident groups, such as "Charter 77," were labeled "run by foreign imperialist agents"; 2) the "activities of the Catholic Church" in Czechoslovakia, with Czech Primate Cardinal Tomasek attacked by name; 3) the "social milieu" of 500,000 party members purged after 1968. Czechoslovakia's new leader, Milos Jakes, elected general secretary in December, had run that mass purge.

The same line was announced by Romania's Nicolae Ceausescu at a May 3 Politburo meeting. Ceausescu attacked "the emergence of all kinds of ideas, confusions, and displays of insufficient confidence in the forces of socialism. . . . In my view, rightist deviation represents the main danger at the present stage, and it can gravely harm the building of socialism. . . . In the given situation, we must intensify the ideological struggle, both internally and internationally." The announcement of Soviet President Andrei Gromyko's May 10 arrival was printed alongside this statement.

At a state dinner for Gromyko, Ceausescu declared that Romania "greatly appreciated" the Soviet achievements of the 1930s and 1940s, "completing the socialist revolution in such a short period of time," becoming a "great industrial power," and "playing the decisive role" in the "war against fascism." "Romanians" therefore "find it hard to understand those 'voices' that are trying to throw doubt on those facts."

Two days earlier, Radio Moscow had broadcast in Romanian, an anti-Stalin commentary by Fyodor Burlatsky, journalist for *Literaturnaya Gazeta*, and a very close confidant of Gorbachov. One month later, Burlatsky, at the Moscow city party plenum (June 3-4) which elected 319 delegates to the All-Party Conference, failed to win election, although only two days previously, he had shared a podium with Gorbachov at a Kremlin meeting with "international peace activists."

During the Gromyko visit, the Romanian media listed Romania's "demands" on the Soviet Union: 1) increased Romanian participation in energy and raw material projects on Soviet territory; 2) increased Soviet imports of Romanian industrial goods; 3) increased Soviet inputs of technology to further reduce Romania's imports from the West; 4) joint Soviet-Romanian production of a wide range of industrial goods.

Neighbors won't do dirty work in Panama

by Robyn Quijano

The Reagan administration's attempt to get Panama's neighbors to oust Defense Forces chief Manuel Antonio Noriega has flopped. The crude attempt by the State Department's Elliott Abrams to "Latin Americanize the conflict," got nowhere, since none of the leaders of the region can politically afford to appear to be intervening on the side of a U.S. policy of economic aggression that has been universally condemned.

"It is necessary to call attention to the fact that the government of the U.S.A., not having achieved its purposes, neither by destabilization, nor by a merciless economic aggression, nor by the permanent threat of recourse to military force, now has begun a new phase in its strategy, looking to continue tricking public opinion in the U.S. and the world respecting Panama, and to be able, thereby, to prolong to the maximum economic asphyxiation, but without accepting any responsibility or blame," warned the Panamanian Foreign Ministry June 7. The statement charges the United States with using "all of its means of manipulation of information and fabrication of facts" to cover the truth, that the conflict is between "the will to be of a nation," and "a neo-colonialist" adventure.

The same day Foreign Minister Jorge Ritter condemned Washington's "Olympian disdain toward international law and reason," in a speech to the U.N. General Assembly. The Foreign Ministry also attacked the incessant pressure that the United States exerts "against all countries, trying to make them passive accomplices of its determination to maintain Panama as a nation under siege, in violation of the most elementary norms of international law." Panama "will welcome statements from friendly nations directed to end U.S. economic aggression, in order that the national government be respected and recognized, that the interests of the majority of its population be safeguarded, and that the Panama Canal Treaties be fulfilled."

Such statements have come from many quarters. The International Labor Organization issued a special declaration on Panama, calling for "cessation" of economic warfare measures "and respect for the sovereignty and self-determination of the Panamanian people," at its meeting in Geneva June 8.

Elliott Abrams's mere proposal that Ibero-American democracies should help overthrow General Noriega is "offensive," Ecuador's former Foreign Minister Julio Prado Vallejo told the press June 3. The announcement by Abrams that he

had ordered U.S. ambassadors to consult with Ibero-American leaders on dealing with Panama, "presumes that these constitutional regimes would be willing to turn themselves into accomplices of grave and most reprehensible violations of the principles and norms of community proclaimed by the American nations."

Ecuador's present foreign minister, Rafael García, issued a brief statement upon leaving for the Non-Aligned Nations meeting, that Ecuador remains opposed to any intervention against another state. Retired Ecuadorian Air Force Gen. Frank Vargas, in a letter printed in Panama's press June 5, repeated his call for an Ibero-American army to be formed to defend Panama against "imperialist aggression that [is] installing the policy of the 'big stick,' strangling the economy, abusing as always its economic power with the vain hope of trying to force a people which is fighting for its dignity and self-determination to its knees."

Ecuadorian nationalists were hard hit on June 3, when Ecuador's Air Force minister and six of the Air Force's high command were killed in a plane crash. *La República* of Panama denounced the accident as part of a pattern of electronic warfare. On May 15, three Panamanian planes, all in one area, lost instrumentation suddenly and were forced into emergency landings. No reason could be found for the failures. One of the planes was carrying General Noriega. *La República* denounced the events as U.S. use of microwave technology to assassinate Noriega. The author reminds his readers of the hideous chain of air "accidents" that wiped out three important nationalist leaders in 1981: Panama's General Omar Torrijos, Peruvian nationalist Gen. Hoyos Rubio, and Ecuadorian President Roldos.

Genocidal sanctions

The economic sanctions the Reagan administration imposed against Panama in March, have already devastated Panama and destroyed the private sector completely. Even if the United States lifts sanctions by the end of June, 40,600 more Panamanians will be left unemployed as a result of sanctions. If the sanctions continue in force, the government estimates, 53,600 will be left without jobs. Already, consumption of eggs, milk, and meat has plummeted, collapsing poultry and cattle production.

Overall economic activity has already dropped 15.1% below that of 1987; if the sanctions continue, the collapse will probably reach 20.2%. This means that Panama will produce and sell one-fifth less than it did in 1987. The price tag on the damage: over \$1.2 billion already, rising to \$1.5 billion if the sanctions stay.

The construction industry is completely paralyzed. Even if sanctions are lifted this month, construction will probably reach 12% of 1987 levels. In the first three months of 1988, cement production has collapsed 40%. Total investment may be 10% of what it was in 1987. No Ibero-American leader can take responsibility for this, knowing too well his nation could be next.

Colombia faces power vacuum as narco-terrorist siege intensifies

by Valerie Rush

The abrupt suspension on June 3 of Colombian President Virgilio Barco's trip abroad, and his hurried flight home from Europe, has failed to calm the nerves of those who fear the consequences of a permanent power vacuum in this country, which is besieged by an upsurge of Soviet-sponsored narco-terrorism.

Respected former President Carlos Lleras Restrepo editorialized in the June 7 edition of his weekly *Nueva Frontera*, "The country feels that it is badly managed and is screaming for correction, while asking at the same time if the strange nature of Dr. Barco and the advisers he chose from the beginning are going to allow him to carry it out."

The president of the opposition Social Conservative Party, Rodrigo Marín Bernal, was more forthright, saying that he "doubted" that President Barco "has enough sense to comprehend the magnitude of the crisis that confronts society." The president of the ruling Liberal Party, Hernando Durán Dussán, publicly urged a return to the historic "National Front" alliance of the two major political parties to form a cabinet of national salvation "to defend the threatened system."

Colombian Ambassador to the United States Victor Mosquera Chaux, also the vice-president designate, responded to a reporter's question on whether he was planning to return to Colombia: "Why? To make a civil coup against President Barco? Forget it!"

Widely read columnist María Teresa Herrán wrote in the daily *El Espectador* June 8, "A civil coup must be made in Colombia . . . before it occurs to the Armed Forces to make one."

Destabilization, El Salvador-style

This painful debate by Colombian leaders on the fate of their nation was only in part triggered by the bloody May 29 kidnaping of national political figure Alvaro Gómez Hurtado, twice a candidate for the presidency, whose fate—and the identity of whose captors—remains unknown. Violent "peasant marches" organized by narco-terrorist gangs across the country have the population terrorized, with the return of all-too-vivid memories of the genocidal 1950s civil war known as the *Violencia*.

Latest reports from Colombia are providing chilling details on just how the narco-terrorist onslaught is proceeding, El Salvador-style, to isolate and starve entire portions of the Colombian population into submission. Newspapers throughout the country on June 5 carried extensive reports on the ongoing siege of Magdalena Medio, in the central region of the country, where the fuel that maintains the productive activity of the country is produced and distributed.

The combined guerrilla forces of the National Liberation Army (ELN) and Revolutionary Armed Forces of Colombia (FARC) in the area understand well the strategic importance of the 16,000 square kilometers that make up the region, and have begun to employ tactics that go beyond the usual terrorist assaults and kidnapings. By destroying roadways and bridges into and out of the region, such critical cities as Barrancabermeja, where the nation's sole oil refinery exists, are being starved for lack of food supplies from outside.

At the same time, in the countryside, peasants are being forced at gunpoint to abandon their land and crops. Pipelines and electricity towers are being dynamited. Since May 23, when the "peasant marches" began, more than 130 productive oil wells have been abandoned by workers under threat of death. At least four departments which make up this oil-producing region have been targeted by the narco-terrorists for isolation and capture. The media is stating that a total lack of government authority in the area—guerrillas have even replaced the judges on the bench!—has left the population vulnerable to such blackmail.

'The sword and the cross'

While the Colombian Armed Forces continue to take the point in the on-the-ground battle against Moscow's irregular warfare troops, the Catholic Church has begun to step into the breach with an appeal for moral leadership to heal a "sickened" nation.

Declared Alfonso Cardinal López Trujillo in an interview with the Church daily *El Catolicismo*, "We are already like an ill person, very sick in the lungs (or so we can call the violence), very bad in the kidneys (the economy is suffering serious symptoms), ill in the brain (politics isn't functioning and there is a crisis of leadership). . . . [We can] also present

ourselves as heart patients, because matters of faith and of the Church touch the heart of a nation, and could cause a massive heart attack to suddenly occur and such a serious problem that not even a heart transplant would suffice to deal with it.”

It is far from coincidental that at a moment of total crisis in the country, the Barco government has provoked a major confrontation with the Catholic Church in the country, by bypassing Colombia’s bishops in seeking to re-write the Concordat, the Colombian state’s standing treaty of understanding with the Vatican. The Barco government seeks to include in the new treaty acceptance of divorce, elimination of obligatory religious education, and other concepts which would go far toward eliminating what moral influence on Colombian society the Church has been able to exercise heretofore.

On June 3, Father Rafael García Herrero addressed a mass attended by former Presidents Belisario Betancur and Misael Pastrana, and the entire family of the kidnaped Alvaro Gómez Hurtado. In his homily, televised nationwide, the widely respected priest charged that the kidnaping was the work of the narco-terrorists and urged the Armed Forces to launch a one-month *blitzkrieg* to “purify” the nation of these insurgencies.

The kidnaping, he said, “warns us of the extremely serious danger in which we find ourselves, where the entirety of a nation is paralyzed by fear and terror, where every project is interrupted because faith in Colombia has been lost, where there is an environment of generalized pessimism that impedes any type of progress in Colombia. . . . I want to give voice to all Colombians, to ask the Army, which is charged with safeguarding order, to save the country. . . . We are today fighting the big battle for Colombia, and possibly for all America.”

A ‘New Yalta’ proposal

Unfortunately, the appeals of the Church have fallen on deaf ears in the Colombian seat of power. In his June 7 speech to the United Nations General Assembly, read by Foreign Minister Julio Londoño, President Barco called for disarming the militaries of the developing sector nations, to set an “example” for the great powers.

Dismantling the Ibero-American militaries is, in fact, a key element in the “New Yalta” deal just struck in Moscow between President Reagan and General Secretary Gorbachov, a deal which—under the rubric of “de-nuclearization”—will give the Soviets a free hand in irregular warfare deployments around the globe. Stripping Ibero-America of its military defenses will thus deliver the continent over to Moscow-controlled narco-terrorism, and to a Thirty Years War scenario identical to that destroying the nation of El Salvador and, in short order, Colombia as well.

Barco’s call for disarming the continent’s armed forces is identical to that of Sol Linowitz’s Inter-American Dialogue, which not accidentally also urges the “selective legal-

ization” of drugs. It is also identical to the arguments of the Soviet magazine *América Latina*, which insists—like the State Department’s Elliott Abrams—that “democratization” of the continent is best served by ending “armamentism.”

That Barco’s disarmament strategy is already under way inside Colombia, was signaled by former President Lleras Restrepo, who, in the context of his editorial criticism of Barco’s “mismanagement” of Colombia, observed that “surprising things are coming to light, such as revelations on the non-assignment of funds to meet the elementary needs of the Armed Forces.”

In an early June interview, Armed Forces commander Gen. Jaime Guerrero Paz confirmed the report, noting that despite promises of new supplies, “Until now, this very day, we have not received the first pair of boots, the first bullets. . . .”

Drive for drug legalization

President Barco’s moves to dismantle the Colombian military are especially criminal, when viewed in the context of his praise, while in Europe, of the debate over “alternative solutions” to the drug problem ongoing inside the United States. “It does not make sense to resort exclusively to traditional repressive instruments to manage this situation [the drug trade], because we do not face a crime that utilizes traditional mechanisms and organizations. We must think up alternative formulas that would be more effective than the conventional ones,” he insisted.

The Colombian President’s sentiments apparently coincide with those of the pro-drug Bogotá-based daily *El Tiempo*, associated with former President and political “godfather” of the narco-traffickers Alfonso López Michelsen. On June 7, the daily’s editors argued that if the United States can negotiate with a “drug trafficker” like Panama’s Gen. Manuel Noriega, why shouldn’t Colombia?

President Reagan’s reasons, the paper argued, “are not fundamentally different from those which a few years ago led former President López and Attorney General Jiménez to hold a dialogue with the kingpins of the mafia in Panama. We were the first to shout our protests. We don’t repent. But in retrospect, and upon seeing the hell into which that cursed plague has dragged us, one cannot help but ask oneself if soon the country will not be in a different situation.”

And in its June 8 lead editorial, *El Tiempo* urges that the debate on drug legalization now going on in the United States “be discussed among ourselves, with frankness, without fear, and without becoming a political debate. . . . We suppose that the President [Barco] had that in mind discussing this issue in the United States, which is the number-one problem between the two nations.”

El Tiempo’s editorial concludes with the lament that the drug legalization issue will not get fair play in an election year, and says that perhaps it was just as well that President Barco had to cancel his trip—for now.

Inter-Action Council's Ulloa hails Soviets

by Carlos Méndez

Manuel Ulloa, the champion of "free enterprise" and the "informal economy" so beloved of the Wall Street bankers, has just exposed himself as the leading propagandist for Moscow in Peru.

The former Peruvian prime minister and finance minister gushed to the Soviet news agency Novosti in an interview, "In my opinion, the Soviet Union has already helped us a great deal. It has perhaps been the most flexible and interested of countries. There are those who say it is for political reasons. I don't believe that. Today, there is a clear awareness that it is our natural ally for economic development, for our cultural independence."

Ulloa was in Moscow traveling as part of a select group of the so-called Inter-Action Council. His comments were published in part by the newspaper allied with Peru's ruling APRA party *Hoy*, on May 25.

Referring to the Reagan-Gorbachov summit in his interview with Novosti, Ulloa said, "I believe that the whole world cannot but await with anxious concern the concretization of what seems to have already been agreed to. But beyond that, it is important that the Soviet Union and the United States . . . have a decisive influence on ending the greater part of the regional conflicts."

In his statements, "free enterpriser" Ulloa shares the viewpoint of the new Peruvian prime minister, "leftist" Armando Villanueva, who last January declared during a trip to Czechoslovakia that "*perestroika* is an advance toward peace, and those in the West who believe the opposite are ignoring the historic development of the Soviet Union."

Villanueva and Ulloa also coincide in opposing Peruvian President Alan García's refusal to subordinate the economy to the debt collection demands of the International Monetary Fund. In April of 1987, the Inter-Action Council met in Manila, Philippines to talk about the foreign debt problem. Ulloa wrote on April 27, 1987 in his newspaper *Expreso*, that the Council concluded that García's move to limit Peru's debt payments to 10% of export earnings fell "in a juridically illegal framework."

On March 10, 1988 Ulloa attacked García's economic policies again, and demanded "reshuffling of the team that designed and applied the heterodox program, which has been

a failure." ("Heterodox" is a buzzword for any departure from the "rules" of economic behavior set by the international creditors.) At the beginning of May, Ulloa threatened that there will be no credits from abroad until García leaves power, or until he is reconciled with the International Monetary Fund (IMF).

What is the Inter-Action Council?

That Ulloa can simultaneously support both the Soviet Union and the Western bankers' IMF should surprise no one, above all if one considers the nature of the Inter-Action Council. The IAC is a private group, made up of nearly 70 has-been world leaders, mostly Social Democrats like former German Chancellor Helmut Schmidt.

The IAC has two policy thrusts: paying the debt and reducing population. In early 1987, the IAC chose Rome as the site of its meeting in favor of birth control, in a defiant gesture toward the Catholic Church. On April 27, the editorial of the Ulloa-owned daily *Expreso* urged approval of the law for female sterilization in Peru, and said that those who oppose such a law "seek to leave Peru submerged in medieval taboos."

The IAC held its first meeting in Moscow on May 16-19, 1988, under the title "Perspectives for the Coming Century." The objective of the meeting was to propose a kind of Marshall Plan—not for the Third World, but to provide Western capital to the Gorbachov regime.

Almost immediately afterward, on May 24, a Permanent Dialogue Committee was formed among spiritual and lay leaders internationally, headed by none other than Manuel Ulloa, to discuss how to encourage population reduction programs globally.

In mid-April 1988, Ulloa participated in a Global Forum of Parliamentarians and Religious Leaders to Debate the Possibilities for Human Survival. At that forum, held in Oxford, England, Ulloa was designated head of the movement for a four-year term, representing political leaders.

All of this, of course, helps to explain why Ulloa, who has been such a perfervid foe of the García government, came out in support of the speech given at the United Nations June 2 by Peru's new foreign minister, Luis González Posada. Ulloa congratulated González Posada for "such a brilliant speech."

On June 4, the Ulloa-linked columnist Manuel D'Ornelas in *Expreso* put his finger on the policy reasons the speech would please Ulloa's cronies among both the bankers and the Kremlin. He wrote, "The foreign minister's speech is an unusual oratorical piece within the rhetoric of the current regime," since "there were no . . . unexpected condemnations of imperialism, no flaming attacks on the IMF." González Posada's speech proposed the creation of a "fund against hunger" to come from the funds "of the arms race" (one of the favorite slogans of the Soviets), but mentioned neither the IMF, nor the World Bank, nor the debt problem.

Schiller Institute proposes agenda to Bilderbergers in Austria

by Mark Burdman

On Friday, June 3, the Schiller Institute had the opportunity to present the accompanying document to a meeting of members of the Bilderberg Group. Institute representatives were also able to monitor discussions and interventions from West German Chancellor Helmut Kohl, former French Foreign Minister Jean François-Poncet, and former U.S. Secretary of State Henry Kissinger, on the subject of Western strategies toward the Soviet Union, including the feasibility of a "Marshall Plan" for the East, and the cohesion of the Western alliance.

The Schiller Institute is a think-tank for republican foreign policy, founded at the initiative of West German political figure Helga Zepp-LaRouche in 1984 to prevent the destruction of NATO through the decoupling of the United States and Western Europe, and named for the great German poet, "patriot and world citizen," Friedrich Schiller.

The Schiller Institute presence provided a unique opportunity to the participants, meeting at the Inter-Alpen Hotel near Innsbruck, Austria. This year more than most, the Bilderberg meeting was held in confidentiality and strictly closed to the general public. The widespread distribution of the Schiller Institute's recommended agenda therefore brought some fresh dimensions to the Bilderbergers' deliberations, and might have prevented a certain kind of mental claustrophobia from affecting participants, even if Innsbruck is indeed in one of the more expansive and breathtaking regions of Europe.

It is estimated that most, if not all, of the 100 or so attendees would have gotten the Schiller Institute document, and would have had a chance to read it. As we go to print, EIR has not received a full accounting of how participants such as former U.S. Federal Reserve chief Paul A. Volcker, Austrian Chancellor Franz Vranitzky, Theo Sommer of the Hamburg liberal magazine, Die Zeit, or former U.S. Senator Charles Mathias, evaluated the enclosed proposals, but we expect interesting reactions to come soon. Austrian security officials in the locality reportedly found the Schiller Institute proposals most stimulating.

Whatever may be the cumulative effect of the Schiller Institute's presence at the meeting near Innsbruck, it can

certainly be said that the Institute's contribution helped make this one of the more intellectually controversial and interesting Bilderberg Group sessions, since that day in 1954 when the Netherlands' Prince Bernhard first initiated this confidential policy forum for the Western transatlantic elites, during a meeting at the Bilderberg Hotel.

Below is the full text of the Schiller Institute's proposed meeting agenda, addressed to "The Ladies and Gentlemen of the 'Bilderberg' Gathering at Innsbruck, Austria".

Why not debate this agenda?

The past years have witnessed growing philosophical and psychological insanity among Western elites. Such mental deterioration is typified by, though not limited to, growing use of and addiction to drugs and the spread of AIDS within the families of the "establishments." Conceptual capabilities among our policy-makers have decayed. In a post-Club of Rome paradigm shift, outright lunacy and cultism has been added to technocratic malthusianism.

Such is the state of affairs in a time of profound economic, moral, and political crisis. As a result, we stand on the eve of a new Dark Age, modeled on the fourteenth century's eruption of destructive irrationalism and a general economic-physical and social breakdown. And, when "Peace in Our Time" is being proclaimed, war is never far away. Natural law will assert its own reality.

It is this reality which should provide the impetus behind the discussions at this year's Bilderberg gathering. Since influential personalities are gathered from all over the globe, this opportunity should be used to address the actual challenges and the real agenda facing humanity in this period.

For your assistance, we provide here a recommended agenda for your Innsbruck discussions over the next three days:

Why the 'new détente' will and must fail

Have you realized, as Moscow has, that your neo-détente or "Trust" arrangements with Moscow to jointly loot Eastern Europe have brought the economies of the East European

nations to the point of physical breakdown? Moscow is now drafting policies to terminate this joint looting arrangement. The Soviet Empire has rejected the schemes of an East-West "New Marshall Plan." Why waste your time discussing a continuation of 1920s-style Trust arrangements with the Muscovite Empire into the 1990s, when this policy is doomed to failure? The 1920s Soviet "Scissors Crisis" forced the Soviet policy change to break the 1920s Trust relationship with Western financiers, and to dump, and later execute, Nikolai Bukharin and associates.

At that time, you placed your money on Bukharin, and got Stalin. Now you have a 1980s Comecon "Scissors Crisis." The economies of Eastern Europe have collapsed. The spillover effect is creating an impending economic crisis in the U.S.S.R. itself. This will doom both your neo-détente policies and today's generation of neo-Bukharinites in the Soviet leadership. These are the realities shaping the future course of the Soviet Empire that will be characterized by savage austerity, autarchy and an acceleration of the *military* build-up. The way out for the Russian Empire will be military blackmail and conquest, but this time, viewing Western Europe as the new satrapy to be economically looted.

The economic reality

As all at this gathering know only too well, there was never any "Reagan Recovery" since 1982, but rather another of the continuing attempts since the late 1960s breakdown of Bretton Woods, to hollow out world physical productive plant and infrastructure in order to service speculative short-term capital market demands.

The "solutions" of the 1970s, in which this body had a not insignificant role, postponed the collapse of the U.S. dollar reserve system by fiat inflation of world energy prices, more than 1,300% over a seven-year period until 1980. You discussed this at Saltsjoebaden in May 1973. The results were predictable: industrial decline, soaring unemployment, severe contraction of world trade flows. Of course, global dollar flows expanded exponentially. This, we were told, was the new "post-industrial age," with its "globalization" of world financial markets.

But that has also not sufficed. Predictably, in precisely the manner that refusal to abandon the lunacy of the 1920s Versailles war debt and reparations burdens led to the speculative bubble of the 1927-29, the "petrodollar" recycling of the 1970s has created the Debt Bomb of the 1980s, feeding the recent financial speculation boom, at the expense of real long-term investment in productive areas.

Auto-cannibalism is no sound basis for world policy, neither for economies nor for populations. It was not in the 1920s, nor is it today. The latest desperate phase, with which no doubt many of you are familiar, is the embrace of the financial markets of ever more "profitable" short-term gains. Today, global recycling of illegal narcotics flows are propping up far too many institutions of world finance as did

petrodollars a decade before. Those profits are not without staggering social consequences, yet some among you are now advocating legalization in order to expand that lunacy.

Decoupling of financial flows from industrial production and the stifling of both the rate and depth of technological advance has created a Frankenstein monster. October 19, 1987 is only the beginning of what is, assuming continuation of OECD policy trends since last October, an inevitable "killer depression," further ruining the already decayed industrial and qualified manpower base of the real economy.

The political and social institutions of the West will crack under the assault of the depression. The military security of the West will become "unaffordable." The economic crisis in the Third World will turn into a holocaust that will produce social chaos and epidemics such as AIDS that will sweep into the North. There are no "quick fixes" and no "regional" solutions. A U.S. depression collapse is a world depression. Internal markets in the OECD are a cruel sham and hoax without a policy to massively export and build real infrastructure in developing regions of the planet.

The sustainable way out

We propose for your discussion the following agenda:

- What large-scale global infrastructural and agro-industrial projects are necessary for the development of the Third World?

- How can the military security of the West be guaranteed with the most advanced, "post-nuclear" technologies like SDI, TDI and other electromagnetic effect weaponry? How can a "France 1940" morale be averted in the West?

- How might the crash development of such energy sources as nuclear fusion and a Western Mars Colonization Space Program be realized?

- How to combat the plague of international drug-trafficking:

- A. What are the sources of drug production and trafficking?

- B. How might a cultural renaissance be brought about in Western societies, to reverse the cultural pessimism that leads youth to drugs?

- How to eradicate the AIDS pandemic:

- A. What public health measures are necessary to combat AIDS?

- B. How might crash Manhattan Project-type research programs be initiated so that we might better understand the virus?

- C. Which new medical technologies, drawing upon such fields as optical biophysics, non-linear spectroscopy and electromagnetic effects, should be encouraged, to deal most effectively with the virus?

We of the Schiller Institute have developed concepts and policies to provide answers to those questions raised by the reality of the present historical crisis. We are available to assist and contribute to your deliberations.

Is Islam the antidote in Bangladesh?

President Ershad's latest political gambit may create more problems than it solves, writes Ramtanu Maitra from New Delhi.

On June 7, the Bangladesh parliament adopted a bill to amend the constitution, which states, "The State religion of the Republic shall be Islam, but other religions may be practised in peace and harmony in the country." The bill was passed with 254 votes in favor and none opposed. The opposition, which consists of small parties since the major political parties refused to participate in last March's parliamentary elections, either voted for the amendment or walked out of the House in protest.

That Islam would be recognized as the state religion of Bangladesh was a foregone conclusion the moment President H.M. Ershad made known his intention to press the bill on March 13 of this year at a public gathering. The opposition in the parliament, since it controls less than 50 seats in a House of 300, had no muscle to stop it. The main opposition, which is busy demonstrating in the streets of Dhaka, has also been fragmented by its own contradictions and could do nothing to prevent the amendment from going through.

The significance of the move is not really religious, but rather an effort, buttressed by external factors, to realign the political forces in the country—and one which could put Bangladesh on a slippery political path.

Joining the Islamic fold

With adoption of the June 7 bill, Bangladesh joined the company of Iran, Egypt, Libya, Malaysia, Algeria, Saudi Arabia, Pakistan, and eight other Muslim-majority nations where Islam has been proclaimed the state religion. Nations such as Indonesia, Afghanistan, Turkey, Sudan, and a few others have remained Muslim nations, but Islam has not been proclaimed the state religion.

Since Muslims make up close to 90% of Bangladesh's total population, making Islam the state religion will have little impact on the religious scene as a whole. Moreover, though President Ershad will go down in history as the one who made Islam the state religion, the actual process started at least 11 years ago, when the late President Ziaur Rahman made it his major objective to raise Islam to the pre-eminent position it enjoyed when Bangladesh was still East Pakistan.

During Sheikh Mujibur Rahman's tenure as President (1971-75), Bangladesh was proclaimed a secular nation. In spite of the fact that Sheikh Mujib, as he was widely known, is considered the "father of the nation," his secular policies

did not endear him to many Bangladeshis. Soon after Sheikh Mujib's assassination by a section of the army in 1975, when Gen. Ziaur Rahman assumed power, Islam began to emerge as a political force. President Ziaur Rahman changed the nomenclature "Bengali" to "Bangladeshi" to eliminate linguistic nationalism, and incorporated the Islamic invocation, "Bismillahir Rahamanir Rahim," into the preamble of the constitution. He also replaced "secularism" with "Islamic justice" in the four state principles, the other three being "socialism," "democracy," and "nationalism." Bangladesh ceased to be a secular state in 1977, following President Ziaur Rahman's amendment of the constitution.

All of this is to underline the fact that the current bruhaha about Bangladesh adopting Islam as the state religion is largely mere sideshow. Behind the theatrics, President Ershad is attempting to use Islam to split the opposition and to gain support of the pro-Islam forces such as the Jamaat-i-Islami, Islami Oikya Andolon, Khilafat Andolon, Islamic Youth Front, and myriads of *pirs* (Sufi leaders) and *mullahs* who rule the roost in rural Bangladesh.

A newly formed "Islamic Constitution Movement," an amalgam of fanatics and fundamentalists, has already come to the fore in Dhaka where, every Friday after Jumma prayers, they go out and demonstrate in support of Islam. This group has also been involved in a number of clashes with the police during the past three months.

Spitting the opposition

Besides bringing the pro-Islam factions, a significant grouping in Bangladesh, into the body-politic, President Ershad has pretty much smashed any possibility of the extra-parliamentary opposition to combine against him. Sheikh Hasina Wazed, daughter of former President Mujibur Rahman and president of the Awami League, the largest party in Bangladesh, has reneged on her earlier one-point commitment to "oust Ershad." Instead, she is now planning to launch a fresh campaign against the Ershad regime for the restoration of the 1972 constitution, the four state principles, establishment of parliamentary democracy instead of the presidential system, and trial of the killers of Sheikh Mujib, who are roaming free and becoming more and more politically significant every day.

This new stance of Sheikh Hasina has been openly ridi-

culed by the other leading opposition leader, Begum Khaleda Zia, wife of the late President Ziaur Rahman and president of the second largest political party, the Bangladesh Nationalist Party (BNP). There never was any love lost between the two leaders and both distrust each other intensely. However, they had managed to combine their forces on the one-point program of "oust Ershad" for some time, with nominal successes. But the four new points raised by Sheikh Hasina conflict directly with the party philosophy of the BNP, which does not embrace "secularism," and believes in free economy

Although the main opposition leaders have indeed been thrown into total disarray, the invocation of Islam to serve political purposes may have unforeseen consequences. It has given a green light to the fundamentalists.

and a presidential system. All these principles were laid down by President Ziaur Rahman. Moreover, Sheikh Hasina cannot forget that it was President Ziaur Rahman who allowed the killers of Sheikh Mujib to leave the country when they could have been brought to justice.

President Ershad may gloat that since the top opposition leaders will be busy feuding with each other, they won't bother his regime so much in the future. How serious the opposition's threat is, in any case, is debatable. The fact is that all the political parties—and there are hundreds of them in this tiny nation—are based in urban centers in a country where 84% of the population lives in rural areas, with almost no transportation and communication facilities to connect them with the cities. It is not surprising, therefore, that in spite of its daily demonstrations and protestations disrupting normal life in the urban centers, the opposition—with the combined strength of the BNP and Awami League—failed to prevent the general elections from being held this spring or to weaken President Ershad's presidency significantly.

The two Begums have other difficulties, too. Sheikh Hasina, for example has long foundered on the fact that she evokes the memory of her father's corrupt regime. Second, her own pro-India stances don't sit well in the minds of most Bangladeshis. While they understand that a harmonious relationship with India is a necessity, they consider Sheikh Hasina a mere stooge of India and therefore not acceptable. Curiously, she has not been able to shake off this negative image in all these years.

On the other hand, it is also widely believed in Bangladesh that Begum Khaleda Zia is in close collaboration with some of the military leaders close to the late President Ziaur Rahman. Recently, Sheikh Hasina slighted Begum Zia's democratic intentions by pointing out that Begum Zia still resides in the restricted area of Dhaka reserved for army personnel. Bangladeshis apprehend fearfully that bringing Begum Zia to power is tantamount to handing over power to the military. Moreover, Begum Zia's anti-India rhetoric is considered too dangerous by many.

Dangerous currents

Although the main opposition leaders have indeed been thrown into total disarray, the invocation of Islam to serve political purposes may have unforeseen consequences. It is no secret that Saudi Arabia has substantial clout in Bangladesh because of the large-scale aid it provides. The Saudi-built Baitul Mukarram mosque at the heart of Dhaka is a daily reminder of the Saudi presence. The Saudis have long been pressing for increased Islamization in Bangladesh, and otherwise involved themselves in the country's affairs. According to reports, the Saudis even arranged a meeting between Sheikh Hasina and President Ershad in Saudi Arabia at the time of the Hajj three years ago, to explore the grounds for reconciliation. It is evident that the Saudi aid will continue to flow now that Islam has been made the state religion.

But the new move will also give a green light to the fundamentalists. The Islamic Constitution Movement has become more active. At the same time, one of the killers of Sheikh Mujib, Col. Syed Farooq, has floated a political party and contested the presidential elections. Farooq's party has pledged to "fight for establishing Islamic rule in Bangladesh." According to Colonel Farooq, he has half a million members, and each and every cadre of the "grassroots party" would be ready for sacrifice in the cause of Islam and to help establish a "Koranic state" in Bangladesh. Reportedly, Farooq, who was in exile for 10 years in Libya before President Ershad sanctioned his return in 1985, now has several hundred Libyan-trained cadres in Bangladesh.

There is also widespread speculation that Colonel Farooq has established close liaison with BNP leader Begum Khaleda Zia and with the Jamaat-i-Islami chief, Prof. Gholam Azam. Azam is a former leader of the East Pakistan Awami League who had his citizenship revoked in 1973 for collaboration with the Pakistani troops during the liberation war in 1971. He has been living in Bangladesh, however, since 1978, holding a Pakistani passport. Over the years, Azam has emerged as the de facto head of the Bangladesh Jamaat-i-Islami.

On May 31, Deputy Prime Minister Dr. M.A. Matin, answering opposition charges on Professor Azam, admitted before the parliament that the professor is staying in Bangladesh illegally, and that the government has no intention of restoring his citizenship.

Kim Philby and the inner workings of the Anglo-Soviet 'Trust'

by Scott Thompson

Although Kim Philby (1911-88) died weeks before the Reagan-Gorbachov summit pageant in Moscow, the spirit of Philby was paid homage in a way that the Anglo-Soviet Trust's most notorious product would have found most befitting a man of his treason. In the immediate aftermath of Ronald Reagan's humiliating performance, the virtual entirety of the U.S. intelligence community proclaimed to all who would listen that the summit had been a grand success, and that the United States, Western Europe, and Japan could now safely embark on a massive technology transfer—\$70-100 billion a year—to the Soviet Union and her Eastern European satellites, with little fear that Moscow would turn the West's generosity into fuel for further conquests.

Not since 1982, when British Intelligence hailed the incoming Soviet chief Yuri Andropov, that "lover of Glenn Miller jazz albums and British whiskey," as "our man," had the specter of the Trust been made so dominant within Anglo-American intelligence circles.

The legacy of the treacherous Philby, if any genuine good is to be derived from reflection, lies not so much in the ferreting out of the "boys he left behind." Rather, a deeper and more profound understanding of the Trust mentality must emerge.

Our special role

In 1977, associates of this journal published a pamphlet-length study of Henry A. Kissinger, drawing the conclusion that the former Secretary of State was a British agent—more specifically, an agent of the British Round Table faction associated with the Royal Household.

Esteemed figures in U.S. intelligence responded to the Kissinger dossier with loud protests that Kissinger was, if anything, a Soviet agent.

Sensing that the *EIR* file had struck a sensitive nerve, particularly among CIA contemporaries of Philby, *EIR* founder and contributing editor Lyndon H. LaRouche, Jr. proposed a detailed review of the case of the most notorious Anglo-Soviet agent, Kim Philby. So began a decade-long study by teams of *EIR* researchers into the "Trust," the network interfacing the Establishments and secret services of

East and West.

Years later, as if to answer *EIR*'s efforts to unravel the secrets of the Trust, a major British daily published a boasting article all but admitting that Philby had never left Her Majesty's service.

As with most intelligence profiles, the underlying truth of the Philby file begins with a straightforward review of the catalogued leading features of the subject's career. In the special case of Philby, such a profile necessarily begins with a look at Philby's father.

In father's footsteps—always

Kim Philby was born in Ambala, India in 1911. His father, St. John Philby, was one of the most colorful and impassioned players of the "Great Game," who nicknamed his son "Kim" after the boy in Rudyard Kipling's story. Truly, as Sir Ronald Wingate, the son of St. John Philby's colleague in the "Great Game," Wingate Pasha of the Anglo-Egyptian Sudan, remarked, "If you want to understand Kim Philby, you must first try to understand the father."

Born in 1885, St. John Philby was the son of a British tea planter who had married May Duncan, a daughter of the commanding officer of the Colombo Rifles. When his mother returned to England, St. John Philby accompanied her, and became a Queen's Scholar at Westminster School, one of the major English public schools associated with the government, whose graduates had included John Locke and Jeremy Bentham. St. John Philby was next awarded an education in the classics at Trinity College, Cambridge, where he graduated with distinction as "a golden lad of the empire."

While at Cambridge, St. John Philby had become inculcated with the idea of manipulating religion as a weapon in the "Great Game." His teachers included E.G. Browne, the successor to Richard Burton, who was the number-one British expert on Islamic, Persian, and Sufi mysticism. Browne had been the architect of the 1905 Persian "revolution," and he had been the chief sponsor of Afghanistan Prime Minister Jamaledine al-Afghani, who was a fundamentalist predecessor of the Muslim Brotherhood. Under the direction of such teachers as Browne, St. John Philby had begun a con-

version to what he called "agnosticism, atheism, anti-imperialism, socialism, and general progressive revolt against the philosophical and political canons in which I was brought up."

At Cambridge, St. John Philby also became a Fabian Socialist, thus joining the loyal left-wing opposition of the British Round Table Society (today identified with the Royal Institute for International Affairs), which was created by South African diamond and gold magnate Cecil Rhodes with support of the powerful Cecil family bloc.

After Cambridge, St. John Philby was posted to the Indian civil service, which in 1908 placed him in Punjab. He spent most of his time playing with religious divisions between Hindu and Muslim, upon which the later balkanization of the subcontinent was based. During World War I, St. John Philby joined the British expeditionary army in Mesopotamia, now part of Iraq, which was then ruled by Germany's ally, Turkey. Recruited to British intelligence by Sir Percy Cox, St. John Philby was launched upon a career that would make him as notorious in his lifetime as the vainglorious homosexual sadist, T.E. Lawrence ("of Arabia").

It was through his association with the Fabian Society that St. John Philby first had dealings with the Anglo-Soviet Trust. In 1920, he stained his skin nut brown and put on a burnoose to infiltrate the Communist International's Congress of Peoples of the East, at Baku, Azerbaijan. This congress, convened by Anglo-Soviet Trust agent Georgi Zinoviev, had as its purpose to raise the tribes from the Near East to Delhi to strike at imperial London. The Baku Congress marked the Bolsheviks' first entry into the "Great Game." St. John Philby was to remain in touch with Soviet Orientalists throughout his life.

Following postings with the first Iraqi government (1920-21) and as chief British representative to the old Turkish province of Transjordan (today, Israel and Jordan), Philby nominally "resigned" from the British civil service in 1925. Parking his wife, Dora Johnston, and son Kim in England, St. John Philby went off to become the confidential adviser of Abdel-Azis Ibn Saud, the leader of the Wahabi tribe, whose coronation as King of Saudi Arabia had been arranged by Philby.

On Aug. 7, 1930, St. John Philby shocked his British intelligence colleagues, when, claiming "dissociation from British ideals," he traveled to Mecca to convert to Islam.

At the start of World War II, during one of his periodic spat with King Ibn Saud, St. John Philby returned to England, where he ran for Parliament on the slate of an arm of Sir Oswald Mosley's British Union of Fascists. At the outbreak of World War II, St. John Philby was arrested under the Defense of the Realm Act for his pro-Nazi speeches. Yet, his son, Kim Philby mobilized his father's friends in British intelligence to get St. John out of jail.

It was from his father, St. John Philby, that Kim Philby learned to play with the fate of nations as if they were toys.

St. John Philby molded his son in his own image, sending him to Westminster, where, Kim reported that he learned "to bugger and be buggered." From Westminster, Kim Philby followed in his father's footsteps to Trinity College, Cambridge, in 1929.

It was at Cambridge that Kim Philby first came into contact with Guy Francis de Moncey Burgess. When Kim Philby arrived at Cambridge, it was one year after Stalin had delivered a major setback to the Anglo-Soviet Trust with the demotion of Trust agent Nikolai Bukharin and the ending of the New Economic Policy. In this year, pro-Soviet cells were established at such leading British schools as Oxford, Cambridge, the University of London, and the London School of Economics; two-thirds of the leadership of the Communist Party of Great Britain (CPGB) would be recruited from these cells, including the espionage ring featuring Philby, Burgess, and Donald Maclean. Contact between the Cambridge University Socialist Society and Comintern headquarters was maintained through one Douglas Springhill.

The "soul" of the Cambridge "cell" was something known as the Cambridge Conversazione Society, or "Apostles." The Apostles had been at the center of British intelligence operations of differing kinds ever since they were founded by the Tennyson brothers in the early 19th century, originally to recruit cadre for an operation of the Anglican Church to overthrow the Bourbon monarchy in Spain. The generation of Apostles (or "Angels," as they were known) before Philby and Burgess's entry included Charles Percy Sanger, Bertrand Lord Russell, R.C. and G.M. Trevelyan, G.E. Moore, G.H. Hardy, and Desmond McCarthy. Their principal activity had been to destroy continental science of the Leibnizian tradition.

In Philby's time, the Apostles had come under the influence of the chief Soviet secret agent in London, Samuel Borisovich Cahan. The faculty adviser, Sir Dennis Robertson, had been a good friend of St. John Philby and proved perfectly knowledgeable of the Communist cell created within the Apostles. It was Anthony Blunt, the son of St. John Philby's contemporary, Wilfred Blunt, who recruited the outrageously homosexual Guy Burgess to the Apostles. Other Apostles of Philby's generation included: Lytton Strachey, Leonard Woolf of Bloomsbury notoriety; John Meynard Keynes; and, Arthur Lee Hobhouse, who was the nephew of Beatrice Webb, wife of Sidney Webb and a co-founder of the British Fabian Society.

That the Cambridge espionage cell was established with full support of a powerful faction of the British oligarchy associated with the Anglo-Soviet Trust, is highlighted by the protection enjoyed by members of the Apostles, as well as the summer 1933 trip that Guy Burgess undertook to the Soviet Union with a homosexual friend from Oxford. While in Moscow, Burgess met with Trust agent Bukharin and with the chief of Comintern intelligence, Osip Piatnitsky, based upon letters of introduction supplied by David Astor, the son

of Lady Nancy Astor. This was the same Lady Nancy Astor who Claud Cockburn alleged ran the infamous "Cliveden Set," whose goal was a British alliance with Nazi Germany against Russia during the period of King Edward VIII's espousal of such a plan. Lady Astor and her husband, Viscount Waldorf Astor, had made a 1931 trip to the Soviet Union in the company of British Fabian Society member George Bernard Shaw. Like Sir Anthony Blunt, David Astor, who continually reappears throughout the Philby-Burgess-Maclean story, has been fully protected by powerful members of the Anglo-Soviet Trust.

Upon his graduation from Cambridge in 1934, Kim Philby traveled to Vienna, to work for Bertrand Russell's Quaker Service Committee, while "secretly" joining the Austrian Communist Party underground. Contemporaries of Philby in Vienna included Stephen Spender, another outrageous "Child of the Sun" who had just returned from "Red Berlin."

One of the deepest secrets of Philby's stay in Vienna was his marriage to his landlady, Frau Litz Friedman, who was well known to the Austrian security service as a Marxist revolutionary. It is reported, but unconfirmed, that the best man at this wedding was Teddy Kollek, the future mayor of Jerusalem. Philby returned to London with his wife, but broke with her shortly thereafter. She later surfaced in East Germany to cast suspicion upon Philby after World War II.

After his return from Vienna, Philby surfaced with Guy Burgess in a job with the Anglo-German Fellowship (AGF), which was then involved in an open conspiracy to swing support in England behind Hitler for a drive against the Soviet Union. Burgess was recruited to the AGF by a former director of MI-5, Sir Joseph Ball, who was fully aware of Burgess's Comintern and homosexual connections.

Throughout his employment with the AGF, Guy Burgess received a regular stipend from the mother of Lord Nathaniel Mayer Victor Rothschild—one of the leaders of the Jewish community in England—who is another protected associate of Philby, Burgess, and Maclean.

For Philby, a position with the AGF was distinctly secondary to his real goal. On his return to London, he applied to sit for the British Civil Service examination. Unfortunately for Philby, two of his three references from Cambridge—including Sir Dennis Robertson of the Apostles—refused to recommend him, because he was considered a security risk. Philby withdrew his application for the civil service, and, through the assistance of Robin Barrington-Ward, deputy editor of the Astor family publication, *The Times*, who knew Philby's father from Westminster, Philby was hired as a journalist and assigned to report on Gen. Francisco Franco's efforts to defeat the Spanish Republicans. While in Spain, Philby maintained covert ties with Walter Krivitsky, the GRU agent in charge of all Spanish operations until his defection during the Stalin purges. Krivitsky later tipped off American intelligence that Philby was a Soviet agent, shortly before Krivitsky was murdered on orders from Stalin.

Entering the secret service

After the Munich summit of 1938, in whose arrangements he had assisted through the Anglo-German Fellowship, Guy Burgess was hired by Section D of MI-6, which gave him the assignment of founding a school for sabotage. Burgess named his school Guy Fawkes College, after the anarchist who nearly blew up Parliament during Queen Elizabeth I's reign. Burgess brought Philby on board.

Whereas Philby's Communist associations had made it impossible for him to join the British Civil Service earlier, his application for a transfer to MI-6 met with different results. He was given positive clearance by Col. Valentine Vivian, an associate of St. John Philby since their days together in Punjab, who knew about both Philby's Communist credentials and his compromising marriage to Litz Friedman. Despite this knowledge, Colonel Vivian arranged for Philby to become the right-hand man to Felix Cowgill, a former Indian policeman, who then headed Section V (counterintelligence) of MI-6.

The only conclusion that can be drawn is that Philby was brought into the British intelligence service, precisely because of his Communist connections. The period was one that followed a major faction fight within the British oligarchy that had pitted those members of the aristocracy around King Edward VIII who wanted an open alliance with Nazi Germany against the Soviet Union, against those who wanted to split the Hitler-Stalin Pact and ally with Russia, bringing Russia into war against Germany. Under such circumstances, a "double agent" would be invaluable. In addition to Philby and Hugh Trevor-Roper, Section V contained Malcolm Muggeridge and Graham Greene, who have both been lifelong apologists for Philby's treason.

In September 1944, Philby was promoted over Felix Cowgill, at the insistence of Colonel Vivian, to become head of the newly established Section IX (Soviet intelligence). Philby then wrote the new section's charter. "I cannot remember its exact wording. But it gave me responsibility, under the Chief, for the collection and interpretation of information concerning Soviet and Communist espionage and subversion in all parts of the world outside British territory. It also enjoined me to maintain the closest liaison for the reciprocal exchange of intelligence on these subjects with MI-5."

For his services, in 1946, Philby was made a Companion of the Most Excellent Order of the British Empire, one rank below that of knight.

After two years as chief of operations in Istanbul, where he kept an eye on Turkish-Russian tensions, in September 1949, Philby received the highest field position in MI-6, British Security Coordination in Washington. Donald Maclean had preceded Philby in Washington, where, as first secretary of the British embassy in 1944, he served as secretary to the Anglo-American Combined Policy Committee on Atomic Developments. Maclean kept the Soviets apprised of

the latest developments in the atomic bomb program. Eventually, electronic intercepts led American intelligence to suspect that there was a leak in the British embassy. Maclean had a nervous breakdown before the suspicion fell fully upon him, and was temporarily posted to Cairo in 1948 under a cloud. Philby arrived to take his place.

Philby penetrated the Central Intelligence Agency to the core from its founding. He stuck up a close friendship with Frank G. Wisner, former OSS assistant to Allen Dulles who had run the State Department's Office of Policy Coordination before its collapse into the CIA. Through Wisner, Philby gained a complete oversight of the Dulles brothers policy of "Operation Rollback" toward the Soviet Union.

In 1950, Maclean returned from Cairo to head the Foreign Office's American Department. While in this post, Maclean railed against General MacArthur's conduct of the Korean War, winning broad support within the British Foreign Office. Guy Burgess, then a personal assistant to Hector McNeil, a junior minister in the Bevin government, was also known for his diatribes against MacArthur. Meanwhile, from his post in Washington, Philby kept the Soviets abreast of American plans in the the Korean War, costing untold numbers of American lives.

In October 1950, Burgess was reassigned to Washington, D.C. as a junior assistant in the Far Eastern Division of the British embassy. This was the same month that MacArthur's forces crossed the 39th parallel, only to be confronted by a surprise attack of 400,000 Chinese troops at the Yalu River.

As soon as he arrived in Washington, Burgess moved into the home of Kim Philby, but his wild behavior soon led American intelligence to install a tap that raised suspicions about both Burgess and Philby being Soviet agents. Philby used Burgess as his courier in May 1951 to warn Maclean that he must defect to Moscow: a warning that Philby could make, because his position enabled him to monitor the American probe of the earlier leaks from the British embassy. May 25, 1951, when Burgess and Maclean both left for the Soviet Union, was the same day that Herbert Morrison, assistant secretary of state for foreign affairs, had set to call Maclean in for interrogation. When Burgess fled with Maclean, suspicion fell almost immediately upon Philby as well. Gen. Walter Bedell Smith, then director of the CIA, proclaimed Philby *persona non grata*.

In 1956, under questioning in Parliament whether Kim Philby had been "the third man," Harold Macmillan, then foreign secretary, assured Parliament that no evidence had been found that it was Philby who warned Burgess.

Once his name was publicly cleared, MI-6 arranged with Burgess's old friend, David Astor, to have Philby employed by the *Observer* newspaper. The Rothschilds' *Economist* also provided Philby with journalistic cover. In 1956, Philby arrived in Beirut, Lebanon, where he would work for a decade which started with the 1956 Suez Crisis and ended with the Six-Day War. It was a tumultuous decade in which the

British imperial position was being steadily eroded. Philby lived with his father, who had taken up residence in the Chouf Mountains of Lebanon after yet another falling-out with the Saudi royal family following the death of King Ibn Saud in 1953. During his stay in Lebanon, Philby spent almost every evening with his father. St. John Philby turned over his networks to Kim Philby. Throughout his stay in the Middle East, Philby was widely known to be a Soviet "double agent" and he was involved in complicated espionage and counterespionage games.

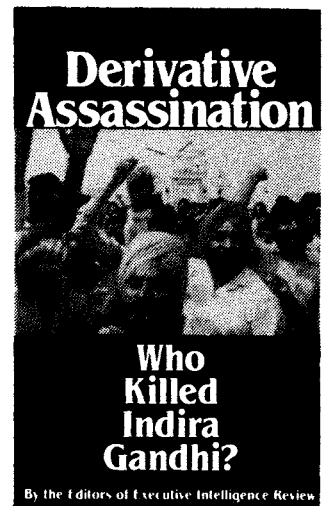
Finally, in 1963, following the "confession" of Sir Anthony Blunt, Philby defected to the Soviet Union. His way there was paved by Nicholas Elliott, a senior official of MI-6, who permitted Philby's escape after Philby's "confession." Philby disappeared, to surface in the Soviet Union on Jan. 27, 1963, where he rejoined Burgess and Maclean to form a pole for the Anglo-Soviet Trust within the Soviet Union. Together, Philby and Maclean played an especially critical role in revamping the Soviet secret services on the pattern of the 1920s Trust. As part of this reorganization, the Soviets formed such foreign affairs think tanks as the Institute on World Economy and International Relations (IMEMO), the Oriental Institute, and the U.S.A.-Canada Institute. Maclean became a prominent British affairs specialist at IMEMO, while Philby had a direct hand in revamping the KGB along the lines of the Anglo-Soviet Trust. This was especially true after Yuri Andropov became chief of the KGB in 1967.

Derivative Assassination: Who Killed Indira Gandhi?

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Who really governs the country?

On the eve of the presidential elections, the military opposes handing the country over to "multinational" groups.

I have always upheld my affiliation and my loyalty to the party which brought me to the presidency of the Republic. As a result, I continue to be a PRI militant and I hope the party wins," President Miguel de la Madrid announced on June 3. This declaration of loyalty to the ruling Institutional Revolutionary Party seemed necessary, given what the aristocratic ex-banker Agustín Legorreta had implied on May 18, when he boasted that a small clique of businessmen imposed on the President the economic shock program he has applied since Dec. 15, 1987.

"The economically important decisions in Mexico are made by 300 people," said Legorreta, according to the daily *Unomasuno*.

It is significant that the President made his loyalty declaration two days after the armed forces, through Navy Secretary Adm. Miguel Ángel Gómez Ortega, pronounced against handing over the country to the aristocracy of bankers and speculators who have prostrated it for the past five years. Admiral Gómez told a public meeting including De la Madrid and his whole cabinet June 1, "This is not a republic of businessmen or of 300 powerbrokers, but one of citizens . . . because neither democracy nor government, neither economy nor politics, neither state nor armed forces, could be explained or understood here in our Fatherland without the people as the central subject."

The message was clear. Legorreta had also boasted, "We gave the government a deadline for cleaning up its finances . . . and [it] complied even before that," by selling state compa-

nies, as per the International Monetary Fund's debt-for-equity conversion scheme. Had it not done so, Legorreta claimed, inflation would have reached 1,000% in July and the PRI would have run "the risk of losing power."

Legorreta was most proud that the state decided to sell off Cananea Mining Co., the world's biggest copper mine, to Mexican businessmen backed by Midland Bank and Société Générale. In this regard, Admiral Gómez declared that the Navy "is not the armed force of any group, but of the nation's interests. It defends its territorial integrity and its sovereign rights and does not believe in any kind of multinationalization to the nation's detriment, much less in those who seek to replace the people as the sole repository of its sovereignty."

While de la Madrid and the PRI's candidate to succeed him as President, Carlos Salinas de Gortari, are busy denationalizing, Admiral Gómez praised President Gen. Lázaro Cárdenas, who nationalized the oil companies in 1938.

Only one month before the July 6 presidential elections, this reflects the life and death battle inside Mexico's ruling elite over the economic program which would prevail during the next administration. De la Madrid baptized Legorreta's economic program the Economic Solidarity Pact. One of its defenders, Mexican Ambassador to Japan Francisco Javier Alejo, admitted to the daily *La Jornada* May 12 that it was modeled on "the design of German minister Hjalmar Schacht," Hitler's economics minister.

But the recession worsened by this program has destroyed workers' incomes and caused industrialists and farmers to go bankrupt, which has left the PRI in danger of losing the base of its power.

Further doubts about de la Madrid's true loyalty to his party arose after Carlos Bazdrech, a top aide to the secretary of finance, revealed a plan for the PRI to "co-govern" with those 300 businessmen by conceding government posts to the "political right" in the elections.

The "political right" is the National Action Party (PAN), whose presidential candidate, Manuel J. Clouthier, on May 23 led actions of "civil disobedience" against the government, including blocking highways all over the country. "We are already governing, because to govern is to make oneself obeyed; and they are obeying us," said the triumphant Clouthier that day. He also asserted that the PRI's Salinas "robbed me of my program."

On May 18, the general secretary of the oil workers' union, Salvador Barragán Camacho, demanded that Salinas de Gortari expel from the government "the multimillionaires" who want to preserve the interests of the worst dictatorships Mexico has had. The day before, the oil workers' political chief, Joaquín Hernández Galicia, revealed that he had given Salinas an ultimatum to change his economic program.

"The people have had it . . . with five years of looting," he said. "The worst enemy you have is your boss," he said, in reference to the President. And, he warned Salinas, "if you don't change things in your electoral campaign, only Don Fidel Velázquez and I are going to vote for you." Fidel Velázquez, one of Mexico's top political figures, leads the labor section of the PRI.

Foul deals betray East bloc Jews

The opening of official relations between the East German regime and West German Jews is tied to Bronfman's treachery.

On June 6, official relations between the East German regime and the Jews of Germany were established. The head of the German Jewish Council, Heinz Galinski, and East German leader Erich Honecker agreed to "open a new page in the book of German-Jewish relations in the postwar period." Honecker stated a commitment to pay up to \$100 million compensation to Jewish victims of Nazism.

Until now, the Soviet puppet regime in East Germany has always rejected any moral concern on the "Jewish question." When the West Germans, in a treaty between Chancellor Konrad Adenauer and Israel's leader David Ben-Gurion, agreed in 1952 to pay financial compensation to the Jews and Israel, as a gesture of German goodwill, the East Germans attacked this as a "plot between the Zionists and the finance-capital of West Germany."

And after the mass insurrection of workers in East Germany in June 1953, the regime there clamped down on Jewish members of the ruling Communist party as "agents of the Western imperialists." These were trumped-up charges, but it was true that Jews in East Germany kept in contact with Jewish relief organizations in the West.

To this date, the East German regime has had the Stasi—its secret police—continue repression against the small Jewish community. It was against this repression that the Chief Rabbi in East Germany, Isaac Neuman, protested on May 2, resigning after only nine months in office.

Against this background, the June 6 meeting between Galinski and Ho-

necker deserves special attention. Their talks included a tacit agreement that underground Western contact with Jews in East Germany be replaced by "official" relations, from now on.

In a related move, the Soviets charged Western Jewish organizations with violating tacit agreements on the emigration of Jews from the Soviet Union to Israel. Moscow charged that only 10% of the Jews leaving the Soviet Union (a total figure of 1,169 alone in May!) actually arrive in Israel. The other 90% prefer to live in Western Europe and the United States, because of the generally better living conditions. Moscow wants this to stop, or else.

All of this sheds some light on another recent affair. In mid-May, the media in Germany reported on the alleged mismanagement of Jewish funds under the late Werner Nachmann, the longtime head of the German Jewish Council, who died unexpectedly of a heart attack in January 1988. Perusing his books, lawyers found that he had diverted some DM33 million from compensation funds for Jewish Nazi victims. The money was laundered through Nachmann's 18 personal small enterprises, ending up in France, Switzerland, and Italy.

"Mismanagement, theft of funds!" shouted the media and spokesmen of the Jewish community in Germany. Nachmann had, however, not put the DM33 million into his enterprises—which he left in a state of bankruptcy when he died—but had funneled the money to the vast Jewish dissident underground in the East bloc.

This was well known to even those

Jewish officials who used the question marks in the Nachmann case to call for a purge of all his political networks in the German Jewish community. Among those who criticized the Nachmann operation the loudest in the media, was Heinz Galinski, the new head of the German Jewish Council, and Frankfurt-based mobster Ignaz Bubis, a figure tied into the Ariel Sharon-Edgar Bronfman networks of organized crime. The media campaign against Nachmann was led by journalist Ulrike Holler of the left-wing radio station, Hessischer Rundfunk. She used information based on tips by Bubis, and exclusive dossiers on Nachmann she obtained from the East Germans directly.

This brings us back to two other affairs. In the summer and autumn of 1987, Edgar Bronfman, head of the World Jewish Congress and an heir to the Seagrams' fortune, negotiated with the Soviets on Jewish affairs in the East bloc. This effort was backed by the U.S. State Department, in the context of the ongoing summit talks. One of those who opposed these special deals was Werner Nachmann, whose sudden death removed a chief obstacle for Bronfman inside the German Jewish community.

Then, on May 3, 1988, East German Politburo member Hermann Axen arrived in the U.S. for meetings and speaking engagements sponsored by the State Department. Axen, the highest East German party official to enter the United States since 1945, also met with representatives of the Jewish Claims Conference and Bronfman's World Jewish Congress.

The June 6 meeting between Galinski and Honecker proceeded in the political tracks of Bronfman's secret talks with the Kremlin leaders and their puppet regime in East Berlin: a sellout of East bloc Jews right in line with the INF sellout of Western defense.

Israeli nationalists on the move

Retired generals and colonels are taking up the cause of the peace camp—and they may speak for the active military as well.

In coming weeks, Israeli citizens will be treated to the rare spectacle of retired Israeli high-ranking officers, together with scientists, touring the cities and villages to explain why Israel should negotiate a peace settlement now. They will explain the need for a withdrawal from the West Bank and Gaza occupied territories, and why talks should even be held with the PLO of Yasser Arafat.

Although this message has been coming for years from "Peace Now" or dozens of other organizations, what's new is that the message will be delivered by Israel's military-industrial complex.

The sponsors of the campaign are gathered in the "Israel Council for Peace and Security," founded in April with 400 members, 100 of them high-ranking officers. Its fulcrum is the Tel Aviv Center for Strategic Studies led by Gen. Aharan Ya'ariv, formerly of Military Intelligence. It also includes General Lapidot and Gen. Motti Hod, both former Air Force Chiefs of Staff, former Mossad director Yitzhak Hofi, and Avraham Adan, a National Police Comptroller.

The Council's spokesman is Moshe Amirav, a former member of Herut, the inner core of Likud, expelled from his party earlier this year after he had met with PLO representatives in Europe. In an interview with *EIR's Middle East Insider* of June 13, Amirav stressed the Council's theme that Israel is strong enough to face peace. His colleagues have argued that Israel's military high technology—including missiles, and (though left

unsaid) Israel's possession of nuclear weapons—are better guarantees of Israel's security than control over lands.

The Council wants to be a non-political party organization. It will not campaign for the October parliamentary elections. Its creation points to a more fundamental phenomenon inside Israel. Israel's political system is in deep crisis, and the Council says that it is a "time for revolutionary thinking," which both the Labor and Likud parties reject.

Early in May, a non-extremist Jewish Orthodox representative in the Labor Party, Rabbi Hacohen, blasted both Prime Minister Shamir (Likud) and Foreign Minister Peres (Labor) in the Knesset. Hacohen argued that Israel's leaders should not be surprised to find out that Jews are not proud of their homeland, when they see cabinet ministers associated with the U.S.-based, shady financier Meshulam Riklis, or when they see Peres and Shamir "having international conferences organized and paid for by Edgar Bronfman, Saul Eisenberg, etc." Observers called Hacohen's speech, which led Shamir to call him "vulgar," a typical "Israeli nationalist outburst" against the financiers who are seen as deciding national policy. It is a rebellion against Israel's establishment, which has imposed the de facto two-party system for the last 40 years.

The danger is that, with both Labor and Likud temporizing on the crisis in the occupied territories, many are led toward extremist solutions. Terrorist Meir Kahane's base has been growing steadily in recent months,

primarily recruiting from newly settled American Jews.

It was to contain that danger that the Council for Peace and Security was founded, seizing the ground otherwise dominated by the extremists—the national security issue. Several unconfirmed reports have hinted that behind the Council, made up of retired officers, is the active military leadership around Chief of Staff Dan Shomron, and Central Command (West Bank) Gen. Amiram Mitznea, who have openly clashed with the political leadership. In any case, broad strata in Israel's military-industrial complex have decided it is time to present an alternative to policies which are leading Israel into disaster.

One incentive is a nationalist awareness that unless Israel takes its own initiative now, it will become but a pawn in a superpower game. On June 3, the former cabinet spokesman of Menachem Begin, Arye Naor, long an advocate of peace negotiations, warned Israel to remember how easily Washington had dropped Taiwan to choose Beijing. Pointing to the recent spate of U.S.-Soviet negotiations, he said that unless Israel "takes its own initiative to revive the peace process now," it will become the "object of power policy by the superpowers, jointly or separately."

Neither Labor nor Likud is rising to the challenge. Shamir advocates a total rejection of any superpower-imposed solution via an international peace conference; Shimon Peres pins his hopes on the superpowers' ability to impose a solution over Israel, and the region. Both positions smack more of electoral posturing than of real policy initiatives. Hence, it is a race against time between the military-backed advocates of peace negotiations now, and the crazies who would rather set fire to the whole region than negotiate.

International Intelligence

Brazil begins military relations with Soviets

For the first time in history, Brazil and the Soviet Union will exchange military attachés. Since the Brazilian Expeditionary Force engaged in heroic combat at Monte Cassino and other battles in Italy during World War II, Brazil's military has seen the United States as its strategic ally. It has been the bulwark of anti-communism on the South American continent.

Heretofore, the Brazilian military has refused, on principle, to send attachés to any of the Soviet bloc countries. It has also thwarted many initiatives by the foreign ministry (known as Itamarati) for closer cooperation with the Soviets and their surrogates.

The Brazilian geopolitical shift from the unmistakably anti-Soviet posture enshrined in the 1947 Rio Treaty for hemispheric mutual defense may well be the result of secret "regional" deals between the two superpowers made during the recent Reagan-Gorbachov summit.

During the Italian campaign, the liaison between the Brazilian forces and U.S. General Mark Clark was Vernon Walters, who has since served as deputy director of the CIA and is now U.S. ambassador to the United Nations. Walters sponsored Brazil's 1964 coup and got the Brazilians to take formal charge of the 1965 Santo Domingo invasion.

Walters visited Brazil in May. He apparently stressed that, from now on, the United States would define its "hemispheric security" goals—such as crushing Panama—in consultation with Moscow. Brazil's military anti-communists were left out on a limb.

Will Brazil return to monarchy?

The Brazilian Constituent Assembly has passed a resolution calling for a plebiscite to

be held in 1993, on whether Brazil should have a parliamentary or presidential system. The Constituent Assembly is now debating a new constitution for Brazil.

The same resolution, however, had attached to it a clause saying that also to be voted on will be whether Brazil is to remain a republic, or return to being a monarchy!

This is the first time in memory that there has been such open confirmation of the long-range intentions of Brazil's oligarchy, supporters of the Bregança pretenders to the throne of Brazil, and, a different branch of the family, to the throne of Portugal.

Pan-Europeans plot 'Common European Home'

The Soviet-fabricated concept of a "Common European Home," meant to imply that Western Judeo-Christian Europe has more in common with heathen Russia than with the Judeo-Christian Anglo-Americans, was discussed at a congress of the conservative Pan-European Union (PEU) in Karlsruhe, West Germany in the first week of June.

The Pan-European Union *does* have much in common with heathen Russia. It was founded earlier in this century by Prof.-Gen. Karl Haushofer, the man who inspired Adolf Hitler to write *Mein Kampf*.

PEU international chairman is Archduke Otto von Hapsburg, emperor-pretender of Austria. The cultural, economic, and security panels of the conference discussed the future of a "European Home from the Atlantic to the Urals." Several speakers elaborated on the theme that this would be a Europe with reduced American presence, but with more integrated defense among the West Europeans.

The PEU is positive toward the Russian Orthodox Church's "Millennium" celebrations now ongoing in Moscow, as a vehicle to promote "partnership with the Russian people." An official of the Soviet embassy in Bonn attended the PEU conference and was also allowed to speak.

Calls for cooperation with Moscow were

often quite open: The chairman of the German-Russian Society, Siegfried Keiling, said that postwar friendship between Germany and France should now be replicated by "friendship between the German and Russian peoples." He spiced his presentation with select examples from history, the Holy Alliance and Congress of Vienna in 1815 through Bismarck's diplomacy with the Czar in the 1880s.

Arafat, Savimbi, Mobutu feared on hit list

Informed sources have told *EIR* that as a result of "regional matters" discussions between the U.S. State Department and the Kremlin, culminating during the Reagan-Gorbachov summit in Moscow at the end of May, Palestine Liberation Organization chairman Yasser Arafat, and Zairean President Mobutu Sese Sekou have been targeted for assassination.

EIR earlier reported that the pro-Western head of Angola's UNITA resistance fighters, Dr. Jonas Savimbi, has been targeted for assassination because he, like Arafat and Mobutu, is an obstacle to superpower deals over their respective regions.

As in Savimbi's case, *EIR*'s sources report, Tiny Rowland's LonRho (London Rhodesia) network is one of the agencies mandated to carry out the killings. Rowland is an asset of the British crown, seconded to that interface between Eastern and Western intelligence establishments known as the "Trust."

Castro to invade Namibia?

Fidel Castro has let it be known that he may be planning to invade Namibia (Southwest Africa), the South African protectorate to the south of Angola, where the Cuban dictator has 30,000 troops stationed. Diplomats who attended a closed door meeting of Non-aligned foreign ministers in Havana at

the end of May made Castro's threat public.

The June 6 *Washington Times* reported that South Africa has demanded a guarantee of non-intervention in Namibia from the Cubans, during the course of regional discussions in Lisbon among Angola, South Africa, Cuba, and as mediator and observer, respectively, the United States and the Soviet Union.

But the diplomats on hand in Havana reported that Castro said that South Africa "is in no position to demand anything." Castro reiterated a plan for withdrawing his troops from Angola over four years.

He then said that Cuban troops were bivouacked only 30 miles from the Namibian border, giving them control over reservoirs supplying water to most of the northern part of Namibia. A squadron of MiG-23 jet fighters is also in the area, and a new airstrip is being built in southern Angola, at Xagongo, 36 miles from the Namibian border.

Reuter reports from Lusaka, Zambia that Angola's ambassador there said that UNITA rebels, meanwhile, were moving their main bases to Zaire to prepare for a thrust at Angola's economic heartland in the north. He said U.S. aircraft were ferrying UNITA equipment. If true, a Cuban thrust to the south would be foolhardy, opening a second front when Cuban and Angolan troops combined, for all their Soviet advisers, have been unable to handle their present single front with UNITA.

AIDS warning issued in Thailand

AIDS has struck every risk group in Thailand and is now becoming uncontrollable, the May 21 *Bangkok Post* quoted a Chulalongkorn Hospital expert.

While the number of full-blown cases has remained the same, only 9, over the past four months, the number of persons who have tested positive for antibodies to the AIDS virus has soared, Dr. Prapan Panupak said.

He stressed that those who have tested positive can spread the killer disease swift-

ly, and described the national picture as "hopeless."

In January 1988, 161 people tested positive, but that figure had jumped to 637 by May 1. "At present, we find the AIDS virus among drug users, men and women in the sex-services industry, inmates, children, as well as blood transfusion recipients," he said.

Missiles stationed closer to Korean DMZ

North Korea has moved Soviet-made surface-to-air SA-5 missiles within 70 miles of the South Korean capital of Seoul, according to news reports.

The deployment poses a serious threat to the security of South Korea, Seoul's defense minister, O Cha-ok, told an emergency meeting of senior military commanders May 28.

Under the new Soviet deployment, a batch of SA-5 missiles have been installed in the last two months at four sites about 40 miles north of the demilitarized zone (DMZ), and within 70 miles of Seoul.

The U.S. State Department has reportedly sent a formal protest over the deployment to Moscow.

Meanwhile, police in Seoul detained 120 "students" as they headed toward the DMZ the evening of June 6 for a meeting with North Korean "students" to plan a series of demonstrations demanding reunification of the country and the removal of U.S. troops. The crackdown is being described as the "harshest government response" since South Korean President Roh Tae Woo took office.

In a campaign organized by National Council of Churches networks, the "students" from north and south have organized "a grand march" across North and South Korean territory Aug. 1-14: a "joint festival" at Panmunjom Aug. 15, and a "North-South student athletic meet" Sept. 14-17.

The two groups were to meet June 10 at Imjingak to arrange the activities. But now, the "students" from the south will not be making it.

● **HEBERTO CASTILLO**, presidential candidate of the communist-controlled Mexican Socialist Party, announced June 3 that he was giving up his flagging campaign, to throw his support to Cuauhtémoc Cárdenas, a nationalist running against the ruling PRI party of Salinas de Gortari. Cárdenas's campaign has gained wide support, leaving the communist front isolated.

● **THE ITALIAN** government June 5 approved a NATO plan to transfer 72 American F-16 fighter-bombers from Spain to Italy. The F-16s, comprising the 401st Tactical Fighter Wing of the U.S. Air Force, are now stationed at Torrejón air base near Madrid. Spain has insisted that they be withdrawn within three years. The costs of transfer will be paid by NATO.

● **EAST BERLIN** will be the site of a large conference June 20-22, sponsored by the East German and Soviet governments. Its theme will be the creation of "nuclear-free zones" worldwide. Two thousand participants from all over the world are expected to attend.

● **CUBA** will host a world conference in September dedicated to the celebration of a Brazilian voodoo-like cult. The World Conference on the Tradition and Culture of the Orixas will celebrate macumba dancing and other cultist activities. A number of temples dedicated to such cults exist in Cuba.

● **SOVIET** officials were inside the Philippines Senate when a "nuclear-free zone" bill, introduced by Sen. Wigberto Tanada, was being deliberated in May. The three Soviets argued that no country should be "burdened" by a foreign military presence, i.e., U.S. bases at Subic Bay and Clark airfield.

How the West is being 'psychically disarmed'

by Mark Burdman

One of the least noticed but most damaging aspects of the "New Yalta" complex of relationships between the Reagan-Bush administration and the Soviets, is that the Soviets have taken advantage of the "lowering of the guard" of the West, to launch a psychological and cultural warfare campaign to induce Americans and Western Europeans to drop their belief that the Soviets represent a threat, and that the Soviets are the adversaries of the West.

This so-called "building-down of the enemy image," or "reduction of the threat perception of the Soviet Union," is a daily topic in the European press, fed by Soviet-appeaser institutes like the **Pugwash Conference**, the **Stockholm International Peace Research Institute**, the **Starnberg group** of the Max Planck Institute in West Germany, and a plethora of "peace studies" departments of universities and colleges.

The issue is very simple: If citizens can be *induced* to believe something, even if it is a negation of reality, then they will act on that belief. On the one side, Gorbachov is like a traveling salesman, peddling the image of a "new, benevolent Soviet Union." Simultaneously, a Soviet-linked network of gnostic psychologists and peaceniks in the West, propounds what they themselves call "psychic disarmament"—of a unilateral sort, by the West only.

They have invented a term for those in the West who point to the reality of Soviet war preparations, control of international terrorism, and use of narcotics-trafficking to undermine the West: "collective paranoia."

The "reverse the enemy image" campaign, while it has been integral to the European "peace movement" since the early 1980s, really began to receive high level sanction from the American liberal establishment in the period between the October 1986 Reykjavik superpower summit and the December 1987 signing of the Intermediate Nuclear Forces treaty.

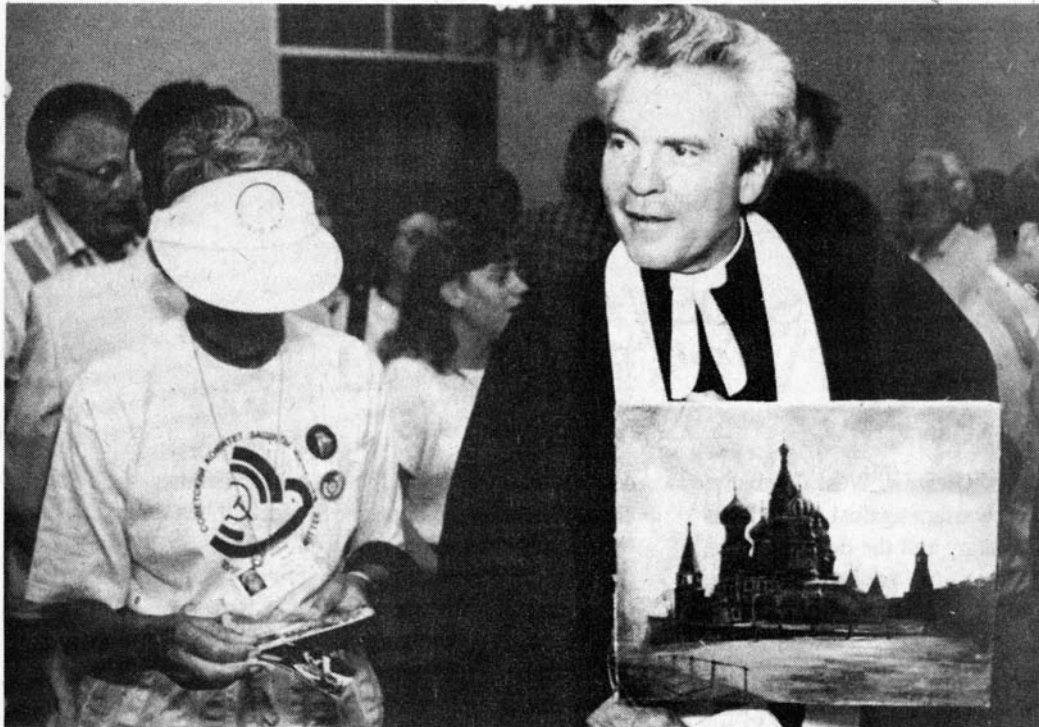
One insidious element in this, was a late-1987 accord between **Charles Z. Wick**, the head of the United States Information Agency (USIA), and Soviet government spokesmen, to set up a U.S.-Soviet commission to investigate and possibly even prosecute, those in the Western media who continued to purvey the "enemy image" of the U.S.S.R.

Harvard's Center for Psychological Studies in the Nuclear Age

A key think tank providing input for Wick, is an institute affiliated with the Harvard Medical School, called the **Center for Psychological Studies in the Nuclear Age**. On the advisory board of this East-West psychological warfare institution, are such figures as **Joseph Nye** of Harvard, formerly with the Carter administration and now a chief adviser to the Dukakis campaign; ex-Secretary of Defense **Robert McNamara**; Princeton Sovietologist **Stephen F. Cohen**, a leading propagandist for the rehabilitation of Nikolai Bukharin; **David Rockefeller, Jr.** of Rockefeller Family Associates; **Marshall Shulman** of the Averell Harriman Institute of Columbia University; **Dr. Roy Menninger** of the Menninger Foundation of Kansas; and **Galina Andreyeva**, chairman of the department of social psychology of Moscow University.

One document by this Center stressed the necessity to "reframe the image of the 'enemy' to that of 'partner,'" and praised the work, in this direction, of the Pugwash Conference and the **International Physicians for the Prevention of Nuclear War (IPPNW)**.

In this complex, a pivotal figure is **Dr. Horst-Eberhard Richter** of Giessen, West Germany, the only West German member of the advisory board of the Harvard-linked Center, the founder of the West German branch of the IPPNW, and



Stuart Lewis

American peace marchers, freshly returned from a trip to the Soviet Union, attend a reception on Capitol Hill, in July 1987. The propagandists of the "New Yalta" are trying to brainwash citizens of the West to give up their "enemy image" of the U.S.S.R.

an ideological guru of the West German Green movement. To most Americans, Richter's ideas would be so absurd that it would seem that he was telling a string of macabre, sick jokes in his various books and articles. Yet, on the day the INF treaty was being signed, Richter was being treated as a special guest at the American embassy in Bonn, to celebrate the signing.

The 'enemy' is Western civilization

As the accompanying report by Gabriele Liebig shows, Richter's own "enemy image" is Western civilization itself. He claims that there is "collective paranoia" behind those who see the Soviets as a threat, but goes further than that. The very impulses of Western civilization itself are to blame for the "threat perception" of the Soviets. By combatting disease, man creates an "enemy." Similarly for discovering scientific and technological breakthroughs, or for nurturing the institution of the nuclear family. For Dr. Richter, for reasons detailed in what follows, life itself is the "enemy," and the human race must accommodate and subordinate to death and to the Devil, including if the latter is in the shape of the Russian bear.

For Richter and company, the United States, created as a republic expressing the belief in the increasing perfectibility of man, must itself be weakened and destroyed. The sense of moral-historical mission that has permeated American history must be undermined. Americans, they proclaim, must stop believing that the American republic is something "special." Said one collaborator of Richter in Europe who also works with the Harvard Center, "As long as Americans be-

lieve they are number one, and the Russians number two, how can there be this INF accord? You can't have the new agreements and this American belief, simultaneously. This will mean a difficult process of new reaction-formations in the American population, which will have to be managed."

Likewise, Richter and friends at the Center for Psychological Studies in the Nuclear Age propagandize against promoters of the Strategic Defense Initiative for portraying the SDI as necessary for the "restoration of America," and for using the technological breakthroughs associated with SDI development as a means of challenging the notion of "limits." The Challenger and Chernobyl disasters, respectively affecting space exploration and nuclear energy development, must be constantly brought to the attention of Western people, they say, to combat the "dangers of technological hubris."

Without such psychological manipulation, all the obsession in the U.S. establishment about the "decline of America," evidenced in the books of Paul Kennedy, David Calleo, Walter Russell Mead, and others, would come to nought. The breaking of the will to resist is decisive, in the question of whether the Soviet imperialists will rule the world in the coming decades.

Of course, the Horst-Eberhard Richters of this world would call us "paranoid" for making such a contention. But from the evidence adduced by Gabriele Liebig, the picture of the real mental disease poisoning the West emerges very clearly. Her evidence also presents a very cogent argument for why the U.S. Senate and President's recent ratification of the INF treaty must be overturned—on the grounds of collective insanity.

Horst-Eberhard Richter: Mother Russia's psy-warrior

by Gabriele Liebig

Prof. Horst-Eberhard Richter, of Giessen, West Germany, has been waging psychological warfare against the citizens of the Federal Republic of Germany and the defense of the West for decades. Now, those exertions are bearing deadly fruit.

Back in 1968, armed with Friedrich Nietzsche as his teacher, Fyodor Dostoevsky as his favorite writer, and the weapons provided by a psychiatric and psychoanalytic education of many years, Richter hooked onto the student revolts and did much to build up the "alternative movement." The "ecology" movement to him was a transitional step to the "peace movement."

Since 1982, Richter has been chairman of the West German branch of the International Physicians for the Prevention of Nuclear War (IPPNW). The IPPNW, with 150,000 member physicians worldwide—8,000 in the Federal Republic of Germany—is an instrument of Soviet psychological warfare, which openly characterizes its goal as "psychological disarmament."

The list of high-ranking Soviet functionaries in leading positions in the IPPNW reveals what the organization is all about. At the Cologne IPPNW Congress in 1986, the following were present, among others: **Vadim Zagladin**, Central Committee Secretary for Foreign Affairs of the Communist Party of the Soviet Union; **Yevgenii Velikhov**, leading figure in the Soviet nuclear and strategic defense programs; Soviet psychiatrist **Marat Vartanyan**, who specializes in committing dissidents to psychiatric institutions; **Georgii Arbatov**, whose links to Soviet military intelligence, the GRU, were listed in 1987 in the Italian newspaper *Corriere della Sera*, and who sits, together with KGB Gen. **Mikhail Milshstein** and KGB Col. **Radomir Bagdanov**, on the Palme Commission. Arbatov is one of 11 individuals who founded the IPPNW in 1980 in Geneva.

Yevgenii Chazov, the Soviet IPPNW head, is minister of health of the Soviet Union and head of that ministry's fourth central office, making him personally responsible for the large-scale Soviet civil defense system. The IPPNW, of course, castigates and boycotts civil defense in the West as "preparation for war." He is the personal physician to Mos-

cow's elite. Since 1974, he has been a member of the Nationalities Senate of the Supreme Soviet and, since 1982, a member of the Central Committee of the CPSU.

The IPPNW also has "American" leaders. Take **Bernhard Lown**, who has received a Nobel Peace Prize. He emigrated from Lithuania to America with his parents in 1935, and after the war, founded the International Student Union (IUS), known then as a front for the Soviet KGB.

'Identification with the threatening enemy'

Horst-Eberhard Richter was born in 1923, and at the age of 18, went to Russia, where he began a career as a severe psychosomatic. A "post-diphtherial polyneuritis"—an inflammation of the nerves following an attack of diphtheria—protected him from the cauldron of Stalingrad. A rheumatic illness causing paralysis of the legs later enabled him to avoid working in a hospital under a tyrannical sergeant, whom Richter hated. When he finally returned home, he learned that both his parents had been stabbed to death by drunken Russian soldiers two months after the war ended. Richter reacted with new illnesses, an inflammation of the lungs, a new paralysis of the legs, and a "collective guilt" complex.

At any rate, that is how he presents it in his memoir *Die Chance des Gewissens (The Chance for Conscience)*, which appeared in 1986. That is, he defended the murderers of his parents with the argument: It is, after all, our fault, since we attacked Russia.

Psychiatrist Peter R. Hofstätter considers Richter to be "to a great extent an inwardly disturbed personality": "Since Richter received, as a 22-year-old, the news of the bestial murder of his parents and reacted psychosomatically to 'what my mother must have had to go through beforehand,' he is obviously no longer capable of conceiving of the Russians as aggressors. The defense mechanism of identification with the threatening enemy described by Anna Freud plays a role here as well as incest anxiety, which is even more deeply buried in the unconscious."

Richter began his psychosomatic career as a patient in a hospital for rheumatics. After the war, he studied medicine

and philosophy; his psychoanalytic education came later. His early publications, *Eltern, Kind, und Neurose* (*Parents, Child, and Neurosis*, 1962), *Herzneurose* (*Cardiac Neurosis*, 1969), and *Patient Familie* (*Family Patient*, 1970), contain partially correct, but hardly original ideas on child and family psychology. They also contain a growing bias against the traditional nuclear family as an institution.

But it was through the 1968 student revolt that he was first “made conscious,” as he wrote. Only then did he recognize that psychology as therapy is doomed to failure within the prevailing social institutions. Since then, he has mobilized his psycho-arsenal against the dominant social order. The tragic results of this destructive process we see daily before our eyes.

With the book *Die Gruppe* (*The Group*, 1972), Richter launched the first phase of the “group movement.” First from Berlin, and then from his Giessen psychosomatic clinic, he appealed to the dispersed remnants of the 1968 movement—high school and university students, leftist teachers, social workers, and homosexuals—to turn their backs on the nuclear family and to form communes. “Hope for a new way to liberate oneself and others” was the motto. Richter and colleagues functioned as the “psychological companions” of such groups, which pursued “self-knowledge” and did experiments with groups of children in anti-authoritarian education. “Sexual liberation” played a principal role. Other group activities were directed at so-called fringe groups such as the homeless, the anti-social, and prisoners.

Die Gruppe had the hoped-for impact; the book became virtually the bible of the anti-authoritarian movement.

The second phase of the group movement was aimed at “reform” of psychiatry in the Federal Republic. Richter’s books, *Lernziel Solidarität* (*Educational Target: Solidarity*, 1974), *Flüchten oder Standhalten* (*Running Away or Standing One’s Ground*, 1976), and *Engagierte Analytiker* (*Committed Analysts*, 1978) were aimed at the critics of abuses in customary psychiatry—psychosomatically oriented physicians, social workers, and also dissatisfied patients, the mentally ill, and drug addicts, who were to join together in “self-help groups” and work for a “revolution from below.”

Richter and his disciples were no longer concerned with curing psychological problems, in the sense of at least helping the sick adjust to society, but rather, with the adjustment of society to the sick. “It was gradually learned that the sick are better helped if, rather than ambitiously proceeding to change them therapeutically, one rather takes a positive attitude toward their weaknesses and peculiarities. The transformation must, therefore, begin with us, with the relatives, with the social environment. The process of accommodation now is in a reverse direction . . . namely, that we adapt social conditions to a considerable group of human beings who are unsuited for the high pressure and stressful activity that we commonly designate as normal.”

With this thrust, an avalanche of self-help groups, ther-

apeutic communities, and psychosocial work groups (AGs), under the leadership of Richter and, among others, the **Sozialpolitischer Arbeitskreis** (Social-Political Work Group, SPAK), spread across the land. Richter could proudly announce in the afterword to a new edition of *Die Gruppe* that the “Specialist Committee of Official Psychiatric Inquiry . . . explicitly recommended AGs of our sort, and not merely as an isolated model, but rather as a desirable grassroots organization for cooperation and coordination of psychological care in the Federal Republic.”

This “grassroots organization” exists today in the form of a dense network of thousands of psychosocial, school psychology, drug, and other counseling and contact offices, women’s centers, prisoners’ rehabilitation centers, homosexual and prostitute organizations, and the like. In and around this psycho-network was formed the **Self-Help Network, Inc.**; countless political “spontaneous groups” and “citizens’ ad-hoc groups” sprouted up. These, as Richter stated in 1978, “have become within a few years an influential political factor.” This psycho-network today forms the “nervous system” of the alternative movement.

After the NATO “two-track decision” in 1979 to deploy the cruise missiles in Europe, the ecology and anti-nuclear energy movement was re-tooled as the peace and anti-nuclear missile movement. Physicians and scientists were now more strongly targeted. In 1980, the International Physicians for the Prevention of Nuclear War was formed by Chazov, Arbatov, Lown, and other KGB types in Geneva. In 1982, Richter and a handful of professors founded the West German section of the IPPNW, with Richter as chairman.

Richter narrowed down his propaganda almost exclusively to undermining the Western will to defend itself. As a speaker at IPPNW or peace movement conferences, and at psychology meetings, he always advocates one or another variation on the same theme: To assume there is a Soviet threat, and to take appropriate measures for defense, is the expression of a “collective paranoia.” Anyone falls into this category who dares to point out that the Soviets have used “détente” for a gigantic arms build-up, and today, in the area of conventional as well as nuclear weapons, civil defense, and ABM defense, the Soviets are superior to the West. Should anyone go on to assert that the Russians, behind the facade of disarmament offers, are working feverishly to extend this superiority by introducing new land-based strategic missiles and increasing the number of short- and medium-range missiles, are improving “conventional” attack power, and are determined to have ground-based beam-weapon ABM systems by the end of the decade—the diagnosis of “paranoia” for him is conclusive.

The IPPNW’s role as an instrument of Soviet psychological warfare was more than obvious at its Cologne conference in 1986, shortly after the Chernobyl nuclear meltdown. Since the Soviets do not intend to close down a single reactor, but rather to increase nuclear energy production in the Warsaw

LaRouche forces target Soviet 'peace' planners

The International Physicians for the Prevention of Nuclear War is one of the Soviets' oldest vehicles for disarming the West, militarily and morally. At the IPPNW's international congress in Montreal, Quebec on the weekend of June 4-5, the Soviet representatives were rudely confronted with the reality of their plans for "Russian supremacy" by a team of political activists from the International Caucus of Labor Committees, associates of U.S. Democratic presidential candidate Lyndon LaRouche in Canada.

The ICLC members distributed a leaflet to the Congress exposing the reasons why Fyodor Dostoevsky, who advances the case that war has a positive, therapeutic effect to purge the social organism of "toxins" acquired in peacetime, has been rehabilitated in the Soviet Union.

At the first session of the congress, Yevgeni Chazov, U.S.S.R. Minister of Health, was confronted with his statement, previously carried in the Western press, that "the Russian race is genetically more resistant to AIDS." Chazov denied the statement, blaming the Western press for "misquoting" him. But later, his associate, Nikolai Bochkov, Director of the Soviet Institute of Medical Genetics, revealed his own Great Russian chauvinism, when he told the same ICLC questioner, Chazov's statement is "wrong—do you think there is a genetical difference between the American and Soviet people? The American people and the Soviet or Russian people are the same European race—Caucasian."

Soviet speaker Mikhail Gerasev, representative of the Institute of U.S. and Canadian Studies, took a similar tack, in a panel on space-based weapons, to avoid the embarrassing questions of the LaRouche associates. He denied Western press and military accounts of Soviet plans for space-based weapons development, though he was forced to admit, under ICLC questioning, that the Soviets are, indeed, developing radio frequency weapons.

The congress was greeted by U.S. Democratic presidential hopefuls Michael Dukakis and Jesse Jackson. Dukakis gushed out his pride in the fact that his Commonwealth of Massachusetts gave birth to the initiative which led to the founding of the IPPNW.

Pact fivefold by the year 2000, Soviet IPPNW members nixed any stance in Cologne against civilian nuclear power. To quote the *Rheinischer Merkur* (No. 23/1986), "Americans and Soviets came to an agreement in a conversation in Giesse with the German IPPNW activist H.E. Richter not to burden the Cologne conference with global proscription of civilian nuclear power."

It devolved on Richter to spread Gorbachov's propaganda formula on the subject of Chernobyl at Cologne: If Chernobyl was a catastrophe, how much worse, then, are nuclear weapons!

Earlier, in 1985, the year a Nobel Peace Prize was awarded to Chazov and Lown, Soviet party boss Mikhail Gorbachov had received the prize-winners and warmly "recognized" the work of the IPPNW. His predecessor, Yuri Andropov, characterized the founding call of the IPPNW as "in deepest agreement with the thoughts of the Soviet leadership."

Manipulation of fear

The manipulation of fear plays the essential role in psychological warfare. The intention is, of course, to soften the enemy's will to resist. Any fear of the consequences of ca-

pitulation should be taken away from the enemy, and capitulation made palatable to him; on the other hand, he is to have monstrous fear of what threatens him if he *does not* capitulate. On precisely this simple principle rests the ideology of the peace movement spread by Richter in West Germany. Germans are to have more fear of a nuclear war than of the Russians. The "enemy image" (*Feindbild* in German) of the Soviet Union is to be taken away, nuclear war demonized into something "unthinkable," as the absolute end of the world, and the mere thought of nuclear weapons and similar objects "cathexed," that is, inextricably tied emotionally, to the omnipresent, omnipotent, overpowering feeling of fear.

In a speech to a public health conference in Hamburg in 1981, Richter formulated his new theory of fear: "Many human beings come to us psychotherapists because of their fear. Fear that steals our sleep, that makes our hearts pound, that hinders our work. . . . But much fear is healthy, because the circumstances in which human beings live are unhealthy. Then fear is right, and confidence would be wrong. . . . Fear of nuclear armament is right, because it represents a real danger that is steadily increasing."

The following litany for the peace movement's prayer

wheel is reminiscent—especially because of the self-suggestive first person form—of the technique of autogenic training:

“1) My fear is justified. I stand by it because it is appropriate to the real danger. . . .

“2) I will not allow myself to be persuaded that either the West or the East is producing good and necessary bombs that are justified by the evil bombs of the other side. . . .

“4) Any form of thinking that pretends that it is necessary to be ready to fight for higher goals, I consider crazy or at least a lie. . . .

“7) The presupposition for my becoming involved is that I work together with other people or a group. . . .

“8) I need this common work, first, in order to strengthen my courage to resist with reciprocity and unity. This is to a certain extent a therapeutic effect of self-help groups.

“9) But I also need the group in order to further educate myself and gather information . . . because I could hardly fully process much of the difficult information and think the problems through to the end.

“10) For activities directed externally in the area of peace work, I also need group cooperation.”

The individual is to have fear and be swallowed up in a group; single “peace groupies” will be channeled into the “great movement,” where individual fears, transformed into fear of major world catastrophe, are to be “used for peace politics.” Meanwhile, Richter all the more passionately attacked fear of the enemy, of the Soviet threat, and, in general, of submission and capitulation. To exorcise these fears, he reached deep into his psychoanalytic bag of tricks: Fear is the basic feeling of screwed-up middle-class society. Since the individual fear-neurotic has a special inclination to form families, the “life form of the conservative petit bourgeois . . . [is] the symbiotic, mutually dependent ‘fear-neurotic family.’ ”

And that also colors society as a whole, since it is constantly necessary to shift its fear onto scapegoats or enemy-images. “And so, as in fear-neurotic families, they are constantly on guard to maintain themselves against the invasion of the evil by using phobic avoidances, fear-neurotic petit bourgeois individuals flock to the conservative leaders who promise to more sharply combat criminals, to prosecute the left protest group more strictly, to limit rights of demonstration, and, above all, to push forward arming against the communist East.” This evil is occasionally aggravated into “paranoid persecution mania,” which is dangerous and must be eliminated by the peace movement. Richter calls this process “psychic disarmament.”

Gulags for paranoids?

Fortunately, there are not yet gulags in which to lock up such unpleasant “paranoids,” who believe, despite all the peace propaganda, that we still need defensive weapons.

Even psychiatric institutions have not yet been sufficiently reformed to take dissidents with “anti-Soviet persecution mania.” But perhaps the IPPNW will bring that about.

Moscow psychiatrist Marat Vartanyan, a leading IPPNW member, is an expert in that area. In November 1985, Leonid Plyushch, a critic of the Soviet regime living in Paris, accused Vartanyan of belonging to a commission that had committed Plyushch to a psychiatric institute for many years on grounds of alleged catatonic schizophrenia. The British scientist Peter Reddaway, lecturer at the London School of Economics and author of two books on the abuse of psychiatry in the Soviet Union, reports that, in Oxford in 1976, before a group of doctors, Vartanyan characterized dissident Gen. Pyotr Grigorenko, who died in February 1987 in the United States, as mentally disturbed, suffering from “an acute form of paranoia.”

Yelena Bonner, Andrei Sakharov’s wife, in her book *In Einsamkeit Vereint (United in Loneliness)*, also describes Vartanyan as “director of the scientific center for mental illnesses,” and a “principal figure in the employment of psychiatry for political goals.” She heard that Sakharov, while in Gorky, had been treated with drugs and hypnosis by psychiatrists, including the hypnosis specialist **Valdimir Roshnov**, and expressed the fear that her husband “in isolation will be transformed into a living corpse.” Judging by how willingly Sakharov now is to allow himself to be used in Gorbachov’s campaign against the SDI, Bonner’s fears seem not to have been unfounded.

Richter himself, incidentally, visited the Soviet Institute of Psychiatry for three weeks in 1970. However, he devotes not a single word in his autobiography to what he saw there, doubtless so as not to arouse the fear-neuroses of West Germans. Yet he found it worth reporting that many Russians had congratulated him “because Willy Brandt is now deciding policy among us” West Germans.

Psychic disarmament

In virtually all of his books, Richter holds forth on the American Milgram Experiment. Stanley Milgram had, in a series of experiments, proved that average people can be seduced by a clever experimenter into torturing others. The subjects of the experiments, who had answered advertisements, were told falsely that they were to work in a behavioristic “learning experiment.” If a second experimental subject—in reality, an actor—were to give a false answer in a memory test, the first was to administer an electrical shock of increasing intensity. The hideous result of the experiments was that over 60% of those tested—insofar as they went along with the nonsensical experimental set-up and the administering of electrical shocks—advanced to a highest shock-level of 435 volts. They were very bothered by the screams of the “victim,” and expressed reservations and resistance, yet they obeyed the orders of the experimenter, who repeated

that he guaranteed the harmlessness of the shocks, and that the experimental subject "had no other choice but to carry the experiment to a conclusion."

Milgram's experiments are not merely a warning against blind obedience, but a warning to those who wield authority over others not to abuse their positions of responsibility.

Psy-warriors, however, interpret these experiments quite differently, as an encouraging proof of the manipulability of human beings, and thus, of the enemy population, if only one assumes the mantle of authority—of the professor of psychology or the Nobel Peace Prize winner—and if appropriate, effective methods are employed.

"Brought to full consciousness through the impetus of the '68 generation," and schooled on the spot for three weeks in Russian psychiatry, at the beginning of the 1970s, Richter set about building up a political movement, using group-dynamics techniques aimed at a "consciousness transformation of broad social groupings." Students and young parents are supposed to form communes and carry out anti-authoritarian experiments with their children; the mentally ill are to help one another in groups; heterosexuals are to join with homosexuals, in order to gain practice in tolerance.

In *Die Gruppe*, Richter characterized this venture as "social experimentation"; in *Lernziel Solidarität*, he spoke of "reeducation." Whoever "educates" his child makes it into a "narcissistic object of exploitation" by inducing the child to achieve what he has not himself managed to do. There is no discussion of children's intellectual education in the "children's groups" chapters of *Die Gruppe*, but instead, of anti-authoritarian methods and "sexual liberation." It is precisely the "intellectualization of society" that Richter is out to fight; the dominant "head thinking" is "masculine" and calls forth the "rebellion of feelings" and "feminine values." In *Die Gruppe* and other publications of the 1970s, Richter successfully rides the anti-authoritarian wave, bringing frustrated women and the mentally unstable and ill into rebellion against "masculine megalomania," which supposedly is tyrannizing society.

All that is challenging and, in particular, that which is excellent, is reviled and butchered as pathological, whether it be extraordinary professional achievements or other characteristics by which a human being raises himself above the mass. Thus, Richter states in *Flüchten oder Standhalten*, that, as a rule, all supervisors are neurotically unbalanced. As a special style in this chapter, Richter uses in almost every line the term "boss," and finally brings forth the following diagnosis in italics: "*Those who have above-average intentions to ascend to leadership positions have fundamentally more fears than other people of freely integrating themselves into groups in which they do not enjoy an especially pampered protection. Their fear-conditioned inability for solidarizing behavior leads them to seek and find the way up, which is, ultimately, merely a matter of getting means of power for keeping their fellow men at a distance.*"

Enthusiasm is forbidden; rather, what is demanded is a cult of piteousness. "It is a matter of recognition and reintegration of those aspects of frailty, weakness, and suffering that are suppressed by men both psychically and socially in our patriarchal society." The humanistic demand for self-perfection and overcoming faults and weaknesses is expressly rejected by Richter. "Reeducation to a new kind of courage is offered. That is the courage to also be able to retreat, to accept oneself as imperfect, to reconcile oneself with weaknesses instead of fighting them as 'inner cowardice.'" "

But alas, someone does it anyway. Someone does something wonderful through his own efforts; Richter accuses him *a priori* of the crime of doing it at the expense of the others, and illustrates this with the case of an "overpowering father," a high official who wrote a treatise on Goethe's *Faust*, and supposedly needed the impotence of his weak son Martin for his own self-affirmation. Each month the son spends his entire actor's honorarium in a single evening to get dead drunk. "After almost 100 years of psychoanalysis passed, it can now be comprehended that the mentally 'ill' are only the reverse side of the psychically 'healthy' . . . Generally, where imposing excellence is unfolded as in the picture of Martin's father, this is connected with displaced poverty and littleness, not only internally psychically, but also in the social frame of reference."

We should not fail to note that Richter uses here, for his twisted purposes, the well-known neurotic problem that many human beings feel threatened by especially good ideas or achievements by their peers. Richter strengthens this unhealthy mechanism, and insists that all "ideas of greatness," wherever they show themselves, are to be promptly dragged down from their pedestal.

Thus it is no surprise that in the parent-child groups "psychoanalytically accompanied" by Richter, there is no talk of intellectual stimulation and nourishment of the child's joy in discovery through playful instruction in music, painting, writing, reading, and handicrafts, but on the contrary, talk of "experiments in sexual liberation" and "experiments with aggression." With voyeuristic meticulousness, Richter describes the sexual experiments with four-year-old Petra, who was supposedly suffering from "penis envy." "Jutta said that she had explained to her daughter Petra the anatomical sexual differences. She had precisely described to her the vagina and the clitoris and . . . also explained the function of the sexual organs in the sex act. The daughter had listened with great interest, and, in Jutta's opinion, accepted the presentation with satisfaction. Clearly, the explanation stimulated Petra. Then, on the next meeting with Werner, her friend of the same age, Petra took the initiative in a sexual experiment. She tested various positions with Werner, now sitting down, now lying down. At first, she was dissatisfied that it didn't work. But finally, it did seem somehow to half-work. . . . Jutta was expressly relieved."

Petra is today around 20 years old, if she has survived the

procedure of "sexual emancipation." Those are considered sexually emancipated who change partners without feelings of guilt or claims of possession.

As one might suspect from all this, since the early 1970s, Richter worked for the spread of promiscuous homosexuality among youth and for the creation of the "gay lobby." For Richter, "homosexuality [is] not a clinical problem," that is, he does not treat it. On the contrary, he finds it quite lawful that many analysts are themselves homosexual, and gloats that "homosexuality, even masculine, even if only slowly and with tenacious exertion, [is achieving] progress in the struggle for societal recognition." In *Lernziel Solidarität*, he expressly recommends "mixed communes of heterosexuals and homosexuals. . . . Such experiments are particularly important, because they help revise the prejudice that homosexuals in a heterosexual society must necessarily flee into their own subculture and form homosexual countersocieties in order to maintain themselves at all. . . . Here we see how both sides experience the association as an enrichment and that the different sexual constitutions need not disturb the cohesion of the group."

The tragic result of such advice is the international homosexual movement, whose major organization in West Germany today is called AIDS Help. The fate of this artificially puffed-up "risk group," as it is now called, seems sealed, and many of those afflicted may regret having been drawn, out of simple curiosity, when still heterosexual years ago, into one of Richter's "mixed" communes.

Solidarity with disease

Richter himself will obviously incorporate the AIDS epidemic into his interpretation of disease as a welcome "protest of reason against irrational destruction." Disease is for him, indeed, no "enemy-image" that we should fight or heal. Disease demands, rather, solidarity and, if necessary, modification of the surrounding society. "Pathological deviation can be a signal that shows the way from psychosomatic supervision toward critical social action."

Some of Richter's colleagues have protested. In a polemic against Richter that the daily *Frankfurter Allgemeine Zeitung* did not want to publish at the time, he was denounced for "his false maxim, to accept human susceptibility and suffering with resignation."

The remarkable expression "psychosomatic subversion" implies that the "enemy-image disease" has given way to another enemy-image: With disease as a weapon, society is to be undercut. We are reminded of the passage in F.A. von der Heydte's book, *Modern Irregular Warfare*, "The weakening of willpower in the ranks of the enemy and the lessening of mental and physical productive ability is the goal of the psychological struggle in the preparatory stage of an irregular war."

Richter's efforts around "reeducation" and "change of consciousness of broad social groupings," can be summed

up as the attempt to undermine the citizens' identity as creative and proficient individuals, by psychologically denying them everything that makes up such an identity. As a substitute, he offers the pseudo-identity of the sufferer, the pitiful one, victim of this society. Wisdom and self-knowledge lie in the recognition of oneself as victim. What remains is a pile of misery that breathes into a microphone at a peace meeting, "I'm afraid."

'Who would not suffer, must hate'

The number of such "pictures of misery" has, as expected, grown in recent years. Their conditioning into the "militant peace movement" takes place according to a pattern of cathexes of definite emotions—fear and rage—to definite concepts or objects considered symbols of war: weapons in general, nuclear bombs (in turn associated with nuclear power plants) and, of course, the SDI, the missile defense program that was immediately re-labeled "Star Wars."

Every psychoanalyst is familiar with the concept of cathexis from the treatment of neurotics, where the problem is to free patients from being automatically subject to cathexed emotions at the mention of certain subjects or words. Richter turns this upside down. At the sight or even the thought of nuclear missiles—NATO's, since one seldom sees the Soviets—irrational fear will occur. This effect can be whipped up by showing films on nuclear war, as Richter recommended in 1982 at the Second International Congress of the IPPNW in Cambridge.

This is how the peace movement recruits. And Richter, the best-selling author, does not shy away from intervening deeply into the subconscious of his readers as well as his patients in order to attain certain goals. At the end of *The*

"Subversive propaganda among the enemy troops . . . is one of the means of psychological warfare during the preparatory phase of an irregular war. . . . In time, this psychological war is expanded into a war of nerves, which . . . uses the mass media and verbally transmitted news in order to demoralize.

"Resistance requires sacrifices. The goal of weakening the enemy power of resistance and the enemy's will to resist is attained when there is success in reducing the enemy's willingness to sacrifice. . . .

"Sacrifice means doing without. Therefore, voluntary or forced doing without—doing without in itself, without regard to what—is denounced among the enemy as foolish, and living life to the fullest and letting oneself go—giving in to drives and the pleasure of the moment—is preached to the youth in the enemy camp as the ultimate wisdom of life."

—F.A. von der Heydte, *Modern Irregular Warfare*

God Complex, the grotesque psychoanalysis carried out on Martin, the aforementioned victim of a super-father, is described in detail. Richter describes Martin's dreams during analysis, when the psychological "killing of the father" was pending, the clinical sense or nonsense of which will not be discussed here. Martin thus dreamed of his threatening super-father, who appears to him in the form of a war-mongering American general!

In the second, crucial dream, in which the killing actually takes place, the father appears as a ship's captain who intends to drown a Jewish baby and is also armed with a beam weapon: "I swim to the ship with the pistol and see that the captain expects me. . . . As I swim up to him, I see that he has on his ship a spotlight sort of thing, round. Like a mirror. It sends a white beam of light upward. Really not like light. The beam was shining white, but focused. With this beam he destroyed an airplane. I was crazy with fear. It was clear to me that this man was immune to bullets. This beam was a connection to the above, to higher forces. He stood in contact with supernatural powers."

What of terrorism?

Madness, but with method! If Richter perpetuates such irrational nonsense in books for the general public, then what might he dish out in his sensitivity group sessions, when no outsiders are listening? The trick consists of heightening existing weaknesses, to suggest to human beings that universal wisdom is found in their navels, and irrational, neurotic gut feelings are right in dubious cases.

What happens if this demon from the gut makes itself independent and wants to kill and destroy, not merely in dreams, but also in the real world? Whence do you think came the radicalized, militant "peace fighters," each of whom on average is responsible for three attacks against NATO installations, power poles, and computer centers?

Officially, of course, Richter has to reject terrorism and violence. Between the lines, however, there are quite other resonances. Thus, Richter, in the work *Frieden und Psychologie (Peace and Psychology)*, seems to regret, while attacking the use of computers in the security field, that "leading terrorists have become a victim of the computers in the Federal Bureau of Criminal Investigation."

A further example is the extremely ambiguous sentence, "Who would not suffer, must hate," the title and *leitmotif* of Richter's report at the Römerberg Discussions in 1979. Richter's excuse is that the whole speech is a plea for "learning to suffer." But whoever has met a group of punkers on the street who suddenly snarl out the newly fashionable word "hate," will realize what comes of giving people the sadistic alternate of suffering or hating.

Another haunting sentence from Richter is this: "I can only be myself through resistance." Richter's IPPNW understands itself as a sort of general staff for this organized resistance against the existing "social system" of the Federal Re-

public of Germany. The "Documentation of the Fourth Medical Congress for the Prevention of Nuclear War, 1984," in Tübingen, a meeting of the South German Physicians' Ad Hoc Group and the IPPNW, reads like a handbook for irregular warfare:

"Nonviolent actions prepare for a new social system. . . . The individual actions can be ordered along a scale. **Theodor Ebert** thus constructed three *escalation steps*: on the *first* and *lowest* step stands the resistance weapon of *protest*: it takes the form of leaflets, brochures, meetings, marches, etc., and aims at the mobilization of a broad mass. . . .

"On the *second step of escalation* is found the resistance method of *legal non-cooperation*, consisting, for example, in consumer boycotts . . . strikes, in boycotts of schools and universities, in boycotts of phony elections. . . .

"The *third escalation step* encompasses the resistance methods of *civil disobedience*, that is, open and nonviolent disregard for laws and regulations. Examples are blockade actions in front of Pershing missile depots and barracks, refusal to pay taxes, burning of service record books, total refusal to serve militarily. Civil disobedience should be accompanied by *civil usurpation* as a *constructive supplement*. The latter means acting as though the new social system were already in existence and we were to have roles to take in that. Examples are . . . the occupation of rocket bases and then doing agricultural work, the formation of self-ruling groups and paying taxes to those." (Emphasis original.)

Fortunately, the continuation of the ladder of escalation to actual usurpation, to the coup d'état on Day X, still cannot, for constitutional reasons, be found in generally accessible writings, but it is certainly in the internal papers of the terrorist milieu and in the letters from the Red Army Faction taking responsibility for terrorist acts. The enemy-image here is identical with that of the Soviets: *the military-industrial complex* in the West.

Richter said at the Second International IPPNW Congress in 1982: "We must reflect on the decisive role of our psychic energies, which can aim either at destruction or at survival in trusting cooperation. The auto-dynamic of the *military-industrial complex* and the profit interests of the armaments economy represent another important determinant. But to capitulate to this anonymous power complex would mean that we would give up our very selves."

The following was written in the program of the Frankfurt terrorist congress, Jan. 31-Feb. 2, 1986, where 1,000 RAF sympathizers exchanged ideas unhindered with representatives from the ETA, IRA, the PFLP, the Red Brigades, and the Bonn Libyan People's Bureau: "With SDI and Eureka, we intend to work out . . . what the dominant tendencies are now—the tendency toward monopolization and war. The meaning that the MIK [military-industrial complex] has in that—as a determining power factor."

One working paper at the congress, which later appeared under the headline "Direct Action" in the terrorist rag *Radi-*

kal, called for violence not only against objects but also against “the ones responsible”: “Like the NATO pipelines, construction firms can be attacked with very little risk, since there are simply too many construction sites and truck fleets for them to be watched around the clock. . . . There is something more to be added to this topic: We consider actions against *those responsible* in all areas not only to be sensible but for the long-range perspective in general. . . . Actions like those against R. Niedballe [referring to an arson attack on the automobile of the architect of the most modern jail in Europe] or Ganschow [ransacking of the home of the state security head] in Berlin occurred at a point where our actions are not only unambiguous but understandable. . . . Certain ‘objects’ can be watched, but certainly not all important state functions. After the *shooting of* [SDI-linked German industrialist] Zimmermann there was—*just after the sensitization toward armaments that occurred out of the peace movement—understanding* expressed in many writings. The right determination of this attack worked positively against the slander campaigns that are being carried out against the RAF.” (Emphasis original.)

A few months after the Frankfurt terrorist meeting, RAF attackers murdered Siemens chief scientist Prof. Karl-Heinz Beckurts and his driver. The letter taking responsibility asserted: “Beckurts represented precisely the direction of international capital in the current phase of the political, economic, and military strategy of the total imperialistic system and pushed it forward. . . . Siemens is the largest high-tech firm in West Europe and is globally—as KWU—the third largest nuclear firm. It represents, as hardly any other firm in the F.R.G., the concentrated power and aggression of the most reactionary factions of the bourgeoisie organized in the MIK and [their] attempt to force the socialist states to capitulate.”

Previously, in 1970, Richter came into contact with a project that ended up in terrorism. The same year, he spent three weeks visiting Soviet psychiatric institutions. More precisely, he was assigned the task by the rector of Heidelberg University of giving an expert opinion on the **Socialist Patients’ Collective** (SPK). Richter reported this episode in *Die Gruppe*: “Patients with mental disturbances congregated around one doctor (Dr. H) in the Heidelberg University Mental Clinic. The doctor came into conflict with the management of the clinic and was released. A portion of his patients solidarized with him. Common protests led the rector of the university to rent space in town for the group where the doctor was to have the opportunity to bring his current treatments to a conclusion.”

In his July 10, 1970, evaluation of the SPK, Richter had no objection to the SPK’s fundamental principle, that patients engage in “active, even guiding” psychotherapy within the group, nor to the “connection of psychiatric or psychoanalytic therapy with discussions of sociological, economic, political subjects to the point of subordinating psychotherapeutic aspects to a political, largely socialistic conception of

objective.” He criticized, on the other hand, “the deficient staffing with competent medical personnel (1 psychiatrist to 150 mental patients),” the “isolation from other psychiatric services” and the all-too-strong “expansion” of the SPK. And, although he stated that the SPK “formed, under the influence of a group dynamics process, a true collective self, [and that] the commitment for the common project [can] be called fanatical,” his recommendation at the end, subject to a series of conditions, was: “In general, I recommend making possible a continuation of the project of the SPK.”

Ultimately, he reports, the SPK fell into a “paranoid collective neurosis” and turned into a “battle group filled with blind rage.” Several arson and bomb attacks were ascribed to the SPK. In July 1971, seven SPK members were jailed and, in the cellar of the SPK’s offices were seized, among other things, high-caliber pistol ammunition, radio equipment, break-in tools, equipment for falsification of truck and driver licenses, photos of utilities plants and vital installations in Heidelberg against which bomb attacks were to be carried out, and the handbook of the Swiss noncommissioned officers’ group, *Total Resistance*.

From all appearances, the SPK episode was embarrassing to Richter. When the Christian Social Union’s newsletter reproached him in 1978 for speaking on behalf of the SPK in word and writing, Richter took them to court and won the case.

Crime and punishment à la Dostoevsky

When Soviet propaganda mills are grinding at high speed to decouple the Federal Republic from the Western alliance, and, recently, the bait of a possible German reunification has been publicly dangled, it is hardly surprising that Richter, in his 1986 memoir, *Die Chance des Gewissens*, adds a German theme to his psycho-concoction.

The target group of this book is, distinct from earlier books, the older generation, who lived through the war and the Nazi period. People listen if “collective guilt” apostle Richter demonstratively sheds an affected little tear for every depressive “who really loved Hitler in those days.” In the same way, Soviet propaganda also concerns itself with the right-wing grouplets and organizations that are more and more loudly advocating German reunification, even, if need be, under Russian auspices.

Richter leaps into this ferment, and attacks Anglo-American reeducation in order to push even more vehemently for reeducation in the Russian style. You Germans do not have the least right and are not really even capable of defending yourselves against American decoupling and incorporation into the Soviet sphere of influence—this message is supposed to get under people’s skin. Here, Richter consciously uses his own guilt complex about participating in the Russian campaign and his parents’ murder by two drunken Russian soldiers as a device. What Hofstätter diagnosed as “identification with the threatening enemy” is what Richter intends to

force on citizens of the Federal Republic as the essence of “being German.” To this end, he works out an entire psycho-portrait, freely based on Dostoevsky, in which “guilt and expiation” are the guiding theme.

The foundation is his own and Dostoevsky’s profound hatred of Western civilization and the civic ideals of the American Revolution, which European republicans also fought for. But Richter wants to know nothing of all that—that is American reeducation propaganda: “That democratic conscience that is seemingly suddenly functioning broke through. It spoke English. . . . Hitler merely suppressed in us what we had always been—followers of the North American civic ideals, spiritually half-Americans.” And he sneers, “Side by side! You and we, we Westerners, we anti-communists, we defenders of Christianity.”

We Germans have taken on a double guilt: first, the Nazi crimes, in which the war against Russia turned out to be the worst of all; second, entry into the Western alliance, rearmament, and hanging on to the values of Western culture. This guilt has been suppressed for decades, and the war generation still owes the 1968 movement an accounting. Now, however, the day of expiation has come.

It starts with a dose of sentimental Russophilia, a recollection from the Russian front: “From the Russians, around 200 meters away, there sounded an increasingly louder and louder mix of voices. Finally, we heard them singing songs. Spontaneously, the wish arose in me, to run over and sit with them.” He would hardly have survived that.

At the end of the book comes the great act of expiation during the large IPPNW symposium in Moscow on June 22, 1985, forty years after the end of the war. Richter gave a speech, the closing words of which he repeats in *Chance des Gewissens* verbatim: “In our Western physicians’ movement, we experience the cooperative work with the IPPNW as an important chance to draw a—indeed, the—crucial conclusion from the consciousness of the guilt for the Hitler crimes and the Hitler war that still weighs upon us. I myself have never forgotten my feeling of shame when I, 43 years ago as an 18-year-old soldier, entered this country and helplessly met the human beings for whom we were causing such terrible misery. I also lost my family in the war, indeed, because of soldiers of this country, which we had first attacked. I have never been able to free myself from the consciousness of our German injustice and my participation in that. And I see around me my German colleagues, many of whom understand, as I do, the peace work in the physicians’ movement as a possibility for us to intelligently confront our fearful past. You may understand that I would especially like to express my thanks to be permitted today at this place to speak on the subject of avoiding a new great war. It has cost me great difficulty to express these last sentences coherently. But I have said them, and feel also that they have brought me closer to my listeners than anything else that I said previously.”

Expiation through unlimited submission is something that is, naturally, quite welcome in Moscow. “What a useful idiot!” many KGB generals must have thought to themselves.

Richter titled one chapter of his memoir, “To Learn Anew, What It Is to Be a German.” I.e., just capitulate and renounce freedom and all the other Western nonsense, and Mother Russia will take you to her great bosom. Whoever hesitates, however, goes to a gulag. Richter intends to see docile subjects, subjects for the Western satrapies of the “Third Rome” as the outcome of such Russian reeducation.

The peace of the graveyard

Richter’s favorite writer, the same demented Fyodor Dostoevsky whose revival Soviet party leader Mikhail Gorbachov and his wife recently promoted, who hated Western Europe, progress, and even himself, announced shortly before his death his enraptured vision of the Russification of Europe: “To a genuine Russian, Europe and the fate of the entire great *Aryan race* are just as dear as Russia itself, because our destiny is universality. . . . And later, we—that is, not we, but the future Russian people—will all, down to the last one, grasp that being a true Russian means to die in order to bring final reconciliation to the European contradictions, to show the European longing its way out in the Russian soul, the all-human, all-uniting, to take up all our brothers into that soul with brotherly love, and finally, perhaps, to express the final word of the great general harmony, the fraternal final harmony according to the law of Christ’s Gospel!”

That is the Third Rome, a world-dominating Soviet empire whose rulers will always carry the expressions of the Grand Inquisitors of the Russian Orthodox Church, and for whose subjects there will no longer be freedom of thought. For all that deserves the name “thought” will be eliminated in Richter’s system of “psychic disarmament,” as pathological “megalo-ideas.” It will be a Pax Sovietica that, in Friedrich Schiller’s words, will only produce the “peace of the graveyard.”

In order to make such a prospect palatable, Richter finally seizes on the ultimate, most demonic weapon that a psychoanalyst can use. The decisive blow is directed toward the will to survive, indeed, for society as well as the individual. Death is to be accepted; neither in research, nor in medicine, nor in individual experience is death to be fought against as an enemy-image.

In order to propagate an ideological and strategic mood, Richter brings in the archetype of capitulation, capitulation to death: “The latent inhumanity of present-day medicine consists in its *generalized defamation of death as an enemy*, in the prevention of which it sees its principal meaning.” And in the IPPNW announcement on May 5, 1985 concerning Capitulation Day (May 8): “We see in May 8, 1985 an appropriate occasion, to recall with admonishment the dangers of that demon that continues to work in the tendency toward

general demonization of the external enemy."

On the one hand, he brings in Sigmund Freud, who said, "The goal of all life is death, and looking back into the past, the lifeless came before the living," in order to make death acceptable. On the other hand, he hammers again and again on the fact that there is only one way to have peace with a superior enemy: subjection. To want to prevent or postpone dying is a "vain attack against a superior enemy that will some time leave one behind, destroyed."

Such statements are not a matter of sympathetic support for dying human beings, but psychological warfare. As a representative of the London Tavistock Institute once told a colleague of mine, euthanasia is an important aspect of social control, since whoever accepts death, and most of all euthanasia, will oppose nothing whatsoever!

The Renaissance as enemy-image

The quintessence of Western culture and science is the Renaissance, that beautiful period of humanity that began with Dante and Nicolaus of Cusa and reached its artistic and scientific pinnacle in the work of Leonardo da Vinci—when

Correction

Due to an editing error, a paragraph was omitted from Mark Burdman's book review of Beyond American Hegemony: The Future of the Western Alliance, by David P. Calleo, in our May 27 issue on pages 56-57, which explained the subhead, "Toward a new age of cartels." The following should have appeared immediately before the last paragraph of the review:

Calleo's sympathies lie with the rentier-financiers and the usurious banking groups. Take this paragraph, appearing on page 107, as representative: "In the long run, neither America, Europe, nor Japan seems likely to have the economic weight and political power to dominate the world economy that appears to be developing. In its economic sphere, as in its political and military spheres, the world system will grow increasingly plural—with a proliferation of important actors, including states determined to safeguard their national prosperity. Taken altogether, these conditions and trends point, if anything, toward a *new age of cartels*—a web of agreements that permits competition but limits the damage. Some such organized competition would be the most rational and humane outcome and perhaps the only way to preserve the fabric of an open world economy in the course of destabilizing changes." (Emphasis added.)

human beings affiliated themselves with Platonic philosophy and made the ideas of Augustinian Christianity fruitful for the progress of mankind, and when, after the Dark Age, there was again talk of freedom.

Richter devoted his book *The God Complex* to a general attack on that age and its legacy, walking in the footsteps of Dostoevsky, who saw Western progress as the greatest threat to the "Russian soul." Just as Dostoevsky stated that he discovered the qualities of the Russian soul for the first time among prisoners in a penal colony, so Richter writes, "I learned in the 'enemy country' [Russia] in prison, from so-called asocials and, above all, from psychotics, something of tremendous importance about, above all, myself, something I would never have gotten in my narrow social environment."

He writes in the first part of *The God Complex*, "The step of medieval man into modern times, praised for a long time as a glorious self-liberation, was fundamentally a neurotic flight from narcissistic impotence into the illusion of narcissistic omnipotence. The psychic background of our apparently so imposing modern civilization is nothing other than an infantile megalomania nourished by deep, uncontrolled fears." At another point, he reviles scientific-technological progress, which gives rise to a "collective process of self-destruction," as "the collective neurosis of megalomaniacal expansionism."

He so hates the idea of progress that he has to sadistically sneer at the hope of transcendence of individual life. "Hidden in the traditional belief in progress is the offer of a fictitious consolation for a decreasing fitness curve and for death. The individual could say to himself: I myself, my generation and those that came before, are or were not capable of an endless extension of life or a lasting maintenance of glorious potency. But every generation contributes to having moved closer toward this goal. And, sometime in the future, some of our grandchildren will have reached it. . . . To a certain extent standing on the shoulders of our generation, the next and the one after the next will gather in all the fruit of the research of all preceding generations. There would be, then, with regard to the whole of civilization, a line of development permanently increasing into infinity. And the individual could say, in consolation for the fact that he, in contradiction to the ideal of omnipotence, must die, that he at least indirectly participates in that permanent ascent of mankind that encompasses his individual life." Today, in the culturally pessimistic time of expectation of ecological and other disasters, this dream, according to Richter, is nothing but a "Fata Morgana."

The attack could not be more obvious on the idea with which Germany's greatest poet Friedrich Schiller ended his inaugural address on universal history at the University of Jena: "Ours are all the treasures that industry and genius, reason and experience have finally brought to the world during a long age. Only from history will you learn to put a value on the goods whose commonness and unchallenged posses-

sion robs us of our thankfulness, precious goods to which the blood of the best and most noble adheres and which have had to have been achieved through the hard work of so many generations. And which among you, in whom a bright mind is married with a sensitive heart, could be mindful of this exalted duty without a silent wish being roused within him to pay off to the *coming* generation this debt that cannot be discharged to those of the past. There must a noble desire burn within us to make a contribution out of *our* means to the rich inheritance of truth, morality, and freedom that we received from the prior world and must give again richly increased to the world that follows, and to fasten our fleeting existence to this immortal chain that winds through all generations of men."

The *leitmotif* of the entire book is the so-called "God Complex" or *impotence/omnipotence complex*. "In the medieval community," the individual, he writes, was still "the child in a herd, primarily directed toward God as the omnipotent parental figure." With the waning Middle Ages, man lost God and like a mistrustful, impotent child developed the omnipotence fantasy, of being himself "a small god" who participates in the further development of the creation. Richter ascribes this complex to Descartes ("*Cogito ergo sum*"), Leibniz, and, of course, the totality of modern natural science. Suddenly, the left-socialist Professor Richter gets strikingly pious.

Obviously, the principal target of attack in *The God Complex* is the *Filioque* principle of the Nicene Creed, according to which the Holy Spirit comes from both the Father *and from the Son*, that is, that man participates in divine reason through Christ. The Russian Orthodox Church not only refuses to acknowledge the *Filioque* principle; it also intends to nullify it in the West. Richter's *The God Complex* serves this purpose.

According to Richter, man should not feel and act "divinely" and "creatively," but rather recognize, like Dostoevsky's Grand Inquisitor, "that he is miserable," as the gambler Dostoevsky thought of himself, and as, apparently, Richter thinks of himself. Were mankind to think of itself in that way, then it would no longer be morally fit to survive.

The above article appeared in a slightly longer version, and with extensive footnotes, in the German newsletter Spuren und Motive, Vol. 59, March 1987. It has been translated from the German by John Chambless.

All Mighty: A Study of the 'God Complex' in Western Man

by Horst-Eberhard Richter. Translated by Jan Van Heurck

New York, Hunter House, 1984
320 pages, hardbound, \$19.96.

Books Received

Let's Put America Back to Work: Guaranteed Job Opportunities for Everyone Who Wants to Work, by Senator Paul Simon. Bonus Books, Inc., Chicago, Ill., 1987. \$14.95, hardbound, 216 pages.

National Security and United States Policy toward Latin America, by Lars Schoultz. Princeton University Press, Princeton, N.J., 1987. \$42.50, hardbound; \$12.95 paperback, 377 pages.

America's Secret Aristocracy, by Stephen Birmingham. Little, Brown and Co., Boston, Mass., 1987. \$18.95, hardbound, 334 pages.

Search for a Super Theory: From Atoms to Superstrings, by Barry Parker. Plenum Publishing Corp., New York, N.Y., 1987. \$21.95, hardbound, 292 pages.

Collected Papers of Albert Einstein Volume I, The Early Years, 1879-1902 (English translation), Anna Beck, translator, Peter Havas, consultant. Princeton University Press, Princeton, N.J., 1987. \$22.50, paperback, 196 pages.

Collected Papers of Albert Einstein Volume I, The Early Years, 1879-1902 (German edition), John Stachel, editor. Princeton University Press, Princeton, N.J., 1987. \$52.50, hardbound, 433 pages.

The Making of McPaper: The Inside Story of USA Today, by Peter Prichard Andrews. McMeel and Parker, New York, N.Y., 1987. \$19.95, hardbound, 370 pages.

Herbert W. Armstrong and the Worldwide Church of God, by W. Martin. Bethany House Publ., Minneapolis, Minn., 1985. \$2.95, paperback, 48 pages.

Baha'i, by F. Beckwith. Bethany House Publ., Minneapolis, Minn., 1985. \$2.95, paperback, 63 pages.

Reincarnation and Christianity, by R. A. Morey. Bethany House Publ., Minneapolis, Minn., 1980. \$2.95, paperback, 60 pages.

The Watch-tower Files: Dialogue with a Jehovah's Witness, by D. Magnan. Bethany House Publ., Minneapolis, Minn., 1985. \$6.95, paperback, 203 pages.

How to Answer a Jehovah's Witness, by R.A. Morey. Bethany House Publ., Minneapolis, Minn., 1980. \$3.95, paperback, 96 pages.

How to Answer a Mormon, by R.A. Morey. Bethany House Publ., Minneapolis, Minn., 1983. \$3.95, paperback, 119 pages.

Twisting the Truth, by B. Tucker. Bethany House Publ., Minneapolis, Minn., 1987. \$5.95, paperback, 171 pages.

Bernstein: A Biography, by Joan Peyser. Beech Tree Books/Wm. Morrow, New York, 1987. \$22.95, hardbound, 481 pages.

The Supreme Court: How It Was, How It Is, by William H. Rehnquist. Wm. Morrow and Co., New York, N.Y., 1987. \$18.95, hardbound, 338 pages.

Compassion Versus Guilt and Other Essays, by Thomas Sowell. Wm. Morrow and Co., New York, N.Y., 1987. \$15.95, hardbound, 246 pages.

Bernard Berenson: Making of a Legend, by Ernest Samuels. The Belknap Press of Harvard University Press, Cambridge, Mass., 1987. \$25.00, hardbound, 680 pages.

Darkness at Night: A Riddle of the Universe, by Edward Harrison. Harvard University Press, Cambridge, Mass., 1987. \$25.00, hardbound, 293 pages.

A Grand Strategy for the West, by Helmut Schmidt. Yale University Press, New Haven, Conn., 1985. \$7.95, paperback, 159 pages.

The Two Germanies Since 1945, by Henry Ashby Turner, Jr. Yale University Press, New Haven, Conn. \$17.95, hardbound, 228 pages.

If I Had a Hammer. . . . The Death of the Old Left and the Birth of the New Left, by Maurice Isserman. Basic Books Inc., New York, 1987. \$18.95, hardbound, 259 pages.

A Time for Giants: The Politics of the American High Command in World War II, by D. Clayton James. Franklin Watts, N.Y. and Toronto, 1987. \$19.95, hardbound, 317 pages.

The Arms Control Delusion, by Sen. Malcolm Wallop and Angelo Codevilla. Institute for Contemporary Studies, San Francisco, Calif. \$16.95, hardbound, 220 pages.

The Jaws of History, by Bui Diem with David Chanoff. Houghton Mifflin Co., Boston, Mass., 1987. \$18.95, hardbound, 367 pages.

Watershed in Europe: Dismantling The East-West Military Confrontation, by Jonathan Dean. Lexington Books/D.C. Heath and Co., Lexington, Mass., 1987. \$9.95, paperback, 286 pages.

Upon Further Reflection, by B.F. Skinner. Prentice-Hall Inc., Englewood Cliffs, N.J., 1987. \$24.95, hardbound, 214 pages.

The Bear in the Back Yard: Moscow's Carribean Strategy, by Timothy Ashby. Lexington Books/D.C. Heath and Co., Lexington, Mass., 1987. \$19.95, hardbound, 204 pages.

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CIA documents tie Shackley to Libyan arms dealer

Exclusive to EIR

It looks as if former CIA agent and convicted Libyan arms merchant Edwin Wilson is about to win a retrial in his 1982 convictions for shipping tons of plastique explosives to Muammar Qaddafi; and that news has a number of key Irangate players, especially Ted Shackley, Tom Clines, and Dick Secord, reportedly climbing up the walls.

Back in 1982, when Wilson was captured, tried, and convicted of a string of nefarious acts, his principal defense had been that, all the while that he was training and arming Qaddafi's terrorists (and making money hand over fist), he had been working "undercover" for the CIA attempting to accomplish a variety of patriotic chores, such as accessing Soviet military equipment from the Qaddafi government. Wilson named Ted Shackley, the ex-assistant deputy director for clandestine activities, and Tom Clines, a former Shackley aide and senior official in the International Communism Branch, as the case agents he was secretly reporting back to.

At the time of Wilson's trials in Texas and Virginia federal courts, both judges had rejected his "CIA defense" on the grounds that he had not produced sufficient evidence of his alleged ongoing CIA patronage. The government documents that would prove his case were nowhere to be found—during Wilson's trials and even during his lengthy sentencing and appellate hearings. Wilson went off to Marion Prison, not exactly a friendly place, and Clines, Shackley, Gen. Richard Secord, and former Pentagon bigwig Erich Von Marbod all went on to play starring and supporting roles in the Irangate affair.

Now, suddenly, all that has changed. At the beginning of June, attorneys seeking a retrial for Wilson received three Central Intelligence Agency documents under the Freedom of Information Act. The documents, excerpted below, tend to show that Wilson, whatever else he was, was apparently

telling the truth about his relationship with Shackley, Clines, Secord, Von Marbod, and a money-making scheme remarkably similar to the Irangate "Enterprise" called EATSCO. The documents also show that in the spring of 1983, the CIA and the White House were taking a long hard look at the Wilson-EATSCO link and were apparently contemplating a massive conspiracy prosecution. They ultimately rejected that option, despite the fact that they were in possession of over 600,000 documents itemizing the conspiracy.

Daniel Alcorn, Esq., one of the attorneys representing Wilson in his petition for a retrial before Federal Judge Richard Williams in Virginia, feels that the just-released documents may open up a scandal bigger than Irangate: "My conclusion [from reviewing the documents] is that a high-level decision, probably at the White House level, was made to block the prosecution of Shackley, Secord, Clines, and Von Marbod—at the expense of sending Ed Wilson to Marion. The timing of this decision seems to coincide with the period in which The Enterprise was in its early formation, suggesting a high-level decision to use Secord and company for one more covert operation."

A word about EATSCO

If the EATSCO case bears a remarkable resemblance to the North-Secord Enterprise, it's not surprising. According to court records and the series of CIA documents just released, back in 1978, still active-duty CIA officials Shackley and Clines, and Pentagon brass Secord and Erich Von Marbod (then head of the Defense Security Assistance Administration, the office responsible for overseeing all American overseas arms sales) "were holding weekly meetings in Northern Virginia to discuss ways to obtain contracts with U.S. Defense Department." ("CIA Memorandum for the Re-

cord," 21 March 1983).

At the time of these discussions, big opportunities for "free enterprise" were to be found in the secret clauses of the Camp David accords, clauses whereby both Egypt and Israel would be recipients of billions of dollars' worth of American arms.

According to U.S. intelligence sources, under the secret clauses of Camp David, Israel was given special status as the *primus inter pares* among "friendly" intelligence services to be used as surrogates for the CIA in countries where direct U.S. covert presence, if discovered, might trigger a violent response from the U.S. Congress. This arrangement blossomed under the Reagan administration, particularly after Washington's embrace of the British cause during the Malvinas crisis abruptly terminated the American-Argentine joint program in Central America.

In October 1978, Clines retired from the CIA, borrowed a load of cash from Edwin Wilson, who had "formally" quit the Agency in 1971, and set up a string of consulting companies. By secret agreement among Clines, Wilson, Shackley, Secord, and Von Marbod, according to the CIA documents, each party would be a 20% shareholder in each of the ventures. Everybody's share, except for Clines's, would be secret. And for good reason. Wilson was deeply involved in passing arms, secret intelligence, and virtually anything else with a big price tag attached, on to Qaddafi, not exactly a friend of neighboring Egypt. All the others were still active-duty civil servants.

In June 1979, Clines, operating through his consulting firm, Systems Services International, Inc. (SSI), became a 49% owner of EATSCO, in partnership with an Egyptian businessman and former Egyptian intelligence agent. By September, EATSCO had the exclusive shipping contract for all American military equipment destined for Egypt. Pentagon official Von Marbod, alleged by Wilson and others to be the mastermind of the scheme, graciously gave EATSCO an estimated \$71 million in advance payments, which Clines reportedly squirreled away in an interest-bearing Swiss bank account. If the millions in interest payments were not enough for the five American entrepreneurs, Clines, according to government documents, overbilled the Pentagon by \$8 million over the short period of EATSCO's existence.

Copycat crime?

In December 1981, auditors for the U.S. Maritime Commission stumbled upon EATSCO's innovative relationship with the Defense Department. But when federal prosecutor Lawrence Barcella attempted to bring down EATSCO with the same fervor that would send Ed Wilson up the river for 40 years, a strange combination of government "friends" came to the defense of Shackley, Von Marbod, and company. As Barcella told it to author Peter Maas, one night in February 1982, the Department of Justice official received a late-night visit at his home from Michael Ledeen, then an aide to Alex-

ander Haig at the State Department. Ledeen in effect warned Barcella to back off from Shackley and Von Marbod, praising Von Marbod's character, and hinting that any "missing" money probably had gone into a covert action fund.

Barcella was removed soon after from the EATSCO end of the case, which was transferred to the U.S. Attorney's office in Alexandria, Virginia, "just down the road from CIA headquarters in Langley." In Alexandria, Ted Greenberg took charge of the case and Clines eventually reached an out-of-court civil settlement. Greenberg went on to earn notoriety as the DoJ's top hatchet man against professional Pentagon special forces units that were the primary "competitors" with The Enterprise for charge over America's covert paramilitary program. Greenberg's performance earned him high marks in Israel, which had been increasingly infiltrating U.S. covert operations since Camp David.

In the spring of 1983, the very top levels of the CIA and the White House were riveted on the EATSCO/Wilson story. On March 21, an interagency group, which included at least one CIA representative, apparently did an extensive review of some portion of the 600,000 pages of paper detailing the EATSCO affair. On April 26, CIA general counsel Stanley Sporkin sent a brief, curious memo to the director, William Casey, and his two top deputies, simply saying "Here is another interesting memo on EATSCO. See page 2, paragraph B." Appended was a 1981 memo from Ed Wilson to the Libyan government detailing his role in EATSCO and the prospect of handing over to Qaddafi an intelligence bonanza on all Egyptian military activities.

Did these top secret meetings and memos deal with efforts to prosecute the EATSCO principals? Or was EATSCO in the process of being embraced as the model for how the Reagan administration would henceforth carry out its covert agenda?

These questions and more are once again on the public docket, as Special Prosecutor Lawrence Walsh prepares his prosecution of North, Secord, Poindexter, and Hakim, and as federal judges in Texas and Virginia consider Edwin Wilson's fate, and implicitly the fate of the EATSCO team.

Shackley's dreams

Back in 1975, and again in 1980, Theodore G. Shackley had entertained great hopes of becoming Director of Central Intelligence. Gerald Ford's defeat by Jimmy Carter dashed his original hopes, and the onset of the Ed Wilson scandal, which smeared Shackley's name all over the press, cut short his dreams in 1980. The 1986 Irangate scandal, while damaging his longtime cronies Secord and Clines, did little harm to Shackley's public image. And the prospect of another reportedly close associate and former boss, George Bush, moving into the Oval Office, may have once again sparked the old dream.

Now, Shackley's fate, and perhaps that of George Bush, are once again on the line.

Documentation

*The three CIA documents excerpted below were obtained under the Freedom of Information Act. The "redacted" (deleted) areas are here indicated by ***, while sections omitted by EIR are indicated by ellipses.*

1. Cover letter

Central Intelligence Agency

Washington, D.C. 20505

Counsel

26 April, 1983

Note for: DCI, DDCI, ExDir

Here is another interesting memo on EATSCO. See page 2, paragraph B. ***

Stanley Sporkin

Attachment

2. The memorandum

Services Commerciaux & Financiers du Moyen-Orient S.A.

Contact in Tripoli: European Correspondence:

P.O. Box 10596 C/O BAS

Tel. No: 70723 P.O.B. 94

Tlx. No: 20546 (MEP Ly) 1211 Geneva 6
Switzerland

12th May, 1981

S.P.L.A.J. Military Security, Tripoli, S.P.L.A.J.

Subject: Edwin P. Wilson Operations in Morocco & Egypt. . . .

B. ACTIVITIES IN EGYPT:

The undersigned is a 20% partner of the company Systems Services International, Inc. (SSI). This organisation was formed about three years ago, and the undersigned funded it with \$500,000. Individuals setting the company up were Thomas J. Clines, retired C.I.A. operative with activities in the Far East, Cuba, Africa, etc. General Richard Secord, Chief of Foreign Military Sales for the U.S. Air Force, Pentagon. His present activities include authorisation of all military sales in the world for the Air Force, and in particular for Egypt, Saudi Arabia and other Middle Eastern countries. He was for three years Chief of the U.S.A. Air Force Attachés in Iran and responsible for the build-up of the Shah's Air Force military machine. Eric Von Mabod [sic], Assistant Secretary of Defence, Pentagon in charge of all world-wide foreign military sales, and has held jobs as Assistant Com-

troller of the Defence Department, as well as many other top level jobs over the years. Also in the Corporation is Theodore Shakley [sic], Former Deputy Director of the C.I.A., and now Managing Director SSI.

Two years ago I suggested an activity on behalf of S.P.L.A.J. [Libya] whereby this Group could for a \$500,000 fee provide S.P.L.A.J. with up-to-date world-wide intelligence, particularly against Egypt. A short executive summary was provided indicating the extent of their knowledge, but when presented to S.P.L.A.J. Security, it was turned down. I reported to them that S.P.L.A.J. Security was not interested in their services. These individuals are now uncommunicative as to assisting me with information since they felt that S.P.L.A.J. was too conservative with their money to warrant their services. As a result I feel a great opportunity was missed by S.P.L.A.J. Attached please find sample indicating the type of information available at that time three years ago.

SSI has set up one or two small companies as subsidiaries. Their purpose being to move military supplies purchased in the United States to Egypt and to some other Middle Eastern countries. Clines, who operates this subsidiary company, called "E.A.T.S." (address 777 Leesburg Pike, Suite 307, Falls Church, Virginia) travels monthly to Egypt. He has met with Sadat on several occasions and from my conversations with him has as a partner in this company one individual who is a member of Sadat's intelligence as well as Sadat's "bagman." A full report on this was presented. However, no copy was retained by me, and some of the facts from two years ago are now somewhat vague.

I am not now sure that, even though I financed this company, whether I could persuade them to act on behalf of the S.P.L.A.J. Government after they have once been turned down. However, if the S.P.L.A.J. Government were to offer a substantial retainer fee perhaps their considerable information and influence could be obtained in reference to Egypt and other countries of interest to S.P.L.A.J.

C. FINANCIAL ARRANGEMENTS

In both of the above, Morocco and Egypt, the undersigned will do his best to assist S.P.L.A.J. in any way possible. I only request that I be reimbursed for actual expenses in these efforts. However, my future residence and working in S.P.L.A.J. is, as I have indicated before, depending on collecting the outstanding invoices and monies from S.P.L.A.J. which I desperately need.

EDWIN P. WILSON

3. Memorandum for the record

FROM: ***

SUBJECT: Meeting at the White House, 21 March 1983

2. ***

3. Appearance of EATSCO as the shipping agent was evidence of the conspiracy. Husayn Salim had a letter from the GOE [Government of Egypt] hiring him in 1978, as exclusive agent for the GOE. Clines and Salim then formed a company together.

4. Much of the investigation deals with the period November 1979 through September 1981. EATSCO and a Baltimore freight forwarder, Hobleman, filed \$6.2 million in false claims. EATSCO defrauded the U.S. of \$1.3 million in interest, and an excess of 600,000 documents have been reviewed.

*** [bottom of page]

5. Salim is a former Egyptian intelligence agent. He is a protégé of Kamal Hasan Ali from the days when Ali headed the Egyptian General Intelligence. Salim is also close to Abu Ghazala. One Marty Hoffman, a lawyer and former Secretary of the Army in the Ford/Nixon era now represents the Hobleman firm. At one time he said he represented Abu Ghazala; now says he does not.

6. In the fall of 1978 Clines, Shackley, Secord and Von Marbod were holding weekly meetings in northern Virginia to discuss ways to obtain contracts with U.S. Defense Department. In October 1978, Clines retired from the CIA. On 4 October 1978 the Defense Department received a letter from the Egyptians saying that Tersam of Panama is the sole shipping agent for the GOE. In January 1979 Wilson, Secord, and Von Marbod were in London together. Wilson gave Von Marbod \$10 thousand in cash according to an eye witness.

7. In February 1979 Wilson loaned one-half million dollars to Clines (this is Wilson's part of the conspiracy). The money was to be used by Clines to form various business groups. All of the principals have 20 percent shares, and all but Clines share are "SECRET".

8. On 2 April 1979, Abu Ghazala sent a letter to the Pentagon. It says Tersam USA is the exclusive shipping agent for the Egyptian Government. The Pentagon told Salim that it must be an American firm in order to obtain DOD business.

9. In June 1979 Clines and Tersam form a joint venture, EATSCO—Clines puts in \$49 thousand and Tersam puts in \$51 thousand. In July 1979 EATSCO is incorporated in Delaware. On 25 September 1979 a services contract is signed by the Egyptian Government and EATSCO. The contract says that EATSCO will act as a shipping agent for costs and fixed fees. On 10 November 1979 the first shipment is made by EATSCO. The fee is 0.23 percent of the value of the goods. In the end, it works out to an \$8 million rip-off by EATSCO, funds which the Egyptians could have used for supplies.

10. In December 1979, the GOE (Abu Ghazala) writes to the DOD and says EATSCO should have an advance to meet their expenses, and asks for a \$25 million advance. Meanwhile, EATSCO, which has no shipping experience, contracts out to Hobleman, a freight forwarder in Baltimore. The DOD settles for a \$13 million advance to EATSCO (\$7 mil-

lion in reserve, \$6 million for current operating expenses), which would be replenished when the balance drops to \$[illegible] million.

11. In October 1980, in Geneva, Von Marbod receives a cash payment from Clines. Again, there is an eye witness. In May or June of 1981, Clines gives a cash payment of \$5-\$10 thousand in \$100 bills (not clear to me to whom this payment went). In mid-August 1981, Clines takes \$1 million from EATSCO as a loan. In October 1981, Jack Anderson's newspaper article appears.

12. In December 1981, the Maritime Administration discovers discrepancies in actual costs and what is shown on the bills of lading. The DOD asks the Egyptian Embassy about this. The Egyptian Embassy and EATSCO representatives reply that it covers costs, EATSCO fees, and the "forwarding of documentation fees". For example, the actual cost for a Baltimore-Alexandria shipment was \$830 thousand. EATSCO bills the DOD at \$1,400 thousand, which includes \$105 thousand forwarding and documentation fees (which is really a kickback to Hobleman) and \$300 thousand for EATSCO revenue. Hobleman also is further inflating its costs to EATSCO.

13. On 2 January 1982, Von Marbod retires from DOD citing health problems. Also, Clines gets booted out of EATSCO. Salim buys him out. Salim says the Egyptians kicked Clines out because of Clines' ties to Wilson (and hence to Libya). Clines comes out of this with \$2.7 million on his \$49 thousand initial investment.

14. ***

15. Since 27 December 1982 the DOD has advanced another 2 plus million dollars to EATSCO on top of the \$7 million base. Of that \$7 million base, Salim invested \$5 million in certificates of deposit and Euro bonds overseas, and kept the interest for himself.

16. According to Wingate Lloyd of State, in the fall of 1982 Mubarak told the State Department to deal only with Usana al-Baz on the EATSCO case. State propounded a number of Justice Department questions to al-Baz. In January 1983, when Mubarak and al-Baz visited Washington, the State Department saw al-Baz. On a separate subject, Lloyd said that one reason that EATSCO may have charged high prices is because when the USG [U.S. Government] first began shipping military equipment to Egypt, the DOD charged a 16 percent fee as a 'dis-incentive' in order to try and get itself out of the shipping business.

17. Lloyd said if Abu Ghazala is involved, President Mubarak will be greatly embarrassed. The Egyptian Government knew that today's meeting about EATSCO would take place this morning and the Egyptian Chargé was in Lloyd's office at 0900 hours to try to find out what was going on. The Justice Department has publicly told the Egyptians that we are not investigating Egypt in regard to this case.

18. ***

Post-INF confab maps pull-out from Europe

by Nicholas F. Benton

Three U.S. congressmen agreed that a first priority of the next U.S. administration will be to convene a special meeting of NATO leaders to hammer out a new strategic policy for the alliance, based on the new reality of the Intermediate-range Nuclear Force (INF) treaty and a prospective major U.S. troop withdrawal from Western Europe.

Sen. William V. Roth (R-Del.), Rep. Lee Hamilton (D-Ind.) and Rep. Dennis Hertel (R-Mich.) were agreed on this perspective for the crucial "first 100 days" of the new administration in their remarks to a Hudson Institute Conference on the Future of the U.S. Military Commitment to Europe's Defense held in Washington, D.C. June 2-3.

All three congressmen warned the participants at the conference of the "growing impatience" in the general population concerning the "unfair burden" the U.S. is now carrying in NATO. "Given that there will be no increase in the U.S. defense budget for the next decade, we are going to have to bite the hard bullet," Representative Hertel said.

The congressmen made their threats without commenting on the effect a U.S. troop withdrawal would have on the vital strategic interests of the United States, or even whether or not a troop withdrawal would be the most efficient way to save money.

Ironically, they appeared to make their demagogic statements only moments after former Pentagon analyst Dr. Richard Kugler showed how a U.S. troop withdrawal is a poor way to save defense dollars. Kugler noted that it costs the United States \$2 billion annually to keep its troops in Europe, and the cost of moving them back to the United States and establishing facilities for them here will be as high as the cost of keeping them in Europe, at least for the first five years.

"With five and a half divisions in Europe, compared to 16 active and 11 reserve divisions, plus 15 individual ground brigades, in the U.S. and Pacific now, it would make far more sense to cut manpower from the U.S. than from Europe if your objective is to save money," he said. "The only way to cut costs by taking troops out of Europe would be to completely demobilize them, while the cost to Europe of making up for the loss of the U.S. troops would be an additional \$10 billion a year."

Dr. Pierre Lellouche, the deputy director of the French Institute of International Relations, added that the "demographics are going the wrong way" for Europe to assume a

greater burden for manpower in the alliance, since West Germany, which already has mandatory conscription, will lose 100,000 soldiers simply because of declining population growth by the end of the 1990s.

"There are only ideological reasons for the removal of U.S. troops from Europe," Lellouche said, "Because it makes no sense from any rational point of view."

He noted the "irony" of the new NATO policy proposed in the recent report of the President's Commission on Integrated Long-Term Strategy. "It seems to operate on the fallacy that the U.S. vital interests are threatened in the Third World and not Europe. In reality, it is exactly the reverse," he said. He pointed out that the disengagement of the U.S. from Europe "has already begun" with the ratification of the INF treaty, and said that if NATO "does not proceed with great care" to ensure the effective modernization of the nuclear weapons that remain in its arsenal "then we will lose nuclear weapons in Europe altogether."

Rogers hits 'neutralization'

Gen. Bernard Rogers, the former Supreme Commander of NATO, told the conference that if this occurs, then the Soviets will succeed in their primary objective, the neutralization of Western Europe, through intimidation, thereby "achieving the fruits of victory without the pains of war." Rogers appeared on a panel that included British Prof. Laurence W. Martin of the University of Newcastle, and Dr. Hans-Georg Wiëck, the head of West German Federal Intelligence Service (Bundesnachrichtendienst).

General Rogers warned that even the current levels of troops in Europe are inadequate to maintain the basis for NATO's war deterrence policy. He said that policy is based on the ability of conventional forces to fend off a Soviet attack for up to three weeks before NATO is faced with the decision to use nuclear weapons. Now, he said, it is estimated the troops there could hold for about two weeks.

Martin stressed that it is the credibility of NATO's conventional forces which makes its nuclear deterrent credible, and vice versa. "The Soviets recognize this is the key to NATO, and are playing on that fact to weaken it," he said.

EIR asked the panel to comment on the Soviets' "new order of battle" for the invasion of Western Europe, devised by Marshal Nikolai Ogarkov. It begins with the use of futuristic technologies, such as radiofrequency and microwave technologies and hand-held nuclear devices, by Soviet special forces (*spetznaz*) operatives already in Western Europe to sabotage and paralyze over 250 NATO installations before the first wave of Soviet forces cross the border.

General Rogers said, "There is the threat you describe." In comments to *EIR* after the panel, Wiëck played down the threat, saying, "We know who these agents are, and would be able to stop them before they could carry out their sabotage," while Rogers remarked to *EIR*, "I don't think we know who these people are, at all. That's our big problem."

Space station faces cancelation

by Marsha Freeman

On June 7, the Soviets sent two Russians and one guest cosmonaut to their Mir space station, in the first manned launch of 1988. At the same time, NASA Administrator James Fletcher and other space program officials have sounded the alarm that the cuts the Congress is considering for next year's budget could terminate the U.S.-led international space station.

For the past three years, congressional cuts in the administration's funding requests have put the station two years behind schedule. A recent report by the Congressional Budget Office has openly called for either canceling the station entirely, or stretching it out until the next century.

The congressional budget process, under the gun of a balancing act that does not allow increases in defense or space, has put all of the nation's future research and development programs at risk. Though one could just blame the Congress, it is the President's economic policies that have produced a morass in the budget process.

The budget disaster

On May 12, the House Science, Space, and Technology Committee approved an \$11.48 billion FY 1989 budget for NASA, which was the full amount requested by the administration. The \$967 million for the space station was left intact. On the same day, the HUD and Independent Agencies subcommittee of the House Appropriations Committee marked up the NASA budget at \$10.7 billion, with a cut of \$65 million for the space station. With the program still above the \$900 million mark, NASA spokesmen stated that they could "live with" the House budget.

On May 16, the *Defense Daily* reported that the Senate Appropriations Committee mark-up for NASA could be a disaster. It was estimated that NASA would end up with a \$10.2 billion budget—\$500 million less than the House markup, and \$1.3 billion less than the original White House request. Three days later, the defense newsletter reported that the White House, NASA, and congressional officials all agreed the station faces cancelation unless Congress comes up with more money.

On May 19, space station chief James Odom sounded the alarm a little louder. With a \$10.2 billion budget, Odom said "there's no space station." Cuts in other science and applications programs will cripple the experiments designed to be

flown on the station. The Senate Appropriations Subcommittee is now scheduled to mark up the NASA budget on June 16.

During Fletcher's testimony at the budget hearings this spring, congressmen tried to get him to "prioritize" his programs. Following the style of former Defense Secretary Caspar Weinberger, Fletcher refused to say "which of his children" he would prefer to kill, and has insisted that all of the programs are connected. You cannot cancel one without affecting many.

The Congressional Budget Office completed a report in May to examine "broad options" for the U.S. space program. Their conclusion is that since it is likely that "fiscal concerns" will continue through the 1990s, even the projects *NASA already has under way*, cannot be funded.

They describe a NASA "core program" consisting of the operation of the Shuttle fleet, the completion of the space station and space science projects that are already authorized, with no new initiatives. They accurately point out that both the Shuttle and space station are reusable facilities, which will operate for many years, and are the infrastructure needed to use and develop space. But this has a negative aspect, according to the CBO.

Unlike the one-shot Apollo program, funding for these projects "never goes away." As you build more infrastructure, you accrue additional operating expenses, which recur every year. Therefore, according to the CBO, just for NASA to operate the Shuttle, and then the station, means that its budget will *have to increase* over the next decade.

The CBO estimates that the NASA budget would have to rise to \$14.4 billion in 1988 dollars by 1993, and to \$16.4 billion by the year 2000. The CBO does point out that the 1965 peak Apollo funding year, was \$22 billion, in today's dollars. At that time, NASA's share was 4% of the federal budget. Today it is less than 1%.

The CBO suggests that the NASA budget be held *constant* at \$9 billion 1988 dollars, and that either everything be stretched out, or the space station be canceled. But stretching out large-scale projects such as the station only make them cost more. Also, at a constant budget, due to inflation alone the program would shrink at an increasing rate, making it dubious that *any* individual projects would ever be completed.

The CBO tends more toward canceling the station and all other manned space flight initiatives, and "concentrating" limited resources on unmanned planetary and space science missions. They admit that this approach will throw U.S. leadership in space out the window, but say that leadership is hard to define, anyway.

Yes, they state, there probably are economic benefits to large-scale research and development projects, like the space program. But alas, these too are hard to define, and harder to quantify, so the nation may just have to forego economic growth, in the name of balancing the budget.

CFR sets agenda for next President

The New York Council on Foreign Relations, which scripted the policies of the Carter administration via its notorious "1980s Project" for economic disintegration and nuclear disarmament, is at it again. The organization set up a project last year to recommend an agenda for the next President, and the political means of ensuring a bipartisan consensus for it, whose first published results appear in the summer issue of the quarterly journal *Foreign Affairs*.

Authored by Cyrus Vance and Henry Kissinger, the article calls for institutionalizing some of the drastic policy shifts that have already been put into motion during the Reagan years, including:

- Giving "much greater emphasis to the political dialogue between the United States and the Soviet Union," because "there is now an opportunity for significant improvement in U.S.-Soviet relations."

- "Redefining" NATO's goals, predicated on the assumption that the United States will cut back on its defense commitment to Western Europe. Vance and Kissinger suggest that "immediately following the next elections, the Atlantic partners should begin a broad reassessment of their mission and plans for the next decade—perhaps by appointing a distinguished group of private citizens to submit a report within 12 months. A revised alliance structure and force posture should emerge from this review, as well as clear parameters for the next round of arms-control negotiations."

The article also declares the Stra-

tegic Defense Initiative all but dead.

- On domestic policy, the authors demand brutal austerity: "We must face the fact that our economy and consumption have become so overextended that the remedies will involve sacrifice and slower growth in our standard of living."

Michael Dukakis: Establishment's choice

Mike Dukakis all but assured himself of the Democratic presidential nomination, when he swept the final round of primaries June 7. His wins over Jesse Jackson in New Jersey and California put Dukakis over the top in terms of the 2,081 delegates needed for nomination.

Dukakis will become the party's standardbearer, not because he holds any inherent appeal to the American voters—even his partisans admit that his support is extremely soft—but because the Establishment decided months ago that he'd make as good a figurehead as any for the fascist policies now receiving their finishing touches in the bowels of sundry think tanks.

A leading Establishment figure, one who's spent decades alternating between Ivy League academe and high-level posts at the CIA, confided to a reporter months ago, that Dukakis would most assuredly become the Democratic nominee. This individual expressed no great enthusiasm about the Massachusetts governor, characterizing him as "uninspiring" and "naive about foreign policy."

But this hardly matters, because Dukakis will do what he's told. The governor "is good at selecting people to advise him. If he got educated, and surrounded himself with strong-minded people, he would be perfectly ca-

pable of making the kinds of decisions the next President will have to."

What some of those decisions are likely to be, was hinted at by James Cannon and Stuart Eizenstat in speeches to a National Assembly forum in Washington, D.C. on June 6. Cannon and Eizenstat are, respectively, the Republican and Democratic executive co-directors of the American Agenda, a group of bigwigs (Gerald Ford and Jimmy Carter serve as chairmen) from both parties set up in May to "define the issues" for the next President.

The two told their audience that the United States is spending far too much on the nation's elderly, and that a top priority for the incoming administration should be to shift some of those monies to other programs. To make this genocidal proposal more palatable, both men suggested that the diverted funds be allocated to programs for low-income children.

"We are spending a disproportionate amount of our money on health care for the elderly," Eizenstat declared. "We've got to change the political emphasis by shifting some of the money that keeps going to the elderly," said Cannon.

Cannon and Eizenstat's remarks reflect a growing consensus among America's so-called policymakers that the elderly should be made to bear the brunt of the country's economic collapse and accompanying budget cutbacks. Just how far they are prepared to go is suggested by a recently published book which advocates terminating all life-extending medical care for every American once he or she turns 70. Daniel Callaghan, the author of *Setting Limits*, is a leading light at the Hastings Center, a New York-based organization which has been on the cutting edge of the pro-euthanasia movement, going back to the early 1970s.

Wall Street gets even with Claude Pepper

Ever since last November, when 88-year-old Rep. Claude Pepper (D-Fla.) used his clout as head of the House Rules Committee to block an attempt to put Social Security on the chopping block during the frenzy to cut the federal budget deficit, members of Wall Street's "Bi-Partisan Budget Appeal" have been spoiling to get even.

They did so with a vengeance on June 9, when they pressured the House to vote down a Pepper proposal to provide long-term home health care for the elderly, and then proudly proclaimed "the end of the Claude Pepper era in Congress."

The Wall Street consortium—headed by former Commerce Secretary Peter Peterson, banker David Rockefeller, and four former U.S. treasury secretaries—called on leaders in Pepper's own party, Rep. Dan Rostenkowski (D-Ill.) and Rep. John Dingle (D-Mich.), to lead a vicious fight against the home health care plan. Rostenkowski shamelessly attacked the bill as a "budget buster" that "would raise unwarranted expectations among the nation's elderly."

The media was also deployed into the campaign. The "liberal" *Washington Post* ran one editorial urging the bill be defeated, and a second congratulating Congress when it was accomplished. *Post* reporters distorted the substance of the Pepper bill in their news stories as well.

But the Wall Street campaign was

not just to get even with Pepper. More importantly, it was aimed at breaking the back of the senior citizen lobby—typified by the 27-million-member American Association of Retired Persons (AARP)—for whom Pepper was the champion. It was to remove the primary obstacle to being able to wantonly toss the nation's growing legions of elderly onto the scrapheap in the name of "fiscal responsibility."

The boys from Wall Street thought they could do that last November, but Pepper thwarted them then.

After lining up the votes to kill the Pepper measure, they ordered the TV networks to air footage of Pepper on the nightly news, standing feebly at the podium, his voice shaking from age, telling his colleagues that a vote for his bill would enable them to go to bed that night able to say they did something good for humanity that day. The networks followed that with film of Rostenkowski, railing about budget "realities," and then news of the facts about the final vote.

The coverage drove home the cruel point to the nation's elderly: Congress does not care about your needs any more. Congress is no longer afraid to vote against you. It neither cares for your fate nor fears your votes. It's listening to Wall Street now.

The House vote occurred despite a Harris Poll showing that over 90% of Americans favor some form of long-term home health care coverage. The issue concerns not only the elderly, but virtually every household in the nation which is responsible for the needs of older relatives.

While the Pepper bill had many shortcomings, from the point of view of Wall Street its defeat was a watershed. It cut free the Democrats, in particular, from the needs of the elderly, even at the expense of alienating that party further from its constituency base.

The nation's 38 million elderly, and their households, now do not have a political party representing their interests.

In typical fashion, a number of ultra-liberal Democrats were permitted to vote for the Pepper bill, but only after it had been determined that enough votes existed to defeat it.

This is a development which could backfire badly on both Wall Street and, in particular, their Democratic Party puppets. The more that moves like this make it clear that investment bankers like Felix Rohatyn of Lazard Frères own politicians like New York Gov. Mario Cuomo, the faster average Americans will drop the illusions that have been cultivated in their minds.

It is a grievous miscalculation by Wall Street that the elderly are an isolable constituency. There are signs of a growing backlash to the years of media indoctrination against adequate health care for the elderly in favor of euthanasia.

This is because of the intimate personal link of virtually every American household to an elderly or infirm citizen. Just as the growth in AIDS cases insures that this disease will touch virtually every American home by 1991, so the issue of adequate care for the elderly is not a "special interest" matter, but strikes everyone.

Wall Street's "Bi-Partisan Budget Appeal" crowd has a hard time coping with this reality. Try as they have to crush the moral backbone of the U.S. public with all the allurements of cultural pessimism and hedonism they have sponsored over the years, the human spirit's capacity for spontaneous remission is something they can't contain, much less fathom.

Their victory over Pepper this week was a Pyrrhic one at best. It was done at great cost—by ripping the false mask of compassion off the face of many a Democratic stooge.

Zaire's Mobutu to ask for end to interference

Mobutu Sese Seko, the President of Zaire, attacked the "interference" in his country's affairs by certain members of the U.S. Congress. Rep. Ron Dellums (D-Calif.) has recently proposed a measure which would condition further economic aid on improvements in Zaire's human rights situation. The measure has 37 co-sponsors. American assistance consists of \$3 million in military aid and \$60 million in economic aid. President Mobutu is in the United States, where he is expected to discuss debt relief in talks with President Reagan.

Zaire is one of the Central African countries heavily hit by the AIDS epidemic. President Mobutu is one of the Third World leaders who has been targeted as an opponent of the "New Yalta" deal between the Soviets and the United States.

Mobutu emphasized that Zaire, a very impoverished nation, is becoming a net exporter of capital. Congressman Dellums is claiming that governmental corruption and mismanagement, not the IMF-imposed austerity conditions, have undermined Zaire's ability to pay off the debt.

South Africa sanctions could be election issue

Democratic leaders in the House of Representatives are pressing hard for new sanctions against South Africa that would impose a major trade embargo and would practically abolish all American investment in South Africa. Under the present timetable, the bill is expected to reach the floor in mid- to late-June and come up in the House—probably not coincidentally—right

before the Democratic convention which begins on July 18.

Voting to approve the legislation in committee has pretty much occurred along party lines, with Republicans voting against the bill and Democrats voting for. The bill has passed both the House Foreign Affairs Committee and the House Banking Committee. Certain parts of the bill will also be subject to the scrutiny of several other committees before the bill is brought to the floor.

The Democrats claim that the bill will significantly increase the pressure on the Pretoria government to eliminate apartheid. Opponents, like Rep. Dan Burton (R-Ind.), say, however, that the bill will actually benefit the white majority and harm South African blacks.

The bill would ban American exports to South Africa, although exceptions would be made for agricultural commodities and products, publications, and United States private aid for "disadvantaged" South Africans. The legislation would bar American-owned, -controlled, or -registered ships from transporting oil to South Africa, and United States military cooperation and intelligence sharing with South Africa would be prohibited.

The bill specifies that the President is required to retaliate economically against individuals or companies which take significant commercial advantage of the American sanctions. American direct investment has been significantly reduced—to \$1.4 billion in 1986 from \$2.6 billion in 1984. The new legislation would expand the definition of "loans" used in the current sanctions law to prohibit short-term trade financing, sales on open account, and rescheduling of existing loans.

U.S. exports to South Africa in 1987 totaled \$1.25 billion, consisting

mainly of computer and electronics products, other capital goods, chemicals, and aircraft. All of these would be prohibited under the proposed sanctions, although, in the hope of attracting more House support for the bill, Democrats agreed to allow American exports of agricultural products. South African exports to the United States, which also totaled \$1.25 billion in 1987, are composed mainly of strategic minerals which will be exempt from the trade ban.

The question remains, however, how much this would serve to change the apartheid system in South Africa. Many fear that such moves might push the South African government closer to their traditional adversaries, the Soviets. The new regional superpower agreements in the area could create the Soviet-South African relationship which too many of our policy-makers have deemed impossible. South Africa, a producer of many strategic raw materials vital to our defense capabilities, could decide to just peddle their wares elsewhere. Few seem to understand that danger, or the cleverness of the Soviets in utilizing such an opening. But a more fundamental objection to the sanctions policy is the absurdity of trying to establish economic and political justice in the Republic of South Africa by pushing the whites up against the wall and thrusting the blacks into ever more miserable and desperate economic conditions. Such a policy can only lead to disaster.

Congress to debate closing of military bases

The House Armed Services Committee has decided to require the Defense Secretary's new commission on base

closings to also include facilities overseas. The decision was taken at the beginning of June at an informal meeting of the Armed Services Committee. As Rep. Dennis Hertel (D-Mich.) expressed it, "It's going to be tough closing bases at home when 40% of the costs of our bases are overseas."

The base-closing commission held its first session in June with testimony from the secretaries of the Navy, Army, and Air Force, and is due to prepare a list of U.S. military bases to be closed or realigned by the end of this year.

Senate fails to override trade bill veto

The Senate voted June 8 to try to override the President Reagan's veto of the trade bill, but fell short of the required two-thirds majority. Senator Byrd, however, by switching to the side of the minority in what he saw as a failed effort, thereby left open the possibility of voting again on the veto, perhaps after having convinced the necessary number of people to switch sides and to vote for the override.

President Reagan would like to see a trade bill passed this session, without the plant-closing amendment, which would require an employer giving 60 days notice to his employees before closing a plant. Sen. Lloyd Bentsen (D-Texas), who led the fight for the trade bill in the Senate, said that the chances for a new trade bill this year are "about 50-50."

Ethics committee continues investigation of Wright

The Ethics Committee met for eight and a half hours in closed session on

Thursday, June 9, to examine the accusations against Speaker Jim Wright for abusing his position for personal gain. According to government documents, the Texas Democrat transferred \$97,700 from his 1976 re-election committee to the Wright Campaign Debt Fund and then used the money to pay personal debts.

Federal Election Commission regulations allowed such transfers in 1977, although House ethics rules required that they be disclosed as personal income. According to a former Wright campaign treasurer, the transaction occurred when the Speaker was coping with financial difficulties caused by failed business ventures and alimony payments to his former wife.

According to Federal Election Commission reports, a total of \$35,860 owed by Wright to Continental National Bank of Fort Worth, Texas, was paid from the transferred funds. Those reports also show that \$48,250 of the transferred funds were paid to a Wright Tax Escrow Account. Committee sources say that an investigation would probably go far beyond Newt Gingrich's allegations that Speaker Wright circumvented outside earnings limits through an unusual book royalty arrangement with an agent who had earlier been convicted of tax evasion. If an outside counsel were called in to conduct the investigation, an option which the committee has, the investigation could last up to and through the Democratic Convention in Atlanta, for which Wright was to be the chairman.

Texas Democrat warns of bank collapse

Rep. Henry B. Gonzalez (D-Texas) warned in comments on the House

floor on June 3 of an imminent banking crisis, if serious measures are not taken. Making comparison with the 1929 crash, Gonzalez pointed out how it did not really make itself felt until 1932. Describing the financial system today as "a giant bubble with a bunch of bubbles inside these other bubbles," Gonzalez warned of efforts to try to postpone a financial crisis without resolving the underlying problem.

"It does no good to believe," said Gonzalez, "as some would have us believe, that let us hold things together until November and then after that let us worry about the deluge then, because time and events are not going to wait for that. Even if they wait until the day of election and the night thereafter, all bubbles burst."

He admonished commercial banks not to take a smug attitude to the predicament of the savings and loans institutions. "If there is any banker either in Texas or anywhere else in the United States that wants to indulge in the illusion that it is the S&Ls' problem, I have a caution for them: 'You will be in the middle of it, and water may go past your nose.'"

He attacked the lax attitude of the regulatory institutions, who snuggle up to the S&Ls instead of regulating them. "They just turned around in a common bed and continued to snooze." Gonzalez ridiculed the attempt to put some of the bankrupt S&Ls together, saying that it was like "tying all the dead corpses together," but they "will stink more than the individual corpses" and prolong the cost to the American people. In a challenge to his fellow congressmen, Gonzalez said, "I will not idly stand by silent and watch the crisis develop where it will imperil the stability and the well-being and the safety of the insurance funds." Hopefully, the congressman will not be alone on that issue.

National News

House votes money for canceled Israeli jet

The U.S. House of Representatives, which has gutted the budget for the Strategic Defense Initiative and is about to force NASA to kill the space station program due to a shortage of funds to make it viable, has voted up monies for an Israeli project that no longer exists.

For the second year in a row, the House authorized \$450 million in aid to Israel specifically earmarked to help that nation build the Lavi fighter jet, which was to have been an advanced version of the U.S. F-16.

The project, which depended on U.S. technology, was scrapped by the White House last year.

"The patient is on life support," the *Washington Times* quoted a "former top-ranking Defense Department official who monitors Israeli programs." "The program is being funded by Israel's supporters in the House," maintained the *Times*.

Obstacles seen to military role vs. drugs

Marine Lt. Gen. Stephen G. Olmstead, deputy assistant secretary of defense for drug policy and enforcement, testified June 3 before a House Governmental Operations subcommittee on the obstacles the Pentagon has to overcome in order to expand the military's role in drug enforcement.

On the use of AWACS to detect drug movement, Olmstead said it would cost \$9,400 an hour to operate the five or six AWACS planes needed to cover the U.S.-Mexican border. Speaking of the Navy E2C surveillance planes, he said they were "in bad trouble with cracked wing problems" and that 34 of 85 were currently out of service.

General Olmstead also testified that using F-14, F-15, F-16, F-18, or F-4 jets to intercept drug smugglers in their small, slow-

moving planes would cause the military jets to stall and crash. He also said that military police are not qualified to perform civilian arrests.

Meese offered 'safe haven' at think tanks

"Sources at . . . the Hoover Institution . . . and the Heritage Foundation . . . have told the *Washington Times* Mr. Meese would find both a platform for his ideas and a financial safe haven there in the unlikely event that he is fired by President Reagan or decides to resign because of allegations against his ethics or financial connections," wrote Jeremiah O'Leary June 3.

A second article in the *Times* indicates from where the public offer to the Attorney General originated. Under the headline, "Fallout from Meese Report Won't Blow Away Till He Goes," Mary Belcher quoted Brookings Institution director of governmental studies Thomas Mann saying, "Politically, what George Bush needs is for Mr. Meese to be able to claim he's been vindicated, so that he'll leave."

Pot causes many injuries, say docs

More than one-third of 1,023 patients treated at the University of Maryland Shock Trauma Center for serious accidents had used marijuana before being injured. Patients were unaware the study was being conducted. The results were reported in the June issue of *Archives of Surgery*.

"If this is borne out in other studies across the country, it puts a new slant on the safety of marijuana use," said Dr. Edward Cone of Johns Hopkins Addiction Research Center.

"There's a common misconception that marijuana is a safe drug, but the statistics coming out of that study show that people who are using marijuana are involved in accidents at a much higher rate than you would expect."

Iklé, Wohlstetter plan further reports

The Commission on Integrated Long-Term Strategy, co-chaired by former Undersecretary of Defense Fred Iklé and Albert Wohlstetter, plans more reports in the future. The commission's January report, *Discriminate Deterrence*, proposed removing the U.S. nuclear umbrella from allies in Europe and Asia.

Iklé told a journalist June 9 that several new reports will be issued during the remaining months of the Reagan administration.

Commenting on the shock occasioned in Europe by the commission's earlier report, Iklé said, "It reflects the initial anxiety of clinging to the MAD doctrine. European leaders are still stuck in the 1950s, when 'massive retaliation' did not mean mutual destruction. Now, we live in a different world. European leaders were also concerned with the report's conclusion that they would become relatively less important [compared] to China and Japan.

Iklé said that since publication of *Discriminate Deterrence*, European ministers of defense have reassessed strategy. The report is also being intensively studied in China and Japan.

He added that Defense Secretary Frank Carlucci based his budget cuts and force structure cutbacks, preserving a modicum of modernization monies, upon the conclusions of the *Discriminate Deterrence* report.

President Reagan doesn't like Mars

President Reagan told a meeting of reporters and editors June 8, "We've already sent a craft to Mars, as you know . . . [and] taken some pictures that make you wonder why anyone would want to go there."

The curious statement occurred during a speech primarily devoted to expressions of the President's support for the presidential

ambitions of George Bush.

In other statements, the President referred to the economy of the Soviet Union as a "basket case, and that U.S.-Soviet economic cooperation will increase only if the Russians want it to. The Soviets, he added, have spent "far more money on defensive programs than we have with the SDI." He added, however, "Evidently, their technology has not kept pace with ours."

Papers Walsh seeks called highly sensitive

Russell J. Bruemmer, general counsel to the Central Intelligence Agency, has told a U.S. district judge in Washington that the classified documents sought by independent prosecutor Lawrence Walsh in his prosecution of Lt. Col. Oliver North, et al. in the Iran-Contra case, are so sensitive that they are known only to the President and a few senior aides.

Bruemmer said the documents referred to "irreplaceable human sources, technical collection methods, and cooperative arrangements with foreign intelligence services that are still ongoing."

In effect, the CIA statement is an intervention against defense motions seeking access to what the *New York Times* termed "a host of the government's most closely guarded secrets, including covert operations and systems used to intercept electronic communications."

Meanwhile, an internal FBI memorandum on the agency's own investigation of opponents of Reagan administration policies in Central America has been highly critical of such investigations. The June 3 *Baltimore Sun* cited "government sources familiar with the review."

It is not clear whether the report, written by D. Carroll Toohey and Danny Coulson of the FBI's Office of Inspections, criticized top bureau officials for their handling of the investigation. The tone of the report was said to be "pretty tough," however. "These guys went way out on a limb: Some people are saying, 'Wait a minute, wait a minute,'" AP quoted one of its sources.

The secret FBI review was begun in February, and was submitted to FBI Director William Sessions in late May. It is known that FBI informant Frank Varelli delivered congressional testimony saying that the agency urged him to fabricate a justification for an agency investigation of administration opponents, and that the FBI's internal review dealt with this fact.

Is Gorbachov the Antichrist?

A number of Christian fundamentalists in the United States believe that Soviet General Secretary Mikhail Gorbachov is the Antichrist, the *Washington Post* reports.

"A small but vocal group of fundamentalist Christians . . . is prepared to argue that the Soviet general secretary is the Antichrist, the Devil's agent on Earth. . . . They mean that he is the tool of the Devil. The Antichrist. Mr. 666 himself," wrote the *Post*.

"The evidence is overwhelming that Gorbachov is the Antichrist," Robert W. Faid is quoted. Faid, a 59-year-old former engineering supervisor who holds a master's degree in theology from Coatesville Bible College, is the author of *A Scientific Approach to Christianity*. He argues in a new book, *Gorbachov! Has the Real Antichrist Come?* that the Soviet leader fulfills virtually all the biblical prophecies about the Antichrist.

"Take the matter of that birthmark on Gorbachov's forehead. . . . When I look at the top of Gorbachov's head, I see a red dragon and over the right eye, there's a tail that hangs, representing stars," says Faid.

Inside the Soviet Union, news media have never published pictures of the general secretary showing his birthmark, for fear of the reaction of superstitious Russian peasantry.

Faid explains that St. John in *Revelations: 12:3-4*, portrays Satan in similar terms, as a "great red dragon and his tail drew the third part of the stars of heaven, and did cast them to the earth." Thus, says Faid, "If Gorbachov is truly the Antichrist, Satan branded him in his mother's womb."

Briefly

● **WEDTECH'S** ex-president, Anthony Guariglia, testified June 2 at the racketeering trial of Rep. Mario Biaggi (D-N.Y.) that Robert Wallach assured him late in 1986 that he was working with Attorney General Ed Meese to halt the Wedtech probe. At the last of three meetings at LaGuardia Airport near the end of 1986, Wallach told him, "Take it easy. Hang tough. I spoke with Ed Meese, and we're trying to get this investigation quashed."

● **FRANK CARLUCCI**, U.S. defense secretary, who stopped over in Tokyo on his way back from the Reagan-Gorbachov summit, said that "summitry is no substitute for security," and that while Gorbachov's *perestroika* "is important, let me emphasize that as of today we have not seen any tangible impact of *perestroika* on the Soviet military establishment." Maybe someone should introduce him to the President.

● **JESSE JACKSON** has threatened a Democratic convention floor-fight to get the party platform to brand South Africa a "terrorist state." If Michael Dukakis "will not bend on that matter, we will simply meet on the floor in Atlanta," Jackson told a Los Angeles radio audience.

● **LAWRENCE WALSH**, Iran-Contra prosecutor, has decided to lead the prosecution team in court himself, in the conspiracy trials of Oliver North, John Poindexter, Albert Hakim, and Richard Secord, "if a trial is held," as the *Washington Post* put it. The *Post* views this as "a strong signal that his investigation of the scandal is winding down."

● **NICHOLAS BRADY**, the investment banker who headed the presidential commission investigating the October 1987 stock market crash, will probably become Secretary of the Treasury when James Baker leaves the post this summer to head George Bush's presidential campaign.

The new Nuremberg criminals

After World War II, Nazis were tried and hanged for wartime crimes like those which have become accepted practice by peacetime U.S. institutions today: the "mercy killing" of the elderly and the sick, who are deemed "useless eaters"; experimenting on the mental processes of innocent victims—seen today in the proposals to legalize mind-killing drugs and spread them by giving free "clean needles" to addicts under the ludicrous pretext of fighting AIDS; economic policies which kill "inferior races," such as those being carried out against Africa. These form the policy agenda of the West's financial power elite, with the heady encouragement of the Soviet elite, in the face of a deepening financial catastrophe and the AIDS health catastrophe.

Take three examples that might appear "extreme."

1) A new American group of "ecological Nazis" with liberal backing, called "Earth First," is being given feature news coverage in parts of Europe. It praises the spread of AIDS as a "natural remedy" for reducing world population and denounces the use of a cure for cholera as a "crime." Just as the Black Plague ended the feudal era, so AIDS will end the industrial era of progress. The group calls for turning human life back to "hunting and gathering."

2) A Portland, Oregon AIDS Project is becoming the first clinic in the country to begin dispensing clean needles to drug addicts. The policy has the full endorsement of the Soviet-dominated World Health Organization, the National Academy of Sciences, Surgeon General "Condom" Koop, and Armand Hammer's American Foundation for AIDS Research. Ostensibly meant to stop the spread of AIDS, the "clean needle" policy has been adopted amid a massive campaign for legalization of marijuana, cocaine, and heroin.

3) During the first week of June, CBS-TV news, for four days running in the New York area, broadcast 3-5 minute spots entitled, "Euthanasia, Mercy or Murder?" Soap opera-like vignettes portrayed the Nazi practice as "normal." Polled viewers were reported in large numbers to favor "assisted suicide" and other forms of murder of the sick and infirm.

Extreme examples? Not at all. America's elite refuses to act against AIDS except with policies that kill, to save costs. Health professionals who have retained their consciences in the face of massive "cost containment" pressures, say that murder of patients, outright or by denial of essential care, has become routine in their profession.

"I've observed a very disturbing trend in the education of physicians and in the restructuring of clinical care," writes Coleen D. Clements, a psychiatrist on the Ethics Board of Rochester, N.Y.'s Strong Memorial Hospital. Her message, "The De-Moralizing of Medicine," was sent to a conference in Munich, Germany denouncing the worldwide revival of Nazi euthanasia for "cost containment." "Physicians are being redefined as economic gatekeepers and facilitators of patient refusal of treatment. . . . The chronic, the terminal, the elderly patients were seen as selfishly demanding resources. . . . Physicians were seen as ethical only if they refused access to certain medical treatments based on an unexamined assumptions about resource availability."

Even as the Munich anti-euthanasia conference, co-sponsored by the Club of Life and the Schiller Institute, came to a close, another conference was convening in Sweden on AIDS, featuring studies of clean needle distribution and low-cost "hospice" death camps for victims. Then, on June 13-14, the Swiss-Venetian reinsurance cartel, the Geneva Association, meets in The Hague, Holland to plan out an international genocide policy toward AIDS victims, to contain costs.

These are Nuremberg-scale crimes and Nuremberg-scale criminals. The Munich conference provided some weapons to stop them. Presidential candidate Lyndon LaRouche's recent national broadcast on a scientific approach to "Total Victory Over AIDS," to be repeatedly rebroadcast around the country, is another strong weapon. Either a mass political movement is built against this policy agenda of our financial power elite, or life will not be any more worth living than it was in Nazi-occupied territories 45 years ago.

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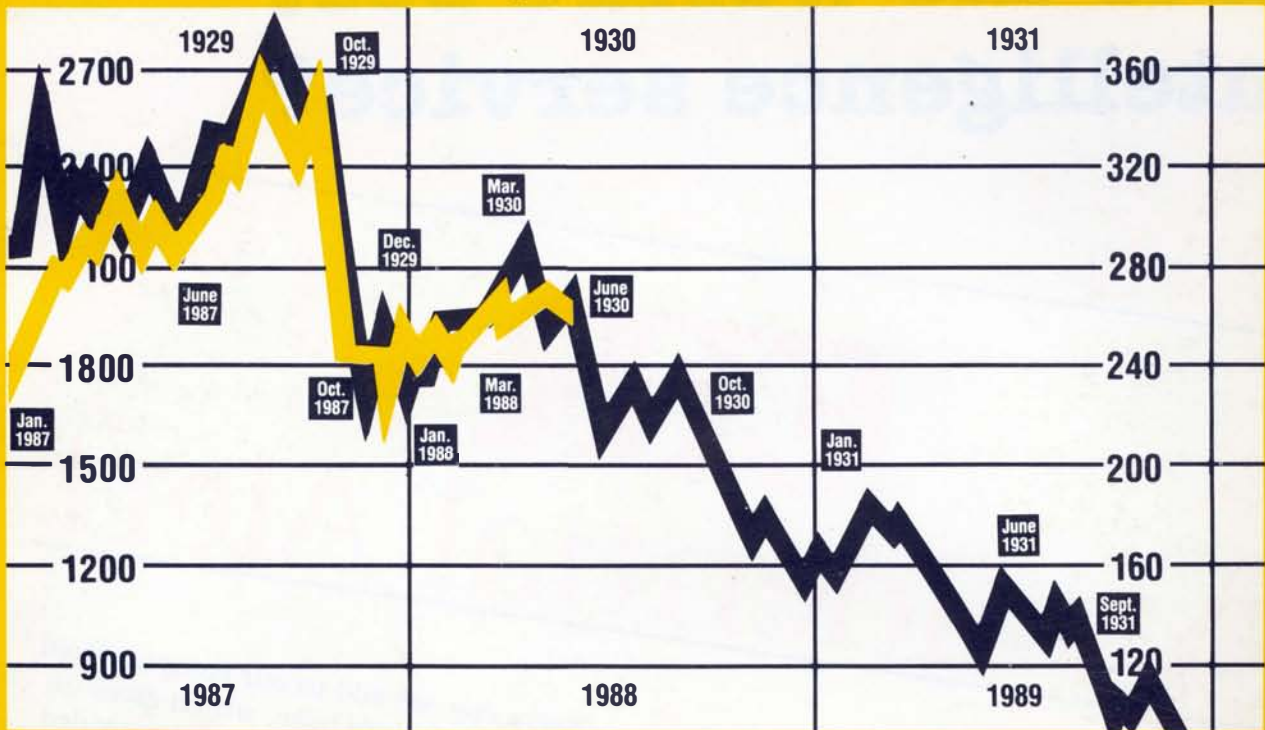
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