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EXECUTIVE INTELLIGENCE REVIEW

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EXECUTIVE INTELLIGENCE REVIEW

Editor-in-Chief
Fernando Quijano

Managing Editor
Tessa DeCarlo

Production Editor
Deborah Asch

International—Nora Hamerman • **U.S. Report**—Stephen Pepper • **Economics**—David Goldman • **Energy**—William Engdahl
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IN THIS WEEK'S ISSUE

The just-created European Monetary System has a **powerful new ally** against its City of London opponents . . . The **Saudis** are putting their petrodollars and their diplomacy behind the EMS and gold, and **against the British pound** and Britain's strategy of Mideast war

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In **THIS WEEK**, the **exclusive story** on what the Saudis are up to, and who's working with them . . . Also in **THIS WEEK**, the British response: a **new outbreak of terrorism** aimed at the efforts for a unified Arab push for a Geneva peace conference . . . and at the advocates of a trade-based new monetary system that will **undercut London's financial power** . . . One particular target of London's "surrogate warfare" is U.S. Labor Party head **Lyndon H. LaRouche, Jr.** . . . and we have the latest details on how one attempt to **set LaRouche up for a "hit"** failed . . . and **who** was behind it . . . Plus an examination of the **battle in the U.S. cabinet** over the same international economic policy issues

* * *

The **oligarchs** who stand behind London policy . . . behind the terrorism, the economic warfare, the provoked chaos . . . have been **unmasked** . . . In **SPECIAL REPORT**, a

selection from a just-released pamphlet on the Order of St. John of Jerusalem — Knights of Malta, the oligarchs' secret-society headquarters . . . that shows why this is no mere "ceremonial" get-together . . . spells out the links to **key political institutions** in this country and around the world . . . explains the leading role of this conspiracy in **opposing the economic development accords** reached last month at Bremen and Bonn . . . and tells how all this came together around the **plot to murder the U.S. Labor Party's LaRouche** . . . Plus, in the same section, an **exclusive interview with a Knight of Malta** in West Germany . . . to give our readers a closer look at the species

* * *

More details on Saudi Arabia's international role in our magazine's **INTERNATIONAL** section . . . How the Saudis are **consolidating an Arab bloc** for Mideast peace, and **pressuring the U.S.** to take on the lunatic Israeli hardliners . . . and an **exclusive story** on how Britain is retaliating with terrorism against particularly the Iraqi moderates . . . Plus, how the Lebanese government is standing up to the alliance of **Israeli war-hawks and Falange fascists**, with all the strategic and political implications for the **imminence of region-wide war** . . . Also in

Saudis To Dump Sterling In Retaliation For British Terrorism

Exclusive to the Executive Intelligence Review

Authoritative sources in the French intelligence community report that Saudi Arabia plans to initiate an attack against the pound sterling on the foreign exchange markets, in retaliation for the British role in last week's terror attacks against Arab installations in Western Europe. The French report, corroborated by European banking and Arab government sources, specifies an expected sterling parity against the dollar of roughly half today's \$1.92. The Saudis, according to banking estimates, hold roughly £2 billion in sterling-denominated investments.

According to the French and other sources, the Saudi-led Arab Monetary Fund, created last year with \$700 million capitalization, will establish a formal link with the European Monetary Fund, as early as September. The French and West German governments, who won approval for the plan at the July 7-8 summit meeting of European Community leaders at Bremen, have advanced the implementation schedule for the European Monetary Fund up to September from the original target date of Jan. 1, 1979. All leave for French and West German officials has been canceled for the month of August, and officials have been working 16-hour days, in the haste to put the new fund together.

The agreement to link the European Monetary Fund and the Arab Monetary Fund, to be vastly expanded under the new plan, was achieved at an Aug. 1 meeting in Bonn between Saudi Foreign Minister Prince Saud and West German Chancellor Helmut Schmidt.

Oppose Britain

French intelligence believes that leading policy circles in the City of London, who are irrevocably opposed to the Bremen agreement, want to stop the Arab connection from developing at all costs. In particular, the British policy circles are alarmed by Saudi diplomatic success in bringing the Iraqis and other Arab states with whom they previously had difficulties, into line through an "Arab unity" initiative. Saudi diplomacy orchestrated Egyptian President Sadat's new Arab unity approach. Among the results expected from this initiative is unanimity in the Arab world concerning the European-Arab monetary agreement.

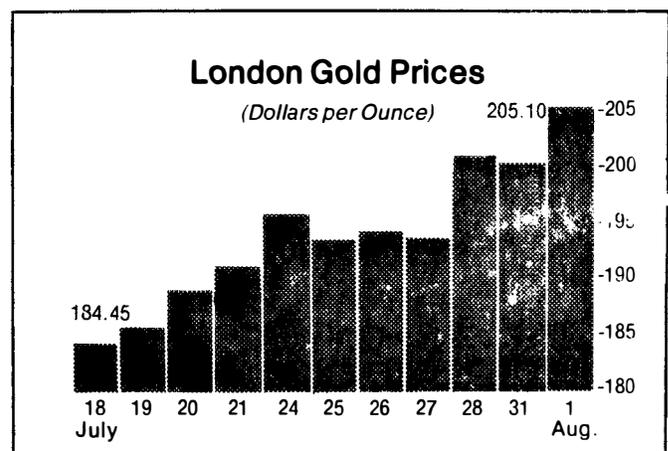
The importance of the Iraqi government in bringing this about motivated last week's assault against the Iraqi embassy in Paris, the French sources report. They warn against a bloodbath in Europe and the Mideast, unless the British terror campaign is stopped. (For more on this story, see INTERNATIONAL.)

Saudi leading circles have already targeted the vulnerable pound sterling as the weak point in British armor. Sophisticated foreign exchange market operators, including previously pro-British Swiss banks and a large American oil company operating in the Mideast, are already preparing a devastating blow against the British currency. "Even without the political retaliation motive, sterling would have collapsed," said the treasurer of a giant U.S. multinational with a strong presence in Saudi Arabia. "We dumped every pound we had, and took short positions on top of it, a month ago."

Going to Gold

Meanwhile, it has become general knowledge that Saudi and other Arab gold purchases were a leading factor in the spectacular rise in the gold market last week. The gold price topped out at \$207.50, and then fell back to about \$201. But the consensus view among gold market operators, including the gold department chiefs of the largest West German and Swiss banks, is that gold will rise to \$230-250 this year.

At that point, European central banks will step in to stabilize the gold price on the open market, completing the process of gold remonetization that began at the Bremen summit. The European Monetary Fund will consist of 20 percent of the dollar and gold reserves of the nine European Community countries, according to the official communiqué. Proponents and opponents of the scheme agree that the Bremen plan involves remonetization of gold and pegging the dollar to a tightly-coordinated European currency bloc, and possibly also the Japanese yen. Japanese foreign exchange operators report that they are now under instructions to pay first attention to the deutschmark-yen cross-rate, in



preparation for a yen link to the European Monetary System. Saudi and other Arab gold purchases are preparatory to a direct link between the European system and an expanded Arab Monetary Fund.

At deadline, the pound sterling had already begun to weaken — from over \$1.93 to \$1.92 flat — and New York foreign exchange traders reported that sterling had been singled out for special pressure. "It's already started!" said the chief foreign exchange dealer of one of the large New York banks, commenting on predictions of a major attack on sterling.

In a related development, West German banks began an attack against the Dutch guilder and Belgian franc Aug. 2 which may force a major devaluation of those currencies within the European snake, according to circulating reports.

The Belgian and Dutch governments have been aligned with the British on major European Community policy matters. According to the consensus view among foreign exchange dealers, frantic intervention operations by the Belgian and Dutch central banks to keep their currencies within the snake late this week produced temporary pressure against the dollar, since the central banks — contrary to the proposed rules of the European Monetary System — were using dollars for intervention purposes.

A total commitment of European and Arab monetary resources to a linked fund would not only wipe the International Monetary Fund and World Bank out of the running, but would create an international development fund in the range of a quarter of a trillion dollars.

— David Goldman

Trial Testimony Proves Murder Plot Set-Up On LaRouche

Assailant of USLP's Gallagher convicted in New York

David Newsome, a brainwashed ex-convict, was found guilty of both robbery and assault on Thursday, Aug. 3, by a New York City jury. Before the conviction, this week's testimony had confirmed in court the U.S. Labor Party's revelations concerning the "Black International" assassination operation against the party's national chairman which surrounded the trial.

Newsome had been charged with a January attempt to rob the New York regional headquarters of the U.S. Labor Party and with using a lead pipe to fracture the skull of the U.S. Labor Party regional director, Paul Gallagher.

The trial, ostensibly a straightforward criminal matter, became the cover for a well-deployed assassination attempt against U.S. Labor Party chairman Lyndon H. LaRouche. Newsome's defense attorney, Frederick Block—apparently guided in his trial strategy by British-connected, Zionist lobby lawyer Nahum Bernstein—twisted the focus of the trial away from making any plausible defense of Newsome, and towards forcing the personal court appearance of LaRouche.

The Manhattan District Attorney's office, under the direction of Anti-Defamation League-connected Robert Morgenthau, then insisted upon LaRouche's testimony and balked at providing any adequate security precautions. This would have established a fixed time and place appointment for LaRouche, around which an assassination could be prepared.

Setup Demonstrated

A major international mobilization of concern ensured that proper security for LaRouche was provided. However, once his testimony was completed—a conditional examination with the jury outside the

courtroom—the set-up nature of the entire trial was very clearly demonstrated. Block insistently made the peculiar claim that he would defend his client by placing him on the stand to testify that he had been authorized by LaRouche personally to take money from the Labor Party regional office. Lawyer Block put forward this claim despite the fact that LaRouche had resided in Wiesbaden, West Germany, for months before, during and after the commission of the crime.

Once LaRouche was actually in the courtroom and established that he did not know Newsome and had never "authorized" him to commit robbery and assault, Block lost interest in his defense theory. On cross examination he concentrated on a fishing expedition into USLP organizational structure, decision making, financial control, salaries, etc.

He then announced that he would not place Newsome on the witness stand to testify on his own behalf. Thereupon the judge ruled LaRouche's testimony inadmissible as evidence.

Further confirming the complete set-up, U.S. Labor Party communications were disrupted just prior to and during LaRouche's testimony, returning to normal later in the day.

Investigation also revealed that operatives of the Black International's Jerusalem Foundation, a branch of the Order of St. John of Jerusalem and the Knigi. Malta, had been besieging the Assistant District Attorney with telephone complaints of U.S. Labor Party security activity. As well, they charged (ironically) that Labor Party exposure of their assassination setup constituted interference in a criminal trial!

The jury's verdict confirms exactly that understanding of the case. The jury took minutes' deliberation to reach their verdict. Newsome's conviction carries a probable six- to 12-year prison sentence.

British Gear Up For Terror In The U.S.

It is to counter the growing alliance for a new world economic order that the Black International has escalated terrorism in Europe, the Middle East, and the United States.

A top priority in these terrorist deployments is the Philip Agee-Institute for Policy Studies move into Cuba. Agee's "CIA exposé" deployment is designed to facilitate the introduction of a wave of terrorism in the United States, giving the appearance that such atrocities are emanating from Cuban government directives.

The Agee setup for terrorism in the U.S. intersects with the psychotic Israeli announcement of intentions to go ahead with terrorist deployments against anyone anywhere who harms Jews.

Following the explosion of a bomb in Tel Aviv Aug. 3,

Israel launched an air strike in Lebanon on orders of the Israeli cabinet, which announced, "The murderous organizations will be hit wherever they may be."

This announcement comes at the point when British intelligence is provoking open warfare among Palestine Liberation Organization, Iraqi, and other Arab forces. (See *INTERNATIONAL*).

Overall activation of terrorist networks has been predicted by British think-tank experts, based not on any counterintelligence capability, but on their own direct involvement. One British think-tanker recently forecast Baader-Meinhof "hits" in the United States, particularly in the Detroit area, where, he explained, a terrorist infrastructure already exists.

A sharp indication that U.S. terrorism can be expected to erupt is the orchestrated "left-versus-right" confrontation going on between two known branches of British intelligence.

Robert Moss, of the right-wing Mont Pelerin Society, and the International Institute for Strategic Studies (IISS), who also writes for the London *Daily Telegraph*, recently charged that an expected outbreak of terrorism in the United States would be coordinated, in part, by the "leftist" Washington, D.C.-based Institute for Policy Studies (IPS). Saul Landau, a member of the Institute for Policy Studies, who plays a leading role in the Philip Agee operation in Cuba, subsequently attacked Moss as a "right-winger."

This classic British "left-right" scenario is the giveaway signal that British-created terrorism is scheduled to break out in the United States.

IPS terrorism-connected Agee, attending the World Youth Conference in Havana, has announced the formation of "CIA Watch," an organization to expose alleged CIA agents, and is reportedly about to publish a book naming and providing detailed biographies on 700 alleged agents. This is a classic, transparent operation of the British to trigger a wave of assassinations, similar to the murder of CIA Station Chief Richard Welch following such identification in Athens two years ago.

Cuba's toleration of Agee's presence in Havana allows the Black International to throw the blame on Cuba for European-style terrorist operations in the U.S., to be carried out by Agee's friends and networks.

The U.S. Labor Party last week warned that the Cuban government does not have a correct appreciation of the full scope of the Agee operation, and for this reason, the deactivation of the operation and its exposure are of major international significance to stop the terrorism currently being set up for the U.S.

Mexican Press Reports on Plot To Assassinate LaRouche

The Mexico City daily Diario de Mexico reported July 31 on the plot to assassinate Lyndon H. LaRouche, Chairman of the U.S. Labor Party. Coverage of the threat to LaRouche appeared in the daily column "Momento Politico" (Political Moment), written by Arturo R. Blancas and widely read in Mexican political circles. The report is based on a press release issued by the U.S. Labor Party's fraternal party in Mexico, the Partido Laboral Mexicano.

Here is a translation of the Diario de Mexico article.

The Mexican Labor Party (PLM) yesterday made public 'the plot' orchestrated by the bankers from the City of London to assassinate Lyndon H. LaRouche, Secretary General of the USLP. The PLM indicated that the motive for this plot is the fact that LaRouche was the architect of the recent economic accords signed at Bremen and Bonn, which, if implemented fully, would put an end to the hegemony of the International Monetary Fund and their oligarchic friends from the City of London and from Wall Street. These accords had been promoted by LaRouche since 1975, the year in which he put forth the proposal for the establishment of an International Development Bank which would be the seed and groundwork to establish a new international economic order.

Cabinet Split On Bonn Economic Plan

The saboteurs appear to be losing out to the 'pro-Europeans'

The crucial question of how the United States will respond to the European Monetary System (EMS) and related proposals put forth by West German Chancellor Helmut Schmidt and French President Giscard d'Estaing at last month's Bremen and Bonn's economic conferences is the subject of the hottest, most important political struggle yet fought within the Carter Administration.

Highly placed sources within the Administration confirm that the European leadership at Bonn strongly advocated U.S. support for the prodevelopment package advanced at Bremen.

"The Germans and French were pushing us very hard on their proposal, that it was a way to recycle petrodollars into development," the source said. "We saw it as very positive." In fact President Carter as recently as Aug. 4 of this week reiterated his approval of the Bonn-Bremen accords. At the same time, a major effort is underway by certain Administration officials, who are following an admittedly British line on this matter, to sabotage the Administration's acceptance of the pact. The same spokesman quoted above added, "It was the 'economic boys' who added on the note of caution to U.S. support for the Bremen accords."

Ever since President Carter returned from Bonn clearly impressed by the economic development perspective detailed to him by Giscard and Schmidt, the "economic boys" led by Treasury Secretary W. Michael Blumenthal, Under Secretary for Monetary Affairs Anthony Solomon, the State Department's Richard Cooper (formerly of the Brookings Institution), and White House advisor Henry Owen (also from Brookings), have been putting out a steady stream of lies about the actual content of the Bonn-Bremen agreements.

In fact, according to reliable Administration sources, these individuals have been deliberately squelching an unprecedented flood of telegrams and cable traffic which has been flowing into Washington from U.S. embassies, consulates, and businessmen, around the world, urging the Administration to embrace the Bonn-Bremen accords. Instead of transmitting the spirit of these reports to the President, Solomon has written "a special memo to Carter" which, sources say, pans the proposed European Monetary System on the grounds that it would support the dollar and would also outlaw the infamous "surveillance" procedures the IMF now imposes on debtor countries.

Defending his boss's report, an aide to Solomon complained: "The Europeans are trying to peg the dollar and remonetize gold. We're dead set against that.... We support floating exchange rates; if the dollar deserves to fall, it should fall. That's all ratified in the International Monetary Fund articles."

Appearing with Blumenthal at Senate hearings July 24, Solomon himself called for ending the dollar's reserve currency role, and lied that the U.S. will insist the EMS "be in full conformity with and in support of the Articles

of Agreement of the IMF" as a condition for its endorsement.

Abetting these treasonous efforts is Henry Kissinger, who, knowledgeable sources have revealed, has been burning up calories over the last week placing a frantic series of phone calls to influential businessmen to discuss "stopping the U.S. Labor Party" on account of its key role in the Grand Design.

Pro-EMS Climate Building

But there is no indication that Carter has been bullied into an anti-European posture. Indeed, it is known that Cyrus Vance and high-level members of the Commerce and other departments are markedly sympathetic to the Giscard-Schmidt proposals. As one State Department official commented privately today, "Those here who oppose the EMS are the same people who destroyed the Export Task Force report (a study recommending expanded U.S. exports recently submitted to President Carter — ed.) and a lot of people are furious about that. That won't happen with Bremen; the Carter Administration will have a lot of positive support for Bremen. The SDR will not be allowed to replace the dollar."

Some observers are viewing Vance's renewed commitment to achieving a Mideast peace accord acceptable to the Arabs as a sign he recognizes the paramount importance of the Saudis in making the EMS a success. In this context, a "white paper" which Senators Jake "the Snake" Javits (R-N.Y.) and Frank Church (D-Idaho) are frantically pulling together targeting the Saudis as the chief obstacle to progress in Mideast peace negotiations should be seen as an attempt to sabotage not only Vance's peace efforts but the Bonn-Bremen accords as well.

This pro-EMS climate in Washington is being accurately reflected in the building support for the Bremen proposals in the business and banking communities. On Sunday, Coca-Cola Corp. head J. Paul Austin, one of Carter's original political backers who may be under consideration as a replacement for Blumenthal, enthusiastically commented to the *Atlanta Constitution* that the Bonn and Bremen summits will produce "a good business climate." Along similar lines, a top official for a leading Chicago-based bank reported Aug. 1 that "only a small group in the Administration opposes the Bremen proposals," and predicted confidently that "the U.S. will go with it despite them."

The battle to bring the U.S. into the Grand Design is far from over, however. The next step that supporters of the EMS must take is to ensure that Carter's recent ouster of undesirables Peter Bourne, Midge Costanza, and Tip O'Neill's crony Robert Griffin at the General Services Administration — moves Washington insiders see as aimed against the Fabian wing of the Democratic Party — is extended to the real saboteurs of U.S. participation in the Grand Design: Blumenthal, Solomon, Cooper, Owen and their cronies.

—Kathleen Murphy

Saudis Forging Arab Unity

Working with Europe for Geneva and pushing U.S. for a peace commitment

Saudi Arabian Crown Prince Fahd arrived in Cairo July 31 for unexpected talks with Egyptian President Anwar Sadat, the first talks between the two leaders since Sadat's trip to Israel last winter. Fahd is now conducting a tour of the Mideast which includes Syria, Jordan, and Iraq to organize an Arab "reconciliation" in preparation for a Geneva peace conference.

Fahd's arrival in Egypt coincides with Sadat's decision to terminate direct peace negotiations with Israel as a result of Israeli intransigence, a move that was prompted by the Saudis, according to Arab sources.

With the full support of the French and West Germans, the Saudis have pressured the U.S. State Department to announce its support of Lebanese President Elias Sarkis's attempts to bring southern Lebanon under national control. By supporting the effort of the Lebanese Army to take control of the south from the outlaw Israeli-backed Falangists, the State Department has delivered a badly needed slap in the face to the Israelis.

According to informed sources, Riyadh has also encouraged its allies within the Palestine Liberation Organization (PLO) to open talks with the Israelis in preparation for Geneva. The PLO has reportedly begun a dialogue with the Mapam Party of the Israeli Labor Alignment last week in Paris, the first talks ever between the PLO and a major Zionist party.

Development the Key

Sadat's refusal to continue futile bilateral talks with Israel follows by days a dramatic reconciliation of feuding Arab leaders at the Belgrade summit of the Non-Aligned Movement, where an undisclosed peace plan for the Mideast was drawn up. According to Persian Gulf press sources, Jordan's King Hussein met with Saudi King Khalid just prior to the summit to discuss the status of the West Bank after a settlement with Israel.

But Saudi diplomatic deployment this week to both the Arab world and Europe indicates that Arab leaders are well aware that there can be no lasting peace in the region without international cooperation for a development package for the entire Mideast. While Saudi Foreign Minister Saud was in Bonn, Egyptian Vice-President Murabak was in France—West Germany's partner in the Grand Design accords formulated at Bremen July 7. Murabak also traveled to Morocco, whose King Hassan has been a key intermediary between Israel and the Arabs and has issued calls for European leadership in Mediterranean development.

In Jordan, King Hussein's brother Prince Hassan last

month called on the Arab-Europe dialogue to use his financial expertise to facilitate monetary cooperation for Mideast development. Recently, Hassan chaired a meeting in Amman, Jordan, to establish a development fund that would complement the European Monetary Fund. The Arab fund could aid the development of the West Bank, the site of a future Palestinian state.

Senate Zionists Mobilize

The Carter Administration's failure to pressure the Israeli government into making real concessions still remains a major roadblock to peace. The vacillation of the Administration has further given the U.S. Zionist Lobby maneuvering room against Carter and the Saudis.

The Israel Lobby supporters on the Senate Foreign Relations Committee have gone into high gear. On Aug. 1, Senators Frank Church (D-Id.), Jake Javits (R-N.Y.), Clifford Case (R-N.J.), and Richard Stone (D-Fla.) grilled Secretary of State Cyrus Vance on his Mideast policy in closed hearings and extracted a pledge from Vance that he would not take a U.S. peace plan to the Mideast next week. These same Senators, who intend to submit a sense of the Senate resolution condemning Saudi Arabia for breaking off the peace talks, have tried to intimidate the Saudis into negotiations by alleging that last spring's arms pact was linked to separate peace negotiations.

Before the Senators, Vance officially registered his department's disappointment that Sadat would not further negotiate with Israel, a response that will not find favor with either Egyptian President Sadat or the Saudis. Egyptian sources revealed, following the Sadat-Fahd talks, that Saudi Arabia intends to maximize its influence on Washington to break its "balanced" diplomacy between the Arabs and the Israelis.

On Aug. 1 Sadat seemed to indicate his displeasure with the U.S. Administration's policy by refusing to give a press conference with U.S. Ambassador-at-Large Alfred Atherton, who had futilely attempted to revive the bilateral Egyptian-Israeli talks.

Sadat instead privately told the press that the last round of direct talks at Leeds, England last month was "a step backwards" and "pushed the Mideast problem to a climax," as a result of Israeli intransigence.

Following his talks with Atherton, Sadat stressed that the U.S. must become a "full partner" and bring forward a peace plan to break the stalemate and not just act as a mediator.

—Judy Wyer

Iraqi Terror Cleanup Sparks British Intelligence War On Baghdad

Exclusive to the Executive Intelligence Review

A decision by the highest Iraqi leadership to put an end to terrorism in the Middle East and to end Iraq's isolation in the Arab world has sparked a virtual declaration of war on Baghdad by British and Israeli intelligence and the deadly Order of the Knights of St. John.

In one week, four Iraqi ambassadors and diplomatic missions were hit by terrorist assaults: in London, following the expulsion of 12 Iraqi diplomats by Great Britain, a grenade was tossed under the car of the Iraqi ambassador, who narrowly escaped death; in Paris, two thugs seized the embassy and held hostages until Paris police intervened; in Karachi, Pakistan, gunmen fired machine-guns into the embassy, wounding several diplomats; and in Beirut, would-be assassins machine-gunned the Iraqi envoy to Lebanon.

Great Britain and Iraq, as a result, are near a break in diplomatic relations.

Iraq is moving fast to consolidate the shift in its policy. In recent weeks, several top Saudi delegations have visited Baghdad as part of ongoing Saudi efforts to reconcile differences in the Arab world, and Crown Prince Fahd is due in Iraq this week. At the same time, European sources report that Iraq is also trying to improve relations with France.

The rapprochement with Saudi Arabia and France is reflected most directly in the intelligence area, as Iraq clamps down on the activities of British intelligence. On July 16, an official Iraqi declaration proclaimed the intention of Iraq to free many political prisoners, with the exception of "Free Masons, Bahais, and (Kurdish) saboteurs in the northern region." The remarkable statement pinpoints the elite of British intelligence networks in the Middle East: the Scotland Yard-controlled Free Masons, and the evil Bahai cult, both of which overlap with Israeli intelligence networks.

The Iraqi moves threaten the very existence of Zionist and British intelligence in the area. It is the Bahai-Free Mason network that controls the anti-Shah Shi'ite dissidents in Iran and the extremist-terrorist Palestinian underground led by renegade Palestine Liberation Organization warlord Abu Nidal.

But the Baghdad moves against the Bahai-Free Mason clique do not represent in any sense a move by Iraq away from the Soviet Union. In an interview in *Pravda*, Iraqi Prime Minister Saddam Hussein stressed that Iraq is maintaining the closest of ties with Moscow and, in an unusual statement, he added that Iraq considers the presence of Soviet and Cuban troops in Ethiopia to be perfectly legitimate. Earlier reports, that Iraq objected to Soviet policy in the Horn of Africa, led anti-Iraqi press conduits to proclaim an imminent break in relations between Moscow and Baghdad.

Britain Vs. Iraq

As the Iraqi antiterrorist campaign stepped up, London launched its wave of terror.

First, accusing Iraq of sponsoring terrorism, the British government expelled twelve Iraqi diplomats. In addition, the chief of Iraqi intelligence was arrested at Heathrow airport by British secret service agents! These provocations to Iraq were followed the next day by an attempt to kill the Iraqi ambassador. A woman tossed a grenade underneath his car, but by chance he had just gotten out of the car and he was not hurt in the explosion.

Iraq took diplomatic reprisals and said that it was holding London "fully responsible" for the assassination effort.

Two days later, two or three terrorists invaded the Iraqi embassy in Paris. Several people were wounded before police could seize one of the terrorists, and as he was being led away by police an unknown gunman shot him, though not seriously, sparking off a gun battle between Paris police and Iraqi security guards. The Iraqi ambassador, who was meeting with President Giscard as the attack occurred, offered full cooperation to the police, and after the events told reporters that the shots that were fired at the captured terrorist were aimed at either aiding him or eliminating him by his accomplices. Nevertheless, false stories were carried worldwide that the Iraqi guards had begun the shooting!

Other phony stories — unsubstantiated, and forcefully denied by the Palestine Liberation Organization — claimed that the attack was launched by pro-Arafat PLO gunmen who oppose Iraqi policy.

In subsequent days, gunmen attacked ambassadors of Iraq in Beirut and Karachi, and across Europe, conduits linked to the Black International reported that inter-Arab terrorism was about to explode across Europe and the Middle East. The fascist *Münchener Merkur* and the *Daily Telegraph* of London, in particular, carried such stories, and the next day, Aug. 3, the PLO Ambassador Kallak in Paris was murdered by assassins who, the PLO later charged, were working for Israeli intelligence.

It is widely known that several years ago, the Israelis deployed a series of "hit teams" into Europe to assassinate Arab officials.

Iraq Hits Bahai, Free Mason Traitors

The following are portions of a July 16 Baghdad Iraqi News Agency release detailing the government's policy against members of the Bahai cult and the Free Masons.

The Revolution Command Council today issued a decision on the release of prisoners. The decision

stipulates that some of the prisoners will be granted amnesty and will not have to serve the rest of their sentences....This does not apply to those imprisoned for spying, or, to Free Masons, Bahais, and saboteurs in the northern region.

...The decision excludes from the amnesty spies, Bahais, Free Masons, child kidnapers, criminals imprisoned for immoral traffic, sabotage, and arms trading in the northern region....In accordance with the decision, 2,835 prisoners are to be released tomorrow morning.

Commenting on the decision, RCC member Izzat Ibrahim stated that the decision stems from the aims of the Baath Party and its humanist and socialist theory. The minister said that after 10 years, the 17 July Revolution has created deep changes in the Iraqi social structure which are reflected in all aspects of Iraqi life. The revolution, he added, also created deep changes among the strata of society and affected the lives of citizens who suffered from backwardness and who harmed themselves by committing various crimes.

Zionist Agent Abu Nidal Spouts Anti-Arab Hysteria

The excerpted remarks below are taken from a Middle East Magazine interview with Abu Nidal, the renegade PLO member who is now a leading dupe of Israeli intelligence connected to international terrorist Carlos and the Red Brigades.

...We would like to emphasize, however, that anyone who tries to take a hand in our affairs will have his hand cut off.

...I do know that when Arafat states that extremist Palestinian fringe groups could be connected with the Red Brigades or other terrorist organizations, there is no doubt that he is trying to draw attention to me and our forces.

...This is no more than an international campaign led by Arafat and Sadat, supported by Saudi money and Israeli collaboration, to discredit us and those who support us....

We respect martyr Wadei Haddad for he was a great revolutionary fighter but this does not necessarily mean that we agree with his ideas and activities. As to comrade Carlos, who fought side by side with martyr Haddad, I want to emphasize that ours is a large organization with a progressive and popular political line. Of course, we also fight on many fronts and believe that armed struggle is the most important one. But of equal importance for us is mobilization inside and outside the occupied territories. The enemy has often admitted the strength of our presence in the occupied territories....

But if our first priority is the struggle against the Zionist enemy in the occupied territories — and our progress here can be seen from the rockets which rained onto Begin's residential district — our next priority is the destruction of the reactionary regimes in Syria, Jordan and Lebanon. There is also the direct offensive against Saudi Arabia, as shown by the destruction of the Abqaiq (oilfield)....

We support any action directed against American imperialism, but we don't have accurate information. Besides, the consequences of these groups' (urban guerrilla groups of Europe — ed.) actions must be judged by their own people. We cannot be the tutors of any other organization or movement.

Lebanon's Army Moves To Restore Sovereignty

In a major move to restore national sovereignty to his war-torn nation, Lebanese President Elias Sarkis ordered a small battalion of the newly reconstituted Lebanese Army to move into the southern region — an area which, since the 1975-76 civil war, has been under the control of breakaway Christian militias and their allies in the Israeli military.

According to Lebanese government reports, the army, enroute from its Beirut headquarters was forced to stop short at the village of Kawkaba, approximately eight miles from the Israeli border, because of heavy artillery and mortar fire from Israeli-backed Christian militias in the area. But, the Lebanese Army Command has directly accused Israel of impeding the army's advance by firing shells from across the border.

The crucial decision on the part of the Beirut government to restore sovereignty and stability to the whole country indicates not only a test for Lebanon's

survival as a nation but represents as well an important test for the United States and its relations with Israel. It is well known that the United States officially supports the deployment of the army southward. During an Aug. 1 White House press conference, a State Department spokesman said that the United States fully supports the "reactivation of the Lebanese Army and its aims to restore national sovereignty." This statement is a direct rebuke to Israeli claims that the newly formed army consisted of "Syrian soldiers in disguise."

Underscoring the importance of cutting the Israeli-Christian connection — the only impediment to peace in the region — President Elias Sarkis has requested western aid to persuade Israel to end its support for the Christian rebels led by Saad Haddad and Sami Chidiac. According to the *New York Times* Sarkis has already sent his United Nations delegate to New York to confer with Secretary General Kurt Waldheim on the possibility

of holding a Security Council debate on the issue.

At an Aug. 3 United Nations press conference, Lebanon's UN ambassador Ghassan Tuani informed the press that Kurt Waldheim has sent an urgent letter to Israeli Prime Minister Begin concerning the present situation in the south. He then said that by deploying the army to the south, the Lebanese government is trying to "assert the national will of Lebanon and to restore full sovereignty to the country under the conditions of UN Resolution 425."

That resolution, enacted after Israel's invasion of Lebanon in retaliation for a March 6 terror raid on Tel Aviv allegedly carried out by the PLO, called for the phased withdrawal of Israeli troops from southern Lebanon and their replacement with UN troops as well as the restoration of Lebanon's sovereign rights. In addition, the resolution calls for the disarming of all extra-legal militias, Arab and Christian combined. So far the Palestinian Liberation Organization has complied with the UN mandate. Remaining are Falangist militias headquartered in the Marjayoun area and ultra-left extremist Palestinian groups who are linked to a certain faction in Iraqi intelligence.

Referring again to Resolution 425, Mr. Tuani said that at stake is the "credibility of the UN Security Council and its ability to implement decisions and fulfill obligations." He then said that the "international community has experienced deep concern" over the situation in the country and made it a point that Sarkis had been in touch with all western ambassadors to support the current initiatives. As one of the major sponsors of Resolution 425, the U.S. has been asked to exert pressure on the Israelis to stay out of the region.

The Danger of Israeli Intervention

The danger of Israeli intervention into Lebanon under a "save the Christians" pretext remains a live option. Two weeks ago, during a press conference Israeli Prime Minister Begin said that Israel would not stand by and allow the Christians of Lebanon to be massacred. "Six

million Jews you never helped. Beware what is happening in Lebanon," he said. Begin referred to continued fighting in Beirut between Syrian peace keeping forces and Israeli-allied Christian forces led by National Liberal Party leader Camille Chamoun and those forces linked to fascist Falange leader Pierre Gemayel. The Lebanese government later announced that it intended to send the army into the south to clean out the rebel Christian militias. Overtly disturbed, the Israeli Cabinet released an official set of conditions to the Lebanese Army after its July 30 Cabinet meeting. The conditions — which amount to a declaration of Israeli annexation of Southern Lebanon — demand that the Lebanese army: first, stay out of pro-Christian strongholds; second, continue the "open borders" policy which has given Christian militias access to Israeli weapons and supplies under the pretext of "trade and business," and finally, assure the safety of pro-Israeli Lebanese Christian commanders Haddad and Chidiac.

In response, the Sarkis government issued a strong statement announcing that the Lebanese Army would be going south to restore order and that on its arrival on southern soil, the rebel Christian leaders were to return immediately to Beirut. "Failure to do so," said the government spokesman, "would result in their court martial."

The Christian shelling of the Army was Haddad's reply to the government. In a press conference, he stated like his Israeli backers that the army was a Syrian front.

According to press reports, the Lebanese Army has the backing of the population which thronged all along their route to the south, cheering joyously and strewing flowers in their path. According to Ambassador Tuani, "the army has acquired the full support of the population, even of those in the south." The question remains whether the U.S. is willing to back up its support for the re-establishment of Lebanon's national sovereignty by using its diplomatic muscle to contain Israel.

—Mary Jane Coates

Britain 'Warns' Fukuda

Early this week, a member of the Japanese radical "rightist" cult attempted to ram his car into Takeo Fukuda's limousine in protest of the Fukuda government's decision to fire General Kurisu, the head of Japan's Joint Chiefs of Staff and a leading anti-Soviet spokesman. The dismissal of Kurisu, who since his appointment as head of the Joint Chiefs has taken a leading role in promoting a Brzezinski-style "NATO type" military alliance between the United States, the Peoples Republic of China, and Japan, removed a major block to the improvement of Japanese-Soviet relations.

The act of the rightist, a member of the small group called the Nihon-Kakushin-To (Japan Radical Party) followed a classic pattern of rightist terrorist "etiquette" by which the victim is given a warning as a prelude to his assassination. This technique was repeatedly used by

British-linked rightist cults in the 1930s to murder a key group of responsible Japanese leaders.

The threat to the lives of Fukuda and other Japanese leaders from British-run terrorist groups is a real and present danger. The decision of the Japanese government to back Europe's plan for a new international monetary system to replace the International Monetary Fund is a virtual act of war against the City of London.

British See "Yellow Peril"

This week the British press, led by the *Daily Telegraph*, has demanded that Japan adopt a low-growth economic policy. The *Telegraph* has an editorial entitled "The Yellow Peril Revisited," endorsed a plan by top British economist George Allen which called for the

restructuring of Japan along low-growth, social welfare lines.

Even more damaging to the British, however, is the role the Japanese are playing toward both China and the Soviet Union. In the recently resumed negotiations for a peace treaty between Japan and China, the Japanese have completely refused to give in to Peking's attempts to make the treaty appear anti-Soviet. Japanese Premier Fukuda, at a recent press conference, declared that after a treaty with Peking was signed Japan would greatly step up attempts to reach a similar understanding with the Soviet Union.

The firing of Kurisu can only aid the improvement of Soviet-Japanese relations. Key to this are the "Grand Design" economic offers of massive trade deals between the two nations that Soviet Vice Foreign Minister Yuri Brezhnev, Leonid Brezhnev's son, offered the Japanese when he visited Tokyo earlier this month.

Under such circumstances, the rapid escalation of both "right" and "left" terrorism against Japanese government and business leaders by British-controlled networks is not improbable. These terrorist groups, including both the "leftist" Japanese Red Army and the "rightist" Nihon Kakushin-To, are controlled by the same British agents in Japan.

The Sasagawa Connection

Many Japanese journalists suspected that the Osaka-based Nihon Kakushin-To has ties to leading rightist gangster figure Ryoichi Sasagawa who is a direct protégé of British and groups inside Japan associated with the Zionist Lobby and centered around the key high finance Shibusawa family. Sasagawa, whose stronghold is in Osaka, is also a major organizer for the Unification Church operations of Reverend Moon. In the early 1970s, Sasagawa was dismissed as president of the World Anti-

Communist League for his open support of Henry Kissinger's policy of opening up relations with Communist China as a buffer to the Soviet Union.

Long suspected of having ties with the British wing of the U.S. CIA, Sasagawa in 1975 was personally sponsored by the Zionist Lobby-linked New York investment house Dillon Read on a tour of the United States.

Sasagawa is a functionary for the Shibusawa family, which since the 1870s has served as the leading British agent in Japanese banking and financial circles and is the leading opponent of Japan's dirigist economic leaders. Shibusawa protégé Yusuke Tsurumi and his two children were involved in the creation of Japan's agent "new left." Both Shunsuke and Kazuko Tsurumi today function as controllers of the Japanese Red Army.

The pro-Peking "rightists" Sasagawa and Shibusawa are now trying to stir up the hawk elements in Prime Minister Fukuda's own faction inside the ruling Liberal Democratic Party (LDP), who have in the past supported a rearmed Japan. Rearmament is also a favorite theme of General Kurisu.

Unfortunately for the British, the vast majority of Japanese conservatives are directly opposed to the Brzezinski "China card" game. Given the isolation of Britain's synthetic right inside the larger conservative movement, the panicked British may be contemplating direct ways of destabilizing the Fukuda government — like murder. It is known that the British and Zionist Lobby in the U.S. supports Fukuda's major rival for power, former Finance Ministry official Masayoshi Ohira, now an LDP leader, as the next Prime Minister of Japan. To the frantic British, the death of Fukuda might appear as the simplest way to make an Ohira presidency possible — an eleventh-hour London effort to sabotage Japan's role in the implementation of the Grand Design.

— Kevin Coogan

The Bonn Battle Breaks Into The Press

Undermining and misinforming have become the staple of British international networks of media outlets, being pulled together to destabilize the implementation of the economic agreements reached at the Bremen and Bonn summit meets. Proponents of the new European Monetary Fund have been quick to respond, signaling an all-out press battle internationally.

Press attacks on advocates of the new world economic order reached a new low last week with the slanderous attack against West German Chancellor Helmut Schmidt by Heritage Foundation member and editor for the London Economist, Robert Moss.

Schmidt responded immediately to the attack through Klaus Bölling, head of his Press and Information Office, calling Moss's article "baloney."

Similarly, the press fight over Bremen in Italy was upped with the conduiting of Moss's slander by Italian Socialist Party member Barbara Spinneli, although Premier Andreotti has already rejected last week's La Repubblica call for a "Rome-London axis." Il Fiorino countercharged that Italy's greatest mistakes were

allying with Hitler in World War II and siding with London at Bonn.

What follows here is the gloves-off Moss effort to stop U.S. participation in the new European Monetary System and discredit Chancellor Helmut Schmidt — and the official West German reply.

'Schmidt's Self-Finlandization'

Following are excerpts from "Bonn and Moscow, Secret Pressures on Schmidt," by Robert Moss, which appeared in the July 31 London Daily Telegraph:

Herr Schmidt, West Germany's Chancellor, is fed up with Washington.

It is an open secret that he has taken a strong personal dislike to President Carter, and Herr Schmidt's suspicion that the White House is in the hands of holy idiots can only have been reinforced

But the immediate danger to the Atlantic Alliance is not only the rift in the special relationship between Bonn

and Washington that has grown up since 1945, but the risk that Herr Schmidt — under pressure from the Russians and the Left-wing of his own Social Democrat party (SPD) — will be brought to accept a new accommodation with Moscow.

... Giscard recently confided to a group of intimate advisers that he had discussed Mr. Carter's foreign policy with Herr Schmidt on the eve of the Brezhnev visit to Bonn, and had raised the question of how far Mr. Carter's commitment to NATO could be trusted.

... According to senior French officials, Giscard even raised the possibility of giving West Germany a share in France's nuclear deterrent — reviving a proposal originally put by Gen. de Gaulle to the late German Chancellor, Herr Ludwig Erhard.

Test for Nato

Herr Schmidt expressed great interest in Giscard's suggestions. But first, he argued, France and West Germany — bringing in Japan as well — should request world-wide financial and political commitments from the Americans.

If the American response was unsatisfactory, NATO would have to be considered ineffective.

... Mr. Carter was fully briefed on the exchanges between Bonn and Moscow before his own visits to West Germany and Berlin.

Finland Trend

On the eve of his departure, he authorised Dr. Brzezinski, national security adviser, to give a confidential briefing in which he warned against the trend toward "self-Finlandisation" in West Germany — a term that has now gained widespread currency.

Self-Finlandisation would presumably mean, in this context, the effort to ensure that every major West German foreign policy move would have Moscow's prior approval.

At the time Dr. Brzezinski used the term, it seemed grossly alarmist to those who had not been briefed on the secret exchanges between Bonn and Moscow (and also between Bonn and Paris).

Now that the secret record is public, it can be seen that the threat is real. A decisive initiative from Washington is clearly required.

Is Mr. Carter capable of giving it?

"Left" Version of British Smear Campaign

Italian Socialist Party member Barbara Spinelli issued a carbon-copy of the infamous Robert Moss Daily Telegraph slander against Helmut Schmidt and the Bremen-Bonn accords. Writing in La Repubblica July 29 (the day before the Moss article was printed in Britain), she demonstrated the input by British intelligence into the Italian Socialist Party:

Zbigniew Brzezinski once warned of the danger of a "Finlandization" of West Germany, and in a certain sense his analysis was correct. But is it a Finlandization that Washington now disregards, or one in which instead it intends to "reabsorb," planning more positive relations with the development of European integration

— the only way to "keep" Germany? Up until now, Carter's America has not furnished a clear response to the question. But this is the key point in the coming year.

West German Government Refutes Moss Slander

Klaus Bölling, official spokesman of the government of the Federal Republic of Germany, has issued a formal rebuttal of the lies contained in Robert Moss's July 31 article in the London Daily Telegraph. Bölling's letter, printed in the Aug. 3 Daily Telegraph, appears in full below.

The best description of Robert Moss's article "Secret Pressures on Schmidt" (July 31) is the American word "baloney."

No serious observers of the German scene will discover any pressure from the Soviet Union and left-wing groups in the Chancellor's own party towards "self-Finlandization," nor will they detect any rising Gaullist mood.

It is therefore false to speak of secret exchanges between the West German and Soviet governments.

Also from the realm of fantasy is Mr. Moss's report that the French government is considering giving West Germany a share in France's nuclear deterrent.

It is not worth taking the trouble to deal with each paragraph in the article individually (Herbert Wehner, Chairman of the SPD parliamentary party, was not in Moscow at all in May of this year). Everything said in the article about relations between Chancellor Schmidt and President Carter is absurd. Even Western journalists, who are basically skeptical, have meanwhile come to appreciate that the President and the Chancellor have developed a good working and personal relationship.

The whole article, suggesting as it does that efforts are being made to cause the Federal Republic to break with the Atlantic Alliance, is a figment of the imagination — obviously with the purpose of damaging the reputation of the Federal Republic of Germany in the eyes of the people who take umbrage at the fact that the Federal government, which under Chancellor Brandt pursued its Ostpolitik entirely on the basis of the Federal Republic's firm membership in NATO, has, in spite of all the difficulties, managed to develop its relations with the Soviet Union in a businesslike and sensible manner. There is not the slightest variance between Chancellor Schmidt and party leaders over the basic orientation of our foreign policy.

During Mr. Brezhnev's visit to Bonn, agreement was reached on the major economic cooperation agreement, and the two sides held a productive exchange of views on disarmament and arms control policy. Anyone who deduces conspiratorial intentions on the part of the Federal government, from such positive results, which are in the interest of the West as a whole, is either malicious or simply a fool.

Klaus Bölling
State Secretary, Head of Press and Information Office
Federal Republic of West Germany

The Black International: Free Enterprise And Feudalism

Europe's ancient oligarchs are out to murder LaRouche and his program

British and Israeli intelligence, widely known as the leading government-backed forces behind both international terrorism and assassinations, cannot be understood as a matter of one-to-one connections between those governments and the assassins. The true controllers of both international terrorism and the slander-assassination plot against U.S. Labor Party Chairman Lyndon LaRouche, Jr., are the leaders of the ultra-secret, powerful "Black International." This group, sometimes termed "international magicians," is identified with the Maltese Order, the Order of St. John of Jerusalem. The Mont Pelerin Society is a front organization of this fascist international.

The leadership of this Black International is the royal families of the Hapsburg and other "black Guelph" aristocratic families. The notorious Bilderberg group, for example, is on a lower rank in the pecking order than the Switzerland-based Mont Pelerin Society. One of the Zionist branches of the Maltese Order is the Jerusalem Foundation, represented in the U.S. by one Nahum Bern-

stein of the law firm of Bernstein, Seawell and Kove in New York City.

The Black International mobilization to assassinate LaRouche grids, virtually man for man, with an all-out political and economic assault on the agreements for a new international monetary system reached at the historic mid-July Bremen and Bonn summit meetings. The new European Monetary System, initiated at the summits to replace the International Monetary Fund's global austerity and trade collapse program with a trade boom and worldwide economic recovery, is in essence LaRouche's 1975 International Development Bank proposal. The threat to LaRouche's life represents the Black International's broader commitment to stop, by murder where necessary, the emergence of a Grand Design for global nuclear-based industrial development.

Excerpted here is a section of a Labor Party-authored report on "The 'Black International' Terrorist Assassination Plot to Kill Lyndon H. LaRouche, Jr."

The Sovereign Military And Hospitaller Order Of Saint John Of Jerusalem

We shall begin our narrative of the assassination attempt against Lyndon H. LaRouche, Jr. by the unusual procedure of first giving an outline of the masterminds behind the attempt. They are the Sovereign Military and Hospitaller Order of St. John of Jerusalem, an entity which is virtually unknown to the ordinary layman, relatively little known to the average police investigator, but an entity which, as Labor Party officials discovered to their surprise in the last two weeks, by the mere mention of its name inspires awe and terror in the minds of highly placed government officials, central bankers, senior military and business leaders, and senior diplomatic and intelligence executives.

The broader public must now learn why such senior, powerful and respected personalities are struck by awe and terror at the mention of the Order of St. John of Jerusalem.

Its history goes back to the Third Crusade and in the early centuries of its existence it earned the appellation

of the Whore of Babylon. The great John Milton knew them as the Whore of Babylon and so did Giordano Bruno. That very same entity exists today fully intact at the top of the governments of Great Britain, Holland, Belgium, the Grand Duchy of Luxembourg and Liechtenstein. Through British Commonwealth connections, they control a number of key government positions in a number of other nations.

The Sovereign Military and Hospitaller Order of St. John of Jerusalem, more familiarly known as the Order of Malta, is, today, in legal formality, fully a sovereign state which extends dual citizenship, across all national borders, to all the members of the top European nobility, including the British Royal Family, the Hapsburg family of Austria, the leading Guelph noble families of Spain, France, Italy and other nations. Through this technically legal mechanism of a "sovereign state," the Order of St. John of Jerusalem has officially recognized embassies in

Rome, Spain, Portugal, San Marino, Argentina, Paraguay, Brazil, Haiti, Panama, El Salvador, Belgium, France, Italy, West Germany, Great Britain and the United Nations.

Just like any other sovereign state, the Order issues national currency which is recognized by central banks, issues passports, maintains diplomatic pouch privileges, contracts international treaties and alliances, maintains in fact its own navy and air force, communications systems, transportation systems and the world's most formidable intelligence service.

It retains, thus, all the trimmings of sovereign power without administering any territorial state. Many of its leading members however, do administer such territorial states, as in the case of Great Britain, Belgium, Holland and the Grand Duchy of Luxembourg and Liechtenstein. Many other of its members control the majority of the investment banking houses in London, Brussels, Hong Kong, Singapore, New York, and of course Switzerland. To this very day, just like in the past, the Order of St. John of Jerusalem is the Whore of Babylon, both metaphorically and literally: their objective still is to destroy the Catholic Church.

The current Order of St. John of Jerusalem is a 20th century merger of two parallel organizations of Protestant and Catholic nobility networks. In Great Britain, the Order of St. John of Jerusalem has, as their sovereign head, Queen Elizabeth and her cousin, the Duke of Gloucester, as their Grand Prior. Lord Caccia, a top British diplomat who also served as ambassador to the United States and is implicated in the assassination setup against Mr. LaRouche, is the Order's Lord Prior. On the European Continent, the Order includes the continental arm of the British protestant nobility and the Austrian Hapsburg nobility which, through marriage, includes the present heads of state of Liechtenstein and Luxembourg. In Italy, and the Iberian peninsula, the old Black Guelph families such as Chigi and Borbon-Parma are leading members of the Order.

The Order of Malta was first organized in 1070 during the crusades, and its statutes and constitution was ratified by Pope Innocent II in 1130. The Order's current status of sovereign state derives from a charter of sovereignty granted during the sixteenth century by the Hapsburg Emperor Charles V. This charter has, to this date, never been successfully revoked in international law, despite repeated attempts. The Tudor King Henry VIII of England made a major unsuccessful effort to eradicate the Order; that effort included expulsion of the Order from England and confiscation of all its landed properties. But the Order's nobility returned with the Stuart Restoration and has been running England ever since. Later, Emperor Napoleon Bonaparte attempted to destroy the Order and in fact, expelled them from their sovereign base, the island of Malta.

During the present century, the major opposition to the Order of St. John of Jerusalem has come from the Vatican itself. In the 1950's, Pope Pius XII convened a special commission to investigate the Order and in fact, encouraged major political personalities to infiltrate it in order to undercut the influence of the British, Belgian, and Dutch royal families in matters of policy making. Pope Pius XII's commission investigated the Order and

concluded that the special rights accorded to the Order should be withdrawn and that it should become simply a religious order under the control of Vatican Ministries and answerable to Papal dictates. Pius's Commission found:

The Quality of the Sovereign Order repeatedly recognized by the Holy See consists in enjoyment of certain prerogatives inherent in the Order itself as a subject of international law. Such prerogatives, which are proper to sovereignty . . . which have even been recognized by some states, nonetheless do not constitute within the Order that complex of powers and prerogatives which is proper to sovereign states in the full sense of the term . . . The Order of the Knights of St. John of Jerusalem at Malta, in so far as it is composed of knights and clergy, is a religion, or, more precisely, a religious order . . . The Knights of St. John proceeds from the Holy See . . . and in part, as a religious order, proceeds from the holy religious congregations (Vatican equivalent of Ministries) based on Canon Law.

Then the Vatican Commission ordered modifications "to bring them into conformity with decisions of the Holy See," modifications which would have spelled the end of the Sovereign Order. But Pope Pius died before the project could be completed. Upon the succession of Pope Pius by John XXIII, this commission was disbanded and full sovereign rights were again accorded to the Order. But later, in 1964, the present Pope, Paul VI, after his inauguration, assembled the Roman nobility and warned them:

"We, and this you know well, are not the temporal sovereign around which in past centuries the social order to which you belong used to gather. We are no longer for you that which we once were."

Thus, the Order of St. John of Jerusalem, the organization of international nobility, also known as the Black International, has once again fully assumed its official designation of Anti-Christ, the "Whore of Babylon" of the poet John Milton.

The Concentration of Power

The Sovereign Order of St. John of Jerusalem, despite the lack of publicity, to this very day represents the most awesome concentration of power and instruments of power aside from that of the modern super-states. The cultivated lack of publicity and the cover story of medieval pageantry are an important ingredient of this power. If the Order is exposed to full publicity, it is incapable of being effective. But the Order is a major awesome power which is known among senior statesmen, bankers, industrialists, et al. whose sources of information, of course, never rely on what is published or not published in the media. Invariably, in the course of their contacts with such personalities, U.S. Labor Party executives and intelligence specialists encountered reactions of awe, and sometimes terror, at the mention of the Order of St. John of Jerusalem.

The power that the Order concentrates is primarily financial, through direct control of most of the western world's leading investment houses; from there, indirect control of the major international commercial banks;

and through the commercial banks, by means of interlocking directorates, significant influence on the policies of the world's largest manufacturing corporations.

A second source of power of the Order is an absolutely unmatched intelligence capability. Not only do they administer directly every capability of British intelligence but, through Admiral Stansfield Turner, a British Rhodes scholar and member of the Royal Institute of International Affairs, and through the embedded networks of one James Jesus Angleton, they exert significant "distortion capabilities" over the intelligence establishment of the United States.

But their most important intelligence capability is through the innocuous-seeming International Red Cross organization. The Red Cross, which is run at the top exclusively by the Order of St. John of Jerusalem, has expanded from the card files created during World Wars I and II into a multimillion-entry data-base computer system which monitors not only the military personnel of all nations from the rank of private to that of full general, but also many millions of non-service civilians in most nations. The Red Cross intelligence infrastructure, with the aid of key Interpol networks, has played a key role in the 1960's and '70's in beefing up various terrorist organizations, and has played a critical public role in extending official recognition to various terrorist organizations around the world by designating them as official "belligerent" parties through interventions in mock "peace negotiations." The Order deploys directly into this network their own personnel, air, rail and shipping transport facilities.

Finally, a review of the membership roster of the Order, which includes top government officials of many nations, will give the reader a preliminary sense of the

amount of raw political power concentrated in the hands of the Order's Grand Prior, the Duke of Gloucester, the cousin of Queen Elizabeth II.

This formidable, quasi-secret organization, immersed in occult ritual and nomenclature, is feudalism in our midst, in the concluding quarter of the twentieth century. They have power and intend to retain it. Their primary preoccupation right now is world economic policy. The Order's most public spokesmen are on the public record opposing the resolutions of the Economic Summit of the European Economic Community at Bremen on July 7, and those of the World Economic Summit at Bonn on July 16.

In many direct and indirect ways, Lyndon H. LaRouche, Jr., the Chairman of the U.S. Labor Party, has been recognized as the ultimate spiritual father of the Bremen and Bonn policies. He has thus been placed on an assassination "contract" put out by the Sovereign Military and Hospitaler Order of St. John of Jerusalem.

The Order has launched a propaganda drive purportedly on behalf of "free enterprise" against the "state dirigism" of the Bremen and Bonn policies. This international propaganda campaign is being conducted by the Mont Pelerin Society, the "economic" front organization of the Order. The sloganeering on behalf of "free enterprise" is a fraud. Its sole purpose is to defeat the effort to achieve a modernized, advanced-technology, nuclear-energy, high-export oriented economy in the United States. "Free enterprise" is the deceptive slogan of a bunch of crazed feudalists in our midst who want to return us to feudalism. No American business leader should be so silly as to buy this "free enterprise" feudal garbage. All should focus carrying out the Bremen and Bonn resolutions.

Inside The Black Guelph Conspiracy

An interview with a Knight of Malta

A traveler through the Rhine valley in West Germany has made available to us a report of her recent visit to a scenic castle in Eltzville and her conversation with its inhabitant, Jacob Graf zu Eltz. The Graf is an impoverished nobleman who happens to be an Ambassador of the Sovereign and Military Hospitaler Order of St. John of Jerusalem, Knights of Malta. He is related by blood to Prince von Schwarzenberg, another Knights of Malta Ambassador who died under mysterious circumstances while under investigation for involvement in the terrorist kidnapping and subsequent murder of former Italian Prime Minister Aldo Moro.

As I entered his huge study, my eye was caught, not by the usual dog-and-hawk hunting paintings and the little pseudo-Catholic idols scattered about the place, but by a full-length portrait of the Graf in his formal Maltese dress: red undercoat, black over-vest, royal blue pants,

and a large red sash for his ceremonial sword. In his hand was the cap of the German admiralty, and on his large left lapel was the distinctive cross of his ancient antihumanist order.

In person, the elderly Graf prattled on about the glorious history of the Knights of Malta. "The order began in Jerusalem," he said, "where the Knights were mostly involved in their humanitarian duties. But when Jerusalem was attacked, the Knights were asked to do a little defending. Thus, in the 14th and 15th centuries — though very few people choose to remember this part of the story nowadays — the Knights helped to fight piracy in the Mediterranean. That is where the admiral's cap in the formal uniform comes from. In fact," he continued, "even though Britain's seafaring fame later overshadowed all else, while Britain was building its own fleet, it sent its sailors to Malta to be trained there by the Knights, who were the world's best seamen."

I inquired whether this tradition could be a model for possible services in today's world, such as fighting international terrorism. "No," he replied. "To be sure," he added with a laugh, "many people call the order the Catholic CIA, and in a way it actually is the best mafia — the people in the order all know each other, and it is the best of all internationally structured groups. But the Knights cannot return to the days of fighting, and not against terrorism."

The Graf stressed that it is no longer necessary to be of noble lineage in order to be a Knight of Malta. "Of course, there are some groups of old nobles in Germany who do not understand the kinds of changes which have to be made in these egalitarian times. What they do not understand is that if we were to limit ourselves to such small groups as before, we could no longer finance ourselves." (My mind flitted to the order's British wing, which is so closely intertwined with the leading London finance houses.)

"Nevertheless," he added, "it is very rare that a noble can become a Second order Knight, and he can never become a First order Knight. That does not mean that under certain circumstances that a Third order Knight might not be entrusted with a mission normally reserved for the other two levels . . ."

From here our conversation veered to Otto von Hapsburg, the Archduke and archenemy of the Vatican's policies of East-West economic development and detente. "You see, the Archduke is actually a Third-level Knight of the order — he has never taken the oath of obedience, and therefore the order itself has very little control over some of his activities . . . But Archduke Otto conducts his affairs and behaves like a gentleman in an exemplary manner — much better than some of the royal houses in Europe, I might say."

As I asked more pointed questions on current Vatican policies, the Graf became visibly agitated, nervously flipping his eyeglasses open and shut. I told him that the current policies of Pope Paul VI are partially modeled on those of the 17th century philosopher and politician, Gottfried Wilhelm Leibniz.

Fuming, the Graf jumped up and ran to a bookcase,

pulled out a volume of the great Brockhaus encyclopedia and turned to the entry on Leibniz. Following a few minutes of outraged mutterings he burst out. "If that is what they want, they're all wrong. Dead wrong. If Science moves towards Christianity, that's fine and good; but if Christianity ever begins to move toward science in the way Leibniz meant, that's disaster, it's all wrong."

Once again he put his nose into Brockhaus, reading at the end of the entry that Leibniz's Grand Design ended in failure. "You see," he proclaimed triumphantly, "he was bound to fail." I speculated that perhaps the Vatican knew more than the Brockhaus encyclopedia. "Impossible. I myself am an editor of Brockhaus — of course, I'm only officially responsible for the section on wine."

"That's how the Vatican always works," he told me. "They toss out portentous-sounding hints and bits of information, as if to tell you that you are so trustworthy that they would not think of giving it to anyone else . . . But from my own experience I can tell you that it's all bullshit underneath — there's nothing to it."

The Graf continued to pour out his bitter complaints against the Vatican. "Of course there are tensions between some of the Italian families — the so-called Blacks — and the Pope . . . These tensions exist, and it's all the fault of Macchi," he said, referring to the head of the Vatican Department of State.

"Macchi makes the Pope inconsistent. The Pope is continually insulting the Italian nobility. He dismantled the Noble Guard at St. Peters. He even refused to receive the Knights in their formal dress, and made us dress up like common butlers," said the Graf indignantly. "At Macchi's orders, the Pope has been hitting the nobility successively with big, huge hammers. We have been invited back to the Vatican, but now they have given us a little box to sit in in our butler suits."

Our talk drew to a close. I thanked the Graf for his time. Walking through the castle gates, I remarked to myself that the Graf, who once owned most of the choicest vineyards on the Rhine, had not even offered me a glass of wine.

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Carter Team Battles Kennedy-Kissinger Drive To Paralyze Presidency

Appearing at a joint press conference with AFL-CIO president George Meany July 28, Sen. Edward Kennedy (D-Mass.) charged President Carter with "a failure of leadership" because Carter has refused to push Kennedy's formula for a comprehensive national health insurance plan.

THE ADMINISTRATION

Only 24 hours earlier, ex-President Gerald Ford ripped into Carter in a speech before the Independent Truckers Association, simultaneously blaming the President for failing to control inflation and not spending enough on military hardware.

Such sweeping attacks on Carter are more than mere 1980 presidential politicking, although both Ford and Kennedy are "undeclared" candidates for the Oval Office. They are part of a coordinated strategy by the British anti-industrial "free enterprise" oligarchy which aims to finish off the President now, to prevent him from bringing the United States into the "Grand Design" political and financial arrangements for global economic development put together by French President Giscard d'Estaing and West German Chancellor Helmut Schmidt, and, not incidentally, bankrupting the City of London.

The words used by Kennedy, "Carter's failure of leadership," have been the key-and-code-phrase appearing again and again in recent articles and editorials by British-linked press including Rupert Murdoch's *New York Post*, the Trilateral Commission's *Time* magazine, godfather of the new right William F. Buckley, and new left columnist Mary McGrory, to mention only a few.

Simultaneously attacks on Jody Powell, Hamilton Jordan, Gerald Rafshoon—the "Georgia crowd" on the White House staff—have proliferated, along with favorable references to Vice President Mondale as "the only really experienced hand in the White House." *New York Daily News* columnist James Wieghart mooted the possibility that Carter would be forced to step down before the 1980 campaign, and name Mondale as his heir apparent.

The British aristocracy will not find it necessary to install Mondale in the White House, however, if they can paralyze Carter sufficiently to keep the U.S. out of the Grand Design.

The Aristocrats

Under guidance from their British political controllers, both the "liberal" Ted Kennedy and "conservative"

Gerald Ford are pushing the same anti-industrial solutions to U.S. domestic problems. Standing before a bank of chrysanthemums arranged to spell "free enterprise," Ford keynoted the Independent Truckers Convention by calling for deregulation of the trucking industry, an action under depression conditions that would wipe out industry-wide collective bargaining and open the way for intra-industry corporate warfare and the collapse of the nationwide trucking transport grid.

Ford's advisors apparently didn't bother to tell him whom he was addressing. The Independent Truckers Association and its leader Mike Parkhurst organized violent nationwide truckers strikes in 1974-75, publicly comparing their efforts to the truckers "strike" organized by Henry Kissinger and the CIA which helped to topple the Allende government in Chile. More recently Parkhurst, the editor of "Overdrive" magazine, has been involved in support for the American Agricultural Movement, a synthetic creation used to try to precipitate a national farmers strike, and in collaboration with Institute for Policy Studies networks who persistently tried to turn last spring's United Mine Workers strike into a bloody confrontation.

Since the Administration of John F. Kennedy, the Kennedy family has consistently peddled the same "free enterprise" nostrums under the "liberal" banner of Justice Department "antitrust" enforcement. Ted Kennedy favors a breakup of the U.S. energy industry under the slogan of oil company divestiture.

Kennedy's "health care" press conference followed a barrage of statements and leaks from the Americans for Democratic Action, the United Auto Workers, sections of the AFL-CIO and the Institute for Policy Studies that they were preparing "class war" and "a coup against Carter." Rumors became so widespread that Democratic National Committee chairman John White acknowledged in both a press conference and a television appearance that Carter would probably face opposition for the 1980 Democratic nomination, though he predicted neither Kennedy nor California governor Jerry Brown the two most-mentioned Democratic hopefuls, would run against the President.

But while maintaining pro forma support for Carter, Kennedy made it clear that he was "available." Posing as the defender of "workers and poor people," Kennedy demanded that Carter come out for a single "comprehensive" health care bill which he would commit himself to draft this year, and which would go into "phase-by-phase" effect no matter what the overall condition of the U.S. economy. Despite weeks of pressure from Kennedy, Carter prudently refused to follow this course. Through Secretary of Health, Education and Welfare

Califano, the Administration issued its own vaguely worded statement of principles, designed to maintain a free hand for Carter on the issue.

Only days later, the Administration was hit with another destabilization. Speaker of the House Tip O'Neill stormed out of a private meeting with Carter to announce that he had been "shabbily treated" because the President had backed his own appointee in a management dispute between the two top officers of the General Services Administration. The rejected official, Robert Griffin,

was friend and ally of O'Neill. The speaker claimed that Carter's chief congressional lobbyist, Frank Moore, had failed to inform him that Carter was determined to transfer Griffin to another post outside the GSA.

Columnists immediately began speculating that O'Neill would no longer work seriously on behalf of the Administration's programs in Congress, although Griffin was quickly given another post as special assistant to top Administration troubleshooter Robert Strauss.

—Don Baier

Carter Foreign Policy Faces London Torpedos In Congress

The Carter Administration won an important foreign policy victory in the Congress Aug. 1 when the House of Representatives voted 208-205 for repeal of the U.S. embargo on arms to Turkey; earlier, the Senate had voted 57-42 for a similar measure. Repeal of the embargo, in the thinking of Administration officials supported by Western leaders including West German Chancellor Helmut Schmidt, will increase prospects for a settlement of the Cyprus question, and help to stabilize the Ecevit government in Turkey.

But the Administration sustained a setback which could have grave international implications when the House voted 229-180 on Aug. 2 to lift United Nations-backed economic sanctions against the government of Rhodesia if the "internal solution" regime of Prime Minister Ian Smith goes through with elections in December. Administration officials privately predicted the vote would prop up the Smith government in its resistance to negotiations with the Patriotic Front liberation forces backed by five "front-line" southern African states, which last year accepted a joint U.S.-British proposal for an "all-parties conference" to settle the transition to black majority rule in Rhodesia.

Observers predicted the State Department would lobby to have the Rhodesia amendment to a military aid authorization bill rewritten in a conference committee to coincide with a similar measure passed last month by the Senate, requiring that the President certify that fair elections had been held and that the new government had offered to negotiate "in good faith" with the Patriotic Front before sanctions could be lifted. This formulation would at least preserve Carter's freedom of action.

Both House and Senate measures were the product of a mobilization initiated by City of London financial circles backing Tory shadow defense minister Winston Churchill III, former U.S. Secretary of State Henry Kissinger, and New York's "Israel Lobby" Senators Jacob Javits (R) and Daniel Moynihan (D). With the Africa policy of Secretary of State Cyrus Vance and UN Ambassador Andrew Young on course toward free elections and black majority rule in nearby Namibia, the Angola-Zaire border agreement

in place, and the necessity of a settlement to avoid the Smith government's economic collapse, the London forces correctly deduced they had only one hope for preventing the removal of Africa as a primary arena of East-West conflict. This was to whip up conservative frenzy in the U.S. by accusing the Administration of "backing Communist guerrillas" against Smith's "internal solution."

Rep. Richard Ichord (D-Mo), who sponsored the House resolution, motivated it by quoting without attribution a line peddled by Kissinger since last fall . . . that the Administration was "supporting people who shoot their way into power." The United States, said Ichord, was forcing the Rhodesian government "to negotiate with Communists." African experts universally agree the Patriotic Front and the black African states backing it do not fit that description.

Covering operations for Democrats of the Ichord stripe was Sen. Moynihan, who recently took Vance to task in the *New York Post* for referring to the Patriotic Front as the Patriotic Front, and Smith's black "internal solution" supporters as "the Salisbury group." Moynihan proclaimed Vance guilty of "linguistic bias" — "acquiescing in a Communist takeover of the English language."

Moynihan, Javits and their Israel Lobby cohorts were also behind a House vote barring U.S. economic aid to Syria taken on the same day, to express congressional disapproval of the Administration's refusal to back Israeli provocations against the Lebanese government and the pan-Arab peacekeeping force in Lebanon, most of whose troops are supplied by Syria. This resolution, sponsored by Republican Rep. Ed Derwinski, passed by more than 150 votes, only a day after Vance was grilled by Javits, Sen. Clifford Case, and Sen. Frank Church on the Senate Foreign Relations Committee. They demanded that he denounce Egypt and Saudi Arabia for not promoting further "direct talks" between Israel and Egypt, after months of London-programmed intransigence on the Palestinian and West Bank issues by Israeli Prime Minister Begin.

Washington Post Leads Press Crusade To Halt Bonn Momentum

The *Washington Post* is leading a press crusade in the United States to disrupt growing support for the policies implemented by the Bremen summit of Common Market countries last month, and to isolate and slander the main proponents — most notably the U.S. Labor Party — of the Bremen initiative. With its compatriots, the *New York*

THE PRESS

Times and the *Baltimore Sun*, the *Post* is attempting to create a constituency for the completely untenable policies of the British oligarchy.

The U.S. Labor Party has singled out the *Washington Post* in a statement issued this week for its particularly dishonest reporting on the Bremen and Bonn summits. "Let no one believe that Katherine Graham's *Washington Post* is a neutral newspaper. Since the July Bremen summit of the European Community which set into motion an alternative to the International Monetary Fund-World Bank system, the *Post* has consistently pushed the British strategy of economic recession and depression in the United States," a Labor Party release charged.

"They are the major press outlet in the United States for the British-centered 'Black International' aristocracy, currently deploying for the assassination of U.S. Labor Party chairman Lyndon H. LaRouche, Jr., whose International Development Bank proposal was the basis for the Bremen plan. The Kennedy family provides the immediate link of the *Post* to the 'Black International'."

The activities of the *Post*, as well as the *Sun* and the *Times*, bear this out. Informed sources report that the *Post* is preparing a round of libels against the U.S. Labor Party which would update the 1976 guest editorial column by *Post* editor and Kissinger intimate Stephen Rosenfeld.

In that article, entitled "NCLC: 'A Domestic Political Menace'," he wrote of the Labor Party: "The syndrome is familiar to anyone who has studied the rise of Hitler. LaRouche belongs to the radical right, the Nazi fringe. He and his apparently brainwashed acolytes (his methods seem Moon-like) are not interested in dissent or dialogue, but in disinformation and disruption."

Most recently, it was the *Baltimore Sun's* turn with a July 31 article by Carl Leubsdorf libeling New Solidarity International Press Service's White House correspondent Laura Chasen as being from "the radical-left Progressive Labor Party" only days after the Progressive Labor Party, a British intelligence-run Maoist sect, was widely covered on national television for instigating a violent brawl with the Ku Klux Klan in California. Leubsdorf accused Chasen of turning White

House briefings into "absurd plays" with questions on "obscure details" about "international monetary manipulations" and claimed falsely that the White House was upset with her disruptions.

Reed Irvine of *Accuracy in Media* (also named in the article) specifically asked White House press briefer Rex Granum if Leubsdorf's article was correct in stating that the White House was "upset" at the presence of certain reporters at these briefings. Granum replied, "absolutely not," and assured all those present that the White House had nothing to do with Leubsdorf's article.

In his article Leubsdorf also elaborated one of the characteristically "nutty" questions asked by Chasen at White House press briefings. Much to Leubsdorf's embarrassment, the "nutty" question was asked by UPI's senior White House reporter.

Not coincidentally, the article follows admissions from Carter Administration officials that "obscure details" like the Bremen summit and the role of LaRouche in its formation are being seriously debated in the highest circles of the Carter Administration.

While the *Times* has yet to print any post-Bremen libels of Labor Party, it is keeping the rumors flowing. A *Times* national editor has said that he won't cover the LaRouche assassination attempt because "you libeled the Anti-Defamation League." One of their reporters didn't see why the *Times* should cover "internal squabbles of the Labor Party" such as the planned hit against LaRouche at New York Supreme Court.

The Evolving Lies

None of these papers has been any more honest about Bremen and Bonn than about Lyndon LaRouche and the Labor Party. Hobart Rowan's *Washington Post* coverage of the Bremen summit is exemplary. "European heads of state yesterday announced agreement to study a new monetary stabilization system for Europe," the *Post's* economic editor wrote on July 8, "but so far there is more cosmetics than substance to the scheme....The plan is sufficiently far from reality so that it can be a dominant factor in discussions at Bonn."

When that line of disinformation failed to counteract discussion of support for the Bremen policy in the U.S., the *Sun* and the *Times* started mimicking Evelyn de Rothschild's agent Robert Moss in editorial attacks on Bremen and Bonn.

On July 26 the *Sun*, in an editorial "Downer for the Dollar," wrote that "world financial markets finally have returned their verdict on the Bonn economic summit, a verdict that is strictly a downer for the dollar."

Then, in a transparent effort to "thumb the dike" in the United States, the *Times* addressed the Bremen initiative for the first time in a July 30 lead editorial. After admitting that the Bremen summit "dominates

discussion on three continents," the *Times* asserted that "no one — apparently including its architects, Chancellor Schmidt of West Germany and President Giscard d'Estaing of France — has a clear idea of how it will work." The conclusion? "But the odds against success are high and the risks of failure are real. Dramatic initiatives are no substitute for the hard decisions needed to bring order back to the international economic system. For Western Europe and Japan, that would mean a greater commitment to economic growth and open world trade. For the United States, it would require the imposition of tough measures for energy conservation and a serious effort to control spiraling prices and wages."

Voice of the Black International

None of this disinformation is in the slightest bit surprising, once it is known what "Black International" policy is and who runs these newspapers.

The *Washington Post* has been firmly in British hands since Eugene Meyer, Jr. bought it at public auction in 1933. Both Meyer's father and brother-in-law were senior partners of Lazard Freres bank, with which Eugene Meyer Jr. worked closely throughout his career.

At the end of World War II, Meyer became the first president of the World Bank.

The present publisher and board chairman of the *Post* is Katherine Meyer Graham, Eugene's daughter, who has diligently maintained the British-Lazard heritage at the *Post*. Lazard senior partner and New York City "Big MAC" chairman Felix Rohatyn is the *Washington Post's* financial advisor and investment banker, while Graham sits on the notorious Brandt Commission (named after West Germany's Willy Brandt), which in conjunction with her father's World Bank and the International Monetary Fund is desperately attempting to torpedo the Bremen economic proposals.

Among Graham's first moves in 1963 as publisher of the *Post*, on the advice of Round Tabler Walter

Lippmann, was to make Benjamin Bradlee editor of the *Post*. Bradlee, himself a good friend of Lippmann's, as well as one of John Kennedy's closet friends and journalistic apologists, reportedly told Graham that he "would give my right one" for the job. Bradlee, who is still the *Post's* executive editor, personally coordinated the *Post's* Watergate efforts; he has recently been circulating among Kennedy family and Rohatyn social circles, coordinating efforts to make Jimmy Carter a "one-term president."

The picture at the *Times* is essentially no different. The paper has been run since the late 19th century by the Ochs and Sulzberger families, and has dutifully supported British policies since then. Notable in this respect was the paper's blatant defense of Adolf Hitler in 1933-34, a line channeled into the *Times* by the Warburg banking family.

A look at who oversaw the *Times's* coverage at Bremen fills out the picture. Economic reporter Paul Lewis; formerly the *London Economist's* Washington bureau chief, churned out British rewrites at Bremen, while the *Times* chief European correspondent, Flora Lewis, a member of the British International Institute for Strategic Studies, helped out with background commentary. The paper's leading domestic economic commentator, Leonard Silk, drew on his experiences as a Brookings Institution fellow to illuminate readers with his behind-the-scenes view.

Then, it's time for editorial commentary. Max Frankel, the *Times* editorial page editor, has both International Institute for Strategic Studies and Council on Foreign Relations memberships to keep him on the line. And if anything is left unsaid, there is, of course, columnist James "Scotty" Reston, well tutored in the advantages of an Anglo-American alliance by his mentors Walter Lippmann and the notoriously pro-Hitler "Cliveden Set" in Britain.

—Patrick Koehlin

Who's Bulling The Stock Market?

N.Y. Stock Exchange grazes 900 mark in its heaviest day of trading ever

Asking who is responsible for the tremendous rally on the U.S. stock markets last week is like asking who killed JFK. The answer to both questions is: everybody—for different reasons.

A major factor which resulted in the heaviest day of

BUSINESS OUTLOOK

trading in history on the New York Stock Exchange on Aug. 3 and pushed the Dow Jones average within a hair's breadth of the 900 mark is the fact that Federal Reserve Chairman G. William Miller has been forced by Administration pressure to retreat from his commitment to pushing interest rates higher and higher.

The attacks on Miller's policy by Special Trade Negotiator Robert Strauss and other individuals close to the President picked up steam about a month ago, when, for example, Commerce Department chief economist Courtney Slater warned June 29 that "any further rise in interest rates would seriously damage the economy." The inner circle of Carter advisors—including the Watergated Bert Lance—have been outspoken advocates of low interest rates as an offshoot of their pro-industry orientation, unlike the Mondalites and the Brookings Institution group (C. Fred Bergsten, Anthony Solomon, Mondale himself, et al.) who favor low interest rates in line with their commitment to global hyperinflationary austerity.

The most promising factor behind the stock market rally is the new recognition in top business circles—now breaking out into the public media—that the results of last month's Bremen and Bonn industrialized nations' economic summit meetings in fact hold the potential of the greatest economic boom in U.S. history—should U.S. business leaders line up with their agreements for monetary stability, Third World development, and advanced sector reindustrialization. On Aug. 2, J. Paul Austin, chairman of Coca Cola and a leading spokesman for U.S. Sunbelt business interests, said in an interview in the *Atlanta Constitution* that the U.S. business climate is improving "because of Bremen and Bonn." This is the first public endorsement by a leading U.S. figure of what the Bremen and Bonn accords actually mean, and it is likely that the big move by U.S. institutions into U.S. equity last week was triggered by a top-level political decision of the same nature.

Stabilizing the Dollar

Market analysts are reporting that the stock market rally is tied to the improved prospects for the dollar—specifically the likely stabilization of the yen-

dollar parity over the near term. This development is itself the work of the pro-Bremen and Bonn industrialist faction in Japan, which in recent days has been buying dollars in massive amounts in order to prevent a further appreciation of the yen and promote general currency and economic stability.

There is another side of the coin, however. Analysts at Morgan Stanley and other outposts sensitive to London currents report that European—especially British—investors have come back into the U.S. stock markets in a big way while the dollar is still falling, continuing their April strategy of "buying up America cheap."

An article in the Aug. 1 issue of the *Financial Times* of London hints at a more nefarious motivation for Miller's sudden backing off from his high interest rate policy. The *Financial Times* deplored that as long as the U.S. Federal Reserve keeps U.S. interest rates high, it is impossible for the Bank of England to cut the minimum lending rate in Britain. The Bank of England has been forced to keep British interest rates at astronomical levels to hold money in the worthless pound sterling, but that policy has simultaneously created a liquidity crisis for Britain's crumbling 19th-century industrial sector.

At this writing most stock and bond market traders and analysts have no conclusive explanation of the current rally. Despite widespread confusion about where interest rates are actually headed, money managers acted as if interest rates had peaked last week and poured funds into the bond market. The professional managers are sitting on a huge amount of cash which they are eager to lock up in investments. Current supplies of new corporate issues are unusually low—only about \$1 billion are scheduled to be sold in August compared to the \$2.1 billion calendar in July. And the money managers are afraid of getting caught in a market of falling yields. All these factors added up to a remarkable recovery of prices last week. The rally was further fueled as speculators rushed to cover their previous short sales of borrowed bonds. In the tax-exempt market, where the Treasury undertook a \$7 billion refinancing, the same factors held, and yields on the new Treasury offerings fell throughout the week—\$3 billion of seven-year notes went for an average yield of 8.46 percent on Aug. 1 and 8.36 percent Aug. 2. Also boosting prices in the Treasury market is the fact that the Fed has been purchasing significant amounts of Treasury bills for the Bank of Japan, in line with the Bank's growing holdings of dollars.

Miller's Strategy

One thing about which there should not be any confusion or uncertainty is Miller's solid commitment to

a deflationary—economy-wrecking—strategy. Miller is giving every indication that he is implementing the call by the Anglo-Dutch-oriented OECD at the end of last month for a sharp reduction in U.S. economic growth—that is, a recession—no matter what the consequences to the U.S. unemployment rate. The OECD's report on the U.S. economy—published annually by this bulwark of the Anglo-Dutch financial interests—predicts that the economic slowdown in the U.S. next year will be "significantly more pronounced" than the Administration expects.

In line with the OECD's prediction, Miller told the House Banking and Currency Committee July 28 that unless U.S. industry moves to rapidly set up "voluntary inflation councils" to hold down wage and price rises, mandatory wage-price controls will have to be imposed. Miller said that the inflation councils will write guidelines—to be "reviewed and debated with government"—for the auto, steel, and nonferrous metals industries. They would give Miller the power to roll back

price increases or block "inflationary" expenditures—such as building new capacity—in vital industries and bankrupt them.

The other element of the deflation strategy involves top-down control over credit supplies. The Aug. 7 issue of *Business Week* proposed that Miller exercise his authority to regulate the economy through credit controls, an authority granted under the 1969 Credit Control Act, whose use does not require new congressional approval. "If the Fed does invoke the 1969 Act," *Business Week* wrote, "the Fed would obtain sweeping power over every credit action in the country." Miller would be able to "set the maximum amount of credit for any transaction, set interest rate ceilings as well as the terms of consumer credit, and prohibit or limit extensions of credit under any circumstances."

In 1973 and again in 1974 Miller, then chairman of the asset-stripping Textron Corporation, demanded that these powers be used by former Fed Chairman Arthur Burns. So Miller is perfectly amenable to the idea.

Faction Fight In U.S. Corporate Boardrooms

When Mobil Oil's second-in-command, Herman Schmidt, who is also the chairman of the American Enterprise Institute, was asked to take his retirement five years early, the word was out that faction fights are indeed breaking out in corporate and bank boards across the U.S.

CORPORATE AFFAIRS

Schmidt's retirement implies a tightening up of corporate control at the very top. Rawleigh Warner, Mobil's chairman, has ordered Herbert Schmerz, head of the corporation's Public Relations Department, to henceforth report directly to him.

The current boardroom turbulence could indicate that the Operation Conservative effort to gull U.S. business into support of "free enterprise" is failing. The Heritage Foundation, the American Enterprise Institute and Schachtian economist Milton Friedman have all been involved in trying to convince U.S. industrial and commercial leaders to support the liberal system of free enterprise — with its obviously British overtones. The free enterprise drive is a leading feature of this faction's attack on the development, trade, and monetary stabilization policies gaining sway in Europe, Japan and the Arab world around preparations for the implementation of the new European Monetary System.

The faction fights revolve around interpretation of the European Monetary System, established by West German Chancellor Helmut Schmidt and French President

Giscard d'Estaing, and the much-heralded "Operation Free Enterprise" in the U.S.

The clearest indication of this is the argument between First National Bank of Chicago's Chairman Robert Abboud and the bank's Executive Vice-President Edwin Yeo, the former Undersecretary of Treasury for Monetary Affairs. It is rumored that Yeo, who gets his interpretation of the Bremen accords from the International Monetary Fund, has caused Abboud much discomfort by telling bank customers that the European Monetary System is antidollar, but could not work because of varying inflation rates among European economies.

In a leading Midwest corporation, a former intelligence officer who goes by the nickname "007" is under investigation by the corporation's chairman for willfully withholding information from the corporation executive and acting "on his own" in certain sensitive matters.

Similarly, an explosive situation has developed in an Eastern chemical giant where, in a reverse situation, the chairman is being watched by corporate directors for his recent behavior in the prestigious Business Round Table.

The retirement of Schmidt, a small item in the personnel columns of the financial press, is being seen as a major corporate shakeup. Schmidt, together with Irving Kristol, the social democratic-libertarian and a director of the American Enterprise Institute, have been the leaders in assembling a \$60 million warchest from U.S. corporations to fund university chairs, television programs, and speaking tours and films about the benefits of "free enterprise."

Schmidt Shapes BRD

Budget To Fit Grand Design

The 1979 West German budget that Chancellor Helmut Schmidt released on July 28 reflects how seriously the Bonn government is taking the commitments for increased capital investment and fiscal stimulation it signed at the Bremen and Bonn summit meetings earlier in July.

INTERNATIONAL FINANCE

The overall budget will increase from 189 billion deutschemarks in 1978 to 204.6 billion DM for 1979, an 8.4 percent increase, while there will also be an approximate 10 billion DM decrease in income taxes for wage earners in the lower tax brackets.

This economic stimulation is a far cry from the "locomotive theory" inflation that both U.S. Treasury Secretary Michael Blumenthal and West German Economics Minister Count Otto von Lambsdorff have been trying to get Schmidt to accept for at least a year. Under this misconceived theory, massive across-the-board tax cuts, combined with inflationary budget deficits, would give West Germany enough domestic and international purchasing power to stimulate other countries' economies. Acting as the "locomotive," West Germany would then "pull" other countries into prosperity through its own inflation.

Instead of this disguised scheme for British-style Keynesian inflation, Schmidt has generally limited the budget increases to the ministries of Research and Technology, Development, Economics and Youth, Family and Health. In the case of the Research and Technology and Development Ministries, the increase will either go to capital-intensive research and development projects, or to capital-intensive development aid for the Third World, with planned increases of 14.1 and 9.4 percent respectively.

Schmidt's Tax Increase

The increase of 9.2 percent, approximately 3.5 billion DM, in the budget of the Youth, Family and Health Ministry is also connected to the approximate 10 billion DM tax cut. Both the increase in the Youth and Family

budget, which is earmarked for expanded subsidies to families with children, and the tax cut for lower-income employees, are part of Schmidt's plan to guarantee that there will be at least a slight improvement in the working class standard of living, concomitant with the increase in productivity and labor power expected under European Grand Design economic expansion.

This additional 13.5 billion DM in wage earners' income will be slightly counterbalanced on July 1, 1979, when a 1 percent increase in the value-added tax, from 12 to 13 percent, will take 3.5 billion DM out of personal income by the end of 1979.

To ensure a continued increase in the federal government's funding of research and development programs, Chancellor Schmidt has also indicated that federal investments in fixed capital will increase by 8.5 percent yearly until at least 1982. Previously, between 1972 and 1978, these fixed-capital items such as transportation and communications improvements only increased by roughly 2.9 percent each year.

The July 29 London *Financial Times*, which has been demanding massive West German inflation for years, views this new budget as appearing "in political terms to be a considerable concession by the Chancellor's Social Democrats to their beleaguered junior coalition partners, the Free Democrats." The New York-based *Journal of Commerce* wrote July 28 that "outside critics" are now complaining that "the macro-economic advantage of the measures now conceived seems dubious. The injection of funds envisaged would have no real multiplier effect."

These "outside critics," who are none other than the City of London and Brookings Institution controllers of Blumenthal and Lambsdorff, have another complaint about Schmidt's 1979 budget in addition to its noninflationary effect. In the budget, Schmidt refused to reduce the payroll tax, the tax on the total amount of wages a company pays, despite Economics Minister Lambsdorff's insistence that business be given this break. The Chancellor said, however, that he will consider abolishing this tax entirely in 1980—when the European Monetary System is in full operation, with corporate profits healthy enough so that they can make up the difference from the cancelled payroll tax.

Egypt Versus The IMF

Will the advanced sector come down on the side of development?

I. Introduction

Egyptian leaders have made public a series of ambitious agro-industrial development plans for their country over the past few months that contradict the often-repeated pessimistic evaluations of Egypt's economic potentials and its apparently insoluble economic problems. Based on the country's supply of potentially high-skilled labor power and on the tradition of progress from the Nasser era and from the best moments of earlier Egyptian history, the plans include a project to turn vast areas of Egypt's western desert into a "New Nile Valley" and a recently announced proposal for a seven-nation organization to develop the original Nile Valley.

There are two, interlinked obstacles to the realization of Egypt's development goals, however.

The first is the International Monetary Fund. The IMF has damned all serious development proposals as "too expensive" and is instead demanding a deadly combination of labor-intensive works projects and even harsher austerity measures to guarantee payment of Egypt's huge and unpayable foreign debt.

The second obstacle is the political imperative that dictates IMF policy. Since the days of the British Empire, Egypt has been held to the "geopolitical" role of a poverty-stricken giant vulnerable to any sort of manipulation — as the activities of former Secretary of State Henry Kissinger best demonstrated in recent times. Egypt needs a durable Middle East peace settlement to achieve its development goals, but it is equally true that the Middle East will not be able to break out of its British-assigned role as an eternal war zone unless Egypt is allowed to develop a healthy, modern economy. More broadly, if Egypt successfully thwarts the IMF, other nations already chafing at the IMF's austerity decrees will not be slow to follow. The very existence of the hated IMF could be at stake.

What the IMF Opposes

In an April 9 interview with Egypt's *October* magazine, Egyptian President Anwar Sadat eloquently drew on the idea of progress in Egyptian history. "We are the manpower which can work," Sadat stressed. "Egypt is ours and we can make it a paradise for all the world. It was once the cradle of the great civilization.... A great renaissance is awaiting us. Hand in hand we should march on the desert and turn it green. The United States did that when it marched to the West. It is now the richest and strongest state in the world.

Answering the zero-growth premises of the IMF and its

cothinkers, Sadat affirmed, "Then there will be no food crisis and we will not suffocate ourselves in the narrow valley" of the Nile.

Earlier in the year, Sadat and his planning advisors revived an idea from the Nasser era, that had lain dormant for more than a decade: to turn vast areas of Egypt's western desert into a "New Valley" or "Second, Parallel Egypt" through capital-intensive techniques. More recently, on July 9 at the Organization of African Unity meeting in Khartoum, Egyptian Foreign Minister Butros Ghali announced the formation of an organization of all seven states sharing the Nile River; the organization will meet soon to initiate large-scale projects for the construction of reservoirs, power plants, and canals, the repair and expansion of navigational areas in the Nile River, and the establishment of expected new irrigable agricultural areas. Arab countries and "African financial sources" are reportedly expected to provide loans to the project.

These agro-industrial "greening the desert" approaches are one aspect of the master plan for Egyptian modernization. The city-building side has been initiated in germ-form through capital-intensive aerospace and telecommunications projects in Cairo, and the building of new cities with industries and ports. At the core of the strategy are the Egyptians' efforts to unblock a program for developing a nuclear energy grid in the country through the import of reactors from the U.S., France, and West Germany.

Of course, all this amounts to only the bare beginnings of what is required to reverse years of decay and develop enormous areas of backwardness. The key to actualizing the development process on an ambitious scale will be a vastly expanded effort by the U.S., Europe, and Japan, with the aid of the petrodollar-rich Arab states. Only these nations can provide the necessary supply of initiating capital and the encouragement and training of a motivated, scientifically expert elite that can catalyze the 1.5 million educated persons embedded — and often stagnating — in the Egyptian bureaucracy and army into action for the development of the country.

2. The Austerity Imperative

Without such an effort, Egypt will be put under siege by the World Bank and the IMF. In fact, Egypt is *already* under massive attack from the zero-growth brigades.

Encouraged by the failure of the consultative group of Egypt's aid donors to unambiguously endorse Egypt's five-year development plan at last month's annual

meeting in Paris, the World Bank has successfully arm-twisted the Sadat government into revising its 1978-82 plan, to what a knowledgeable Bank official describes as a "less ambitious" program.

In particular, the official said, the Bank objects to the Sadat regime's concentration on "too-expensive" schemes for reclaiming the western desert. It would prefer that Sadat concentrate on "population control" and "Nile-centered projects" with an "emphasis on labor-intensive approaches."

The Bank also succeeded in neutralizing efforts by West German and French representatives at the consultative group meeting to win a policy of debt relief for Egypt. Instead, the group decided that debt rescheduling of Egypt's \$15 billion debt—a figure that includes \$6 billion in military-related debt to the Soviet Union but which excludes several billions in short-term high-interest debts — was "unnecessary." This decision ensured that the approximately \$3.5 to \$3.8 billion in aid allotted to Egypt by the consultative group will continue to be funneled largely into debt repayment and vitally

World Bank: 'Egypt Can't Have Everything'

In a mid-July interview, a World Bank official involved in the June Meetings in Paris of the "consultative group" of Egypt's aid donors offered this appraisal of Egypt's development plans:

The plan is definitely too ambitious. This plan for 1978-82 is the prepared plan that was worked out last year. It's the first plan ever approved by Egypt's Parliament, and it was approved in June as a whole after parts of it had been approved back in January.

We feel, and this feeling is shared by everybody we're in touch with, that while the 1982 part of the plan is realistic to some extent in projecting around 8 per cent rates of growth, the Years Two through Five of the plan are much too ambitious in projecting 12 per cent growth rates. This is too major. In fact, the government *itself* has already stated that its plan is a "rolling plan," and can be revised as time goes on. This means that already the 1979-83 plan is being drawn up, which will take into account that earlier plans were too high, too ambitious.

When it comes to talk of a comprehensive development program for Egypt, *our* answer is that *priorities* have to be set, because of the problems of local financing, necessary pay-back of credits, and so on. Egypt can't have everything!

Hopefully, the government will not push the line of some people: that economic development is the key to solving population and related problems. We at the Bank are establishing in Egypt new population control projects—this is the key to solving a lot of their problems at the present time, not too-rapid economic development.

needed commodity import maintenance, rather than into new investment.

Along similar lines, the group representatives failed to condemn IMF surveillance of Egypt's economy. This means that the IMF will, as Fund representatives have affirmed off the record, intensely monitor Egypt's willingness to impose austerity measures on the country as per the "conditions" agreed to by Egypt in return for an acceptance last month of a three-year \$720 million "tranche" granted by the Fund.

The consultative group's reticence to act against the Fund came *despite* bold moves by Sadat himself to neutralize Fund predators inside Egypt. In May, Minister of the Economy and austerity czar Abdel-Moneim Kaissouny was sacked; Sadat was unwilling to commit political suicide by following Kaissouny's suggestion that civil servants and army officers *not* be given wage increases, and that government subsidies on food purchases for Egypt's population be cut back. Recommendations by Kaissouny to this effect had provoked riots in Egypt in January 1977.

Since Kaissouny's ouster, salary increases of 20 percent have been granted, and food subsidies have been maintained. At the time Kaissouny was fired, the private evaluation of West German officials was that Kaissouny's ouster "opens the way for broader economic projects with mass participation." The West German newspaper *Die Welt* reported the slogan of the post-Kaissouny government would be "increase production, increase wages, decrease prices."

The Threat from London

But given that the IMF's surveillance has not been opposed by a consensus of advanced sector forces, an austerity push will undoubtedly be made. "This will be done quietly, without fanfare, piece by piece, unlike in January 1977," a Fund official told journalists last month. Rumors are already circulating in London that domestic credit in Egypt's banking sector will rise by a whopping 1.5 percent in the next weeks, as per the IMF's insistence. This will cut back available credit and further stifle what is already widely recognized to be an insufficient supply of domestic capital to cover key aspects of the government's \$17.5 billion in planned investments over the next five years.

Austerity pressure has been further evidenced by a string of articles in the London *Economist* wildly exaggerating the economic and political crises in Egypt, going even further in their negative assessments than insiders at the World Bank and the Fund are willing to go.

Should such austerity and budget cutbacks — including gradual import and subsidy cuts — go through, the effects on Egypt will be "self-fulfilling" from London and the IMF's standpoint. The collapse of Egypt's urban infrastructure (roads, telecommunications, sewage) is already legendary, as is the vast overcrowding in Cairo, the urban hub of the country. Austerity must inevitably make Egypt a hotbed of disease, and of terrorism and related forms of manipulated unrest, and must therefore seriously impede the evolution of the Middle East region as a whole into a successful area for advanced sector export and for development.

3. Projects For Development: A Status Report

An IMF-imposed austerity regimen cuts directly against the grain of a series of promising moves toward real national economic progress.

In the agricultural sphere, the abovementioned program for cooperative development of the western desert and regional Nile Valley holds forth the promise of vastly expanding currently existing acreage for cultivation and of increasing the proportion of agriculture developed through capital-intensive means.

On the Nile project, nothing more is currently known than Butros Ghali's OAU proposal, but Ghali's assurances of Arab financial assistance strongly imply that this project has figured in some of the more important meetings that have recently been held between the Saudi Arabian and French and West German leaderships, including the May visit of King Khaled to Paris and the mid-June visit of Prince Fahd to West Germany.

Each of these meetings elicited proposals for the development of Africa, including tens of billions of dollars of capital investment, and were key to preparing the atmosphere for the Bremen meeting's initiation of a European Monetary Fund.

The Qattara Project. Similarly in the case of the western desert project, there is no overt known commitment for the provision of the necessary outside capital to get the program off the ground, but two key factors are identifiable at this point.

First, earlier this year, the West German government selectively released the program for the development of Egypt that had been drawn up by Alex Moeller, an aide to Chancellor Schmidt who had been analyzing the Egyptian economy for months. In this report, Moeller is said to have favorably analyzed the prospects for the Qattara Depression project, a scheme whereby West German technicians would use atomic energy blasts to help transform the vast Qattara Depression region into a water-supply basin for irrigating Egypt's western desert area.

On May 9, West German officials told reporters that the Qattara project was finally "operational," and will involve U.S. cooperation. On the same date (the day the accompanying *Le Monde* article was published), the West German financial daily *Handelsblatt* reported that the Qattara project had "ended its first phase," and was entering a "joint planning stage," a "second phase" involving American, West German, and Egyptian joint collaboration.

Indicating interest aroused in the U.S. in the project, First National Bank of Chicago president Robert Abboud identified the Qattara project as a model of the types of advanced technology programs that could come into effect if a Middle East Common Market were created.

But after the Paris consultative group meeting, a World Bank official confidently asserted that the Qattara project "would never get off the ground." And earlier this month a State Department Middle East officer cited the "nuclear energy factor" as militating against the

likelihood of the project winning U.S. support because of the much-publicized "nonproliferation" issue.

The actualization of Qattara and linked programs for getting the "Second Egypt" expansion off the ground represent, then, a *political fight* during the next months.

Land Reclamation. A second factor adding to the potentialities of the western desert development is Sadat's newfound commitment to ambitious land reclamation.

This commitment, publicized with the slogan of finding "food security" for the Egyptian population, was launched in April of this year. In the April 9 *October* interview cited above, Sadat called for "the invasion of the desert" and emphasized, "The western desert has millions of feddans which are suitable for cultivation." One week later, on April 16, Sadat declared that Egypt's "most difficult task" is "getting out of the circle of backwardness," and expressed hopes of "cultivating land, feeding people" through "comprehensive scientific plans" and through "efforts and studies being made by scientists all over Egypt in search of more food."

Stressing the primacy of land reclamation, Sadat affirmed his government's commitment to "serious work on the basis of the most up-to-date methods devised by world experts" that will "mark the beginning of a bright and stunning road to security against hunger.... Nothing is impossible for science, but there can be no science without man and man's efforts."

Soon afterwards, Sadat began a tour of Egypt's provincial governorates to create motion in favor of the drive for "food security." This phase of Sadat's activities culminated in a major May 14 address to the Egyptian National Assembly, in which Sadat praised recently concluded areas of integrated agriculture-industrial modernization as "an operation that is a model and an integrated accomplishment which is an example of what Egypt should be in the year 2,000 in every district." Following this, Sadat dispatched People's Assembly Speaker Sayed Marei—who has been involved in planning in Egypt for more than two decades—to the U.S. for a one-month trip, which culminated in a July 15 statement that Marei had discussed with American officials "the means of supporting the Egyptian development plan, especially the part related to food security."

Energy. It is widely recognized in Egypt that the energy levels necessary to develop an agro-industry urban infrastructure complex require the coming-on-line of nuclear energy projects. Egypt has recently become an oil-exporting country, and increasing oil revenues are expected to link up with added revenues from tourism, the reopened Suez Canal, and expanding workers' remittances to provide an expanded revenue base by the year 1980. But oil cannot be the sole means to provide the necessary energy throughput.

On April 26, a conference on applied nuclear science of the Egyptian Nuclear Science Association attended by various scientific research organizations and centers in Egypt supported the government's plan to "establish nuclear power stations as being more economic and better preservers of the environment than other, tradi-

tional methods, which failed to meet the country's energy needs." The conference called for a "comprehensive national program for energy research" and for the "intensive search and production of uranium and promotion of applied research in fields which serve development plans."

Earlier this year, France agreed to sell two nuclear reactors to Egypt during a visit to that country by leading Egyptian officials. Immediately before the nuclear scientists' conference, on April 8, Cairo's official Middle East New Agency announced the formation of a U.S.-Egyptian Energy Committee to "discuss and assess sources of energy in Egypt preparatory to drawing up a final and comprehensive report in its findings next August."

Since April 26, there have been persistent reports from West Germany's Economics and Development Ministries that the U.S. will soon put aside the remaining impediments to a deal arranged under the Nixon Administration for Westinghouse to sell nuclear reactors to both Egypt and Israel. Energy and Mideast officers in the U.S. State Department insist, however, that no such motion is in the works. In the words of one official, "Supply agreements consistent with recent U.S. Congressional legislation have not been worked out and are not close to being worked out."

Nonetheless, consistent with the Cairo media reports that a comprehensive American-Egyptian energy evaluation report is in the making, important investigations are underway to determine the workability of several areas in Egypt for nuclear energy. A joint commission to carry out such investigations was created earlier this month, Egypt's *Al Ahram* newspaper reports. A handful of American companies, such as the Woodward Clyde consulting firm, which specializes in geological exploration and feasibility studies, are working to determine the workability of nuclear plants along Egypt's Mediterranean coast.

Related just-concluded energy deals for Egypt include the sale by General Electric of \$67 million in turbines announced last month by GE representatives visiting Cairo, and a mid-April \$20 million deal worked out in Romania by Egyptian Deputy Prime Minister for Production and Minister of Electricity and Energy Ahmed Sultan for the provision of rural electrification projects that aim to boost electricity output in eight areas of the country.

Infrastructure and Aerospace. The elements of the solution to Egypt's apparently insoluble city infrastructure problem have begun to appear in the past weeks. Most interesting, three of the U.S.'s giant concerns involved with telecommunications — Western Electric, General Telephone and Electric, and Continental Telephone of Atlanta — announced last month that a comprehensive report for a \$3.4 billion project to totally transform Cairo's atrocious telephone system had been presented to the Egyptian government for approval as a project. The three companies intend to divide up the manpower and construction aspects of the project between them, according to the announcement, which adds that the \$3.4 billion program will solidify the

first five years of what is hoped to evolve into a telecommunications program that will solve Egypt's phone problems for 20 years. Although corporate representatives of the three concerns do not at this point express any immediate intention of coordinating their work with other potential infrastructure projects in related areas, it is a standard rule that *nothing* can be accomplished in Egypt at all until the abomination that passes for the current telephone system is transformed in its entirety. Should Egypt approve the program, and should financing be found, it is hardly to be doubted that other corporations in the U.S. and Western Europe will soon jump in with vital city infrastructure projects.

This approach would parallel small-scale State Department efforts to "create a sense of progress among the population in Cairo" — as one State policy-maker expressed it — by expediting U.S. export of buses and other inner-city transport items whose arrival in Cairo would help relieve a problem nearly as chronic and massive as the problem in phone communications.

A second promising sign that some of Egypt's capital infrastructure will be upgraded is that the Arab Military Industries Organization is likely to make a definitive breakthrough in the next weeks. The AMIO, under the impetus of Egyptian industrialist Ashraf Marwan, and with financing from the Arab Gulf States, has long figured to be a catalyst for creating a high-technology infrastructure in Egypt and for upgrading the skilled workforce, since it involves the renovation of old plant and equipment and the development of new plant for assembling sophisticated aircraft whose parts would come from France

According to the July issue of *Middle East* magazine, an official communiqué is soon to be signed between the AMIO and the Franco-German Dassault-Dornier firm to produce around 160 Alpha-jet light bombers in Egypt. Egypt's Defense Minister Mohammed al-Gamasi is thought to have reached initial agreement with the Franco-German manufacturers when he visited Europe earlier this year. Then, in late May, Saudi Prince Sultan, accompanying King Khaled to Paris, reportedly finalized the deal.

Middle East adds that some complete Alphas will be delivered to Cairo after the agreement is announced: the rest will be assembled at the AMIO plant being built south of Cairo. Later on, Dassault's Mirage 2,000 fighter bomber might also be assembled.

4. An Aid Program, or Free Enterprise?

A complaint by an official at the U.S. Agency for International Development that the AMIO is "too capital-intensive" is exemplary of the problems that Egyptian development faces.

Among the aid-donor countries to Egypt, no consensus at this moment prevails as to how, or even whether, to transform Egypt into a modern country.

The positive commitment in this regard from leading forces in France and West Germany is clear. Prominent West German industrialist Otto Wolff von Amerongen, for example, concluded a series of conclaves with

Another Nile Nation Knuckles Under

After putting up a considerable fight, the Sudanese government of President Jaafer al-Nimeiry last month capitulated to the conditions for aid imposed upon it by the International Monetary Fund, including a full 25 percent devaluation of the Sudanese pound and an immediate halt to all new development projects.

This capitulation is particularly disastrous, not only to the Sudan but for Africa and the Middle East. With both tributaries of the Nile river flowing through the country, the Sudan has enormous agricultural potential, both in highly irrigated areas in the central region and in the south, where the draining of the Sudd swamp will greatly increase the available flow of the Nile.

Economic development is also the keystone of Nimeiry's ambitious program of reconciliation both with internal rebel elements and with formerly hostile neighbors. In the last six months, Nimeiry has cooled tensions between his country and Libya to the northwest and Ethiopia on the east, on the basis of cooperation for development. He has also improved his deli-

cate relations with the Soviet Union. Internally, Nimeiry managed to peacefully end the Anya-Nya rebellion in southern Sudan on the basis of increasing development efforts in the region, and last year managed rapprochements with the right-wing Mahdist movement, the Sudanese Communist Party, and other dissident parties.

The current imposition of a severe austerity program is highly likely to destabilize this process and could cause widespread unrest in the country. This is freely admitted by the State Department and other sources, including Zionist ideologue Bernard Lewis, who recently predicted that the Sudan could be the next site of an Afghanistan-style coup d'etat — and a contingent U.S.-Soviet confrontation.

The Sudanese capitulation required more than the normal effort by the IMF. In May, Nimeiry rejected the demands and in effect told the Fund to pack up and leave, forcing them to work through agents-of-influence ("We still have people we talk to..." said one IMF official after the ouster) until they could force Nimeiry to officially resume "discussions."

leading Egyptian officials by virtually pleading with the Egyptians to be more forthright in presenting an ambitious development program for the country and for the region.

From the U.S., two incompatible attitudes exist side by side: a widespread tendency to want to help transform Egypt into a viable economic entity, combined with a "free enterprise" approach to the country that actually lessens that viability.

The first element in the American attitude is expressed in part by an ongoing commitment by a variety of American concerns to seek investment opportunities in Egypt. A recent Mideast biweekly trade newsletter, for example, itemized over 10 deals that U.S. firms are currently involved in discussing with Egypt, including projects in agribusiness, glass manufacture, paper-making, steel mills, textile chemicals, auto assembly, and agricultural training. Oceanic Trade Alliance International, a Michigan-based enterprise, is arranging a massive "floating ship" trade expedition to the Middle East that is aimed at arranging billions of dollars in trade deals, and which will begin its tour at the port of Alexandria. Other firms, like Three-D International and Allis-Chalmers, involved in construction and agricultural implements, respectively, are actively investigating possibilities of U.S. investment in Egypt on a large scale. Allis-Chalmers Chairman David Scott and American Ambassador to Egypt Hermann Eilts are two of many U.S. officials who have held meetings with Egyptian economic officials over the past three months to discuss joint programs to encourage investment from the U.S., manpower training, and so on.

What Kind of Investment?

Summing up the prevailing attitude of this trade-

oriented tendency, an Allis-Chalmers official with extensive experience in trying to arrange American investments in Egypt offered the following perspective in a recent interview: "Without a peace settlement in the Middle East, or at least significant momentum in that direction, American corporations are simply not going to move with commitment into investing in Egypt.

"If there are signs of a settlement, however, the 'higher interest' of leading corporate executives will come into play and investment opportunities will be seriously sought after, irrespective of the problems that investment in Egypt involves."

This attitude is a counterweight to, although unfortunately not a direct assault against, the other prevailing viewpoint in American trade circles dealing with the Mideast: that Egypt must effectively become a "free market" economy before investment will become worthwhile.

It is this tendency which has consistently supported IMF austerity in Egypt under the rubric of "restructuring" and "reform," and which has always followed Henry Kissinger's lead in trying to leverage Sadat's "Open Door" policy into a call for imposing a "British liberal"-style economy on Egypt, rather than dealing with the "Open Door" on the terms intended by Sadat's advisors: expediting trade flows in an organized way from the West into Egypt.

These egregious "free market" operations — preposterous for an underdeveloped country like Egypt, which requires strong dirigist credit policies favoring development — will come to a head at a mid-September meeting at Georgetown's Center for Strategic and International Studies organized by Henry Kissinger on the subject, "The Free Market Economy in Egypt."

This conference is meant to sufficiently disorient those

serious-minded economic and commercial policy-makers who would otherwise be studying the enormous potentialities for Third World Development with the Japanese, French, and West Germans, with Egypt as a focal point. The timing of Kissinger's conference is also conveniently arranged to immediately precede an Oct. 2 meeting in Washington of the Egypt-U.S. Joint Business Council, which is responsible for coordinating information and trade discussions between the two countries.

—Mark Burdman

A French Description Of The 'New Valley'

On May 9, the French daily newspaper *Le Monde* carried a feature on Egypt's economy entitled: "Egypt Seeks Its Future in the Desert." The article, excerpted below, outlines an ambitious program, first developed under Nasser and presently in its initial stages, to turn the Egyptian desert into fertile farmland.

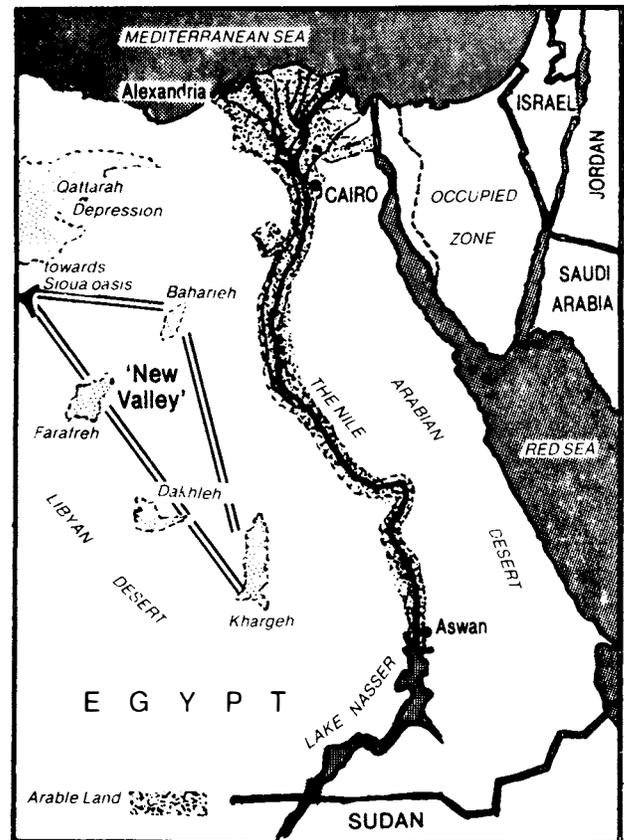
During the last two months, President Sadat has conducted the longest national tour of his career. Although the international situation has brought him to Cairo several times, he was finally able, after numerous program changes, to visit the farthest corners of the country, which do not usually figure into official itineraries, like the Red Sea province situated between Cairo and Soux and the oases of the Western Desert, sometimes called the "New Valley."

The New Valley, "El Ouadi el Gedid." Under Nasser this was a name around which the hopes of an overpopulated Egypt were focused. To the west of the Nile, in the middle of the Sahara (which means "desert" in Arabic), Nasser wished to create a "parallel Egypt" by exploiting the underground water tables, a "second valley" which would ease the strain on the heavily populated Nile River region. Then, little by little, the propaganda of the Nasser regime stopped talking about the New Valley, concentrating solely on the Aswan Dam and the Helwan steel complex.

This project was not abandoned, however, despite the difficulties encountered. By inspecting certain agricultural and urban projects developed since then, Sadat reestablished the priority of the "New Valley" project and, in a general manner, the exploitation of Egypt's massive desert region (95 percent of Egypt's territory belongs to the immense arid zone, stretching from the Red Sea to the Atlantic). Up to the present, Nasser's successor was only interested in the desert areas surrounding Cairo, where he wished to settle, in new villages, a portion of the 9 million Cairenes.

An Artificial Dead Sea

The development program for the Western desert, begun in 1959, aimed at uniting the area by agricultural projects linking the five oases of Kharge, Dakhleh, Farafreh, Baharieh and Siona. Certain oases, and in particular, Siona, were prosperous during the Greco-Roman era and have preserved an agrarian tradition (the Siona olives are famous throughout Egypt). The



"New Valley" would have for its delta the Qattara Depression. An 80 kilometer canal would bring water from the Mediterranean to this area and would thus facilitate both the human and economic projects in the area. A sort of "artificial Dead Sea" would in fact be realized. West German experts are currently studying ways in which to develop this Qattara zone, which was prosperous 2,000 years ago.

Using aerial photographs, the "New Valley Organization" has mapped out the areas most suitable for cultivation and irrigation. In addition to 3,000 shallow wells (100 meters in depth) already in existence, three hundred other wells which run as deep as 1,000 meters and provide 15,000 cubic meters of water per day, have been added. Nevertheless, at the beginning of the 1970s work slowed down in the area. Only 15,000 acres had been developed at great expense, while there had been plans to almost double in a few years the 1,300,000 acres of Egypt's arable land.

In 1972, the government of Anwar Sadat turned to the United Nations (Food and Agricultural Organization and the UN Development Program) to determine whether the "New Valley" program was viable. Five million francs have been devoted to this study in the last five years. International specialists came back with the grand idea of "another Egypt" — a rectangle measuring 100 kilometers in length and 250 in width and encompassing the periphery of the Dakhleh and Khargeh oases. They evaluated the underground water reserves to be 150 billion cubic meters, a figure comparable to the water capacity of Lake Nasser, formed by the upper Aswan dam.

Intimidating The Oil Industry

Schlesinger and Kennedy 'witch-hunt' progrowth opponents

An assault has begun on the U.S. oil industry as part of Energy Secretary James Schlesinger's effort to drive his stalled energy bill through Congress. The intimidation tactics have aroused industry protests. "I think we all get hurt when there's a witch hunt," said Earl Turner of the Texas Independent Producers Association. "And this is a witch hunt."

The attack follows months of top-secret investigations by the Department of Energy, the Justice Department, and key Congressional committees. Last week the DOE announced a case against Gulf Oil for payment to the government of \$42 million for overcharges dating from the 1973 Arab oil embargo, but the Gulf case is only the beginning. The Department of Energy has 33 other cases against the oil industry, totalling more than \$1 billion.

The DOE cases are conducted by an Office of Special Counsel headed by Paul Bloom. Bloom's operation is mammoth: a two-year budget of over \$40 million to finance a team of 1,000 lawyers, auditors and computer experts. AAMCO, Union, and Ashland oil companies have now been charged, and Continental Oil is under criminal investigation.

The charges themselves — mostly for selling "old" oil as more expensive "new" oil under the complex 1973 two-tier domestic oil pricing mechanism — are nothing new. They are being brought up now, it has been charged, as a final effort to force the oil industry to swallow the administration's no-energy bill.

But the DOE is not the only agency involved. As the criminal charges against Continental show, the Justice Department has formed a special "Oil Fraud Strike Force" and is reportedly about to press criminal indictments on many companies. In Houston alone, the Justice Department is auditing 73. Prosecution would be under federal antiracketeering statutes, previously used against labor unions, as in the famous Kennedy war on the Teamsters.

Kennedy's Role

The Kennedy interests are involved in this affair as well, both from old networks left over from Robert Kennedy's days at the Justice Department and from Senator Edward Kennedy himself. Senator Kennedy, through his position with the Senate Judiciary Antitrust Subcommittee, is trying to persuade Congress to forbid integrated oil companies to acquire new pipelines. Two weeks ago, Kennedy's subcommittee went further, calling for full oil company divestiture of pipelines.

The purpose of Kennedy's pipeline attack is exactly what it sounds like: sabotage U.S. and American oil companies' relationships to OPEC. In case anybody doubted his purpose, Kennedy and Sen. Jacob Javits (R-

NY) came out a few days ago with a denunciation of a new DOE report on international oil markets for its failure to recommend measures by the U.S. government to intervene against OPEC. Kennedy accused the DOE report of accepting the status quo, "including the dominance of OPEC and our dependence on Saudi Arabia."

The Justice Department's Antitrust Division, long a nest of Kennedy family protégés, is carrying out another investigation, codenamed "Project X," into possible price manipulations "by a major U.S. oil company." The climate of intimidation created by such investigations will, it is hoped, force the oil industry to come to heel.

Kennedy Aide: "Schlesinger's Finished; Everyone Knows It"

Washington sources indicate that Energy Secretary James Schlesinger is about to resign in the face of criticism from all quarters for his failure to deal adequately with national energy policy. The rumors for the first time have been picked up in the media, following months of private circulation in Washington circles. *U.S. News and World Report* and the American Nuclear Society magazine *Nuclear News* both carried the story last week.

While there are rumors that Senator Edward Kennedy is trying to get Alfred Kahn in as Schlesinger's replacement, it is clear that Schlesinger's departure at this time will be seen by progrowth forces in Congress, industry, and organized labor as the opportunity for getting a replacement who understands the importance of nuclear energy development for the nation's growth and employment. Some sources are suggesting former Tennessee Valley Authority chairman Aubrey Wagner as a likely candidate to replace Schlesinger. Wagner, who headed the nation's largest electric utility, is well respected and an experienced administrator.

A spokesman for Kennedy, when asked about Kennedy's stand on Kahn, stated that a Kahn nomination would be "most exciting . . . we're delighted." She added that "Schlesinger's finished; everyone knows it." But Washington insiders believe that more patriotic members of Congress, fed up with the power exerted by the environmentalists in the Carter Administration, will make an open fight to ensure that Schlesinger's replacement will be a strong supporter of nuclear development.

If this were not enough — and so far it hasn't been — the DOE proposed a new "Financial Reporting System." Under the plan, oil companies would be required to file such finely detailed financial report that one industry representative said the system would require more detail than the company itself needed to run its operations. "We can only conclude," the official continued, "that the DOE has an ambition to investigate and regulate these companies in some manner we do not yet perceive."

Indeed, so it seems. Under the rules, DOE would feed its data to the Justice Department, Federal Trade Commission, Interior Department, and General Accounting Office, an operation which the energy companies charge violates constitutional and corporate confidentiality.

Whether any of this will have its desired effect in passing Schlesinger's energy legislation remains to be seen. Congress has not shown itself to be particularly hospitable to the cynical populism and watering down that Kennedy has been running and the effort to declare war on OPEC won't find much support either. If nothing else, the public nature of this latest attack could easily backfire. It wasn't tried six months ago because it would have been seen as a sign of anxiety on Schlesinger's part.

Schlesinger: The Sailing Gets Rougher

The Schlesinger energy bill has been deadlocked in the Congress so long that there are rumors of the Energy Secretary's impending resignation. A flurry of Congressional lobbying to give the President a victory just before the Bonn summit conference failed to come up with anything solid.

Instead, the week before the Bonn summit in early July, the House of Representatives overwhelmingly approved full funding for the Clinch River Breeder Reactor project.

The vote to amend the 1979 Department of Energy Budget for \$172 million for the breeder came despite repeated threats from Schlesinger and Carter to veto the project. Republican Congressman John Wydler of New York, a proponent of the breeder, called the Carter position indefensible, and noting Carter's presence at Bonn, commented, "Every one of those leaders at that conference, except Carter himself, wants to develop breeder technology."

The first section of the stalled energy bill, forcing conversion of oil- and gas-fired utilities and industry to coal by 1990, gained Senate approval July 18 by an expected 92-6 vote. Senator Harrison Schmitt of New Mexico, a backer of a greater U.S. fusion program, threatened a filibuster to stall even this small illusion of victory from

the backers of the bill until after Bonn.

Schmitt, addressing the Senate on Monday, voiced a dominant sentiment in Congress toward the Schlesinger bill when he attacked it as "negative in basic approach" and "based on false assumptions" about energy availability. Schmitt proceeded to outline what he termed an "energy policy for Americans" which would be based on the belief that such a policy must "be positive in spirit" in order to ensure a "humanist foundation for success." Schmitt outlined a long-term strategy calling for development of fusion, hydrogen, and solar resources, with the interim to be development of coal and nuclear resources — an echo of the final Bonn summit communiqué.

The provisions of the coal conversion bill itself are highly dubious. Senator Schmitt told the Senate that the bill is "a regulatory nightmare" which gives the "Secretary of the Department of Energy vast new regulatory power that will be almost entirely at the expense of our citizens." Schlesinger and Senator Henry Jackson have solemnly promised that the bill will cut U.S. oil consumption by 1 million barrels by 1985, but the Congressional Budget Office estimates it at only 500,000. Republican Senator Dewey Bartlett of Oklahoma claims it will actually save no oil at all.

The central problem preventing action on the full Administration bill is the so-called Crude Oil Equalization Tax (COET). COET was the scheme drafted last year by Schlesinger, Ford Foundation zero-growth advocate S. David Freeman, now Chairman of the Tennessee Valley Authority, and others to impose a domestic tax that would boost domestic U.S. crude oil prices to the world OPEC price of \$14 per barrel.

The Administration last fall refused a compromise offered by Senate Finance Committee Chairman Russell Long (D-La.) to funnel the tax revenues into an energy development fund. This refusal effectively killed what Schlesinger has termed the heart of the legislation. One source close to Long told that the Administration handled things "stupidly" when it refused to budge on this issue. "Now," he added, "there is no constituency in the country for any tax increase. This is an election year and we've just had Proposition 13." He emphasized that in the present climate, "The only way you're going to get such a program through is if we have some national emergency, or a war..."

With Washington rumor mills currently full of talk of Schlesinger being forced to resign over failure to push through his energy package, the no-growth faction within the Administration is faced with a situation of attempting to let the central COET die and go with the other four portions of the bill in a face-saving attempt to get something which Carter will be able to show as a political "success."

Even that prospect looks dim at this point, however. Following the expected Senate vote on the coal portion, the energy conferees have not even scheduled a followup meeting to discuss other portions of the bill. The last meeting, held July 13, was the first in seven months.

—William Engdahl

France's New Industry Policy Lines Up With Bremen Accords

A bold industrial strategy is being created by French Industry Minister André Giraud to make France a leader in nuclear and space technology, fulfilling the accords worked out at the July 7 Bremen European Community summit to move rapidly into a new "European Monetary System" for financing large scale development in Europe and abroad.

All energy-related decision-making is being concentrated in the hands of Giraud, an advocate of nuclear energy development, with a newly created "General Directorate for Energy and Raw Materials" replacing the old Energy Delegation under Prime Minister Raymond Barre. Barre's policies focused on energy conservation — both oil and electricity — and often obstructed nuclear plant development.

With Giraud, decisions have been reached which return France to the kind of bold industrial planning initiated by then Prime Minister Pierre Messmer in 1974,

French to Imitate Germans

In a front page article in the daily *Le Monde*, Aug. 1, Alain Verholes reports that Giscard and Barre will be trying to bring the French economy up to the level of West Germany's. This, the article reports, means orienting the economy towards meeting the industrial needs of the developing countries and the oil-producing countries in particular.

The article also cites an unspecified economic advisor to Barre scoring the depression economics advocated in the just-released OECD annual report. The advisor called the report "the advice of Anglo-Saxons who don't understand anything, or don't want to understand anything, about the new world situation" opened by the Bremen monetary system accords.

when the biggest 10-year nuclear reactor construction and general high-technology development program was launched. It is no accident that the new head of the Energy Directorate, François de Wissocq, was Messmer's advisor in 1974.

High-technology growth

The decision to build 10,000 Megawatts of nuclear reactors over the next two years, with the government speeding up procedures to grant the National Electricity Company EDF permission to build reactors, shows that France intends to implement the Bremen decision that

called for the Europeans to overcome delays in their national nuclear programs.

Giraud is also preparing a major transformation for France's Space Research center in coordination with the communication and computer companies. "Space today, like the nuclear field yesterday, is leaving the domain of scientific research and entering that of industrial production," Giraud has said. At the same time an "Office of Space Engineering" is to be set up, all to converge on, notably, mass production of satellites.

Another Messmer initiative is also being taken up in a big way: the production of nuclear propulsion engines for ships. An agreement has been signed between the government, Althosm Atlantic, and shipbuilding companies for one such engine. Eventually authorities are toying with a scheme for a nuclear-propelled merchant marine, both tankers and container ships obviously a major way to save oil.

The firing of Paul Mentré de Loye, an advocate of energy consumption cutbacks, from his post as head of the energy delegation under Prime Minister Raymond Barre was also announced, as Giraud made it clear that the government would not tolerate any obstacles to the implementation of the country's nuclear program.

Regional Planning

The governmental body responsible for domestic industrial planning, the Commissariat au Plan (Planning Commissariat), is coming out with recommendations for a more state intervention-geared policy, in the words of the Paris daily *Le Monde*. Confronted with major social and economic problems created in the regions by waves of bankruptcies and manpower shrinkage in big firms as part of the general world depression, the Commissariat is recommending 78 measures that amount to an intensely "dirigist" regional planning policy. Instead of letting hard-pressed firms, "lame ducks," as they are called, go into liquidation and workers join the unemployment lines, the regional Prefects (the presidential emissaries in the regions) will oversee coordinating bodies — involving the Banque de France, the French central bank; representatives of small and medium-sized firms; representatives of the nationalized sector, and the Chamber of Commerce. These bodies will decide when and where to allocate credit to firms in distress. Against current practice, priority investment credit will also go to capital intensive enterprises and not just to any kind of job-creating outfit.

Generally, credit availability will be significantly relaxed for small and medium sized companies seeking expansion.

At the same time, the reins are being loosened on the Coface, the French Eximbank, in its credit allowance for exports. The Journal of Commerce reports that the French cabinet has agreed to boost credits to construction and civil engineering firms for exports into the Third World.

France is a leader in the field of infrastructural building in the Third World. French expertise goes back to the colonial days; while Great Britain was carefully respecting tribal paths and boundaries for better subjugation of the natives, the French, in good times at least, built roads, canals and bridges, schools and hospitals.

Civil engineering and nuclear plants are the two major contributions France pledged to make at Bremen towards the development of the Third World, as reasserted by President Giscard d'Estaing and his advisors.

The Agricultural Question

The Presidential decision to favor Portugal's and Spain's entry into the European Economic Community implies major changes for France's southern

The Soviet Angle

French Foreign Trade Minister François Deniau has just concluded a trip to the Soviet Union to prepare for the Franco-Soviet "Grand Commission" on trade and cooperation, to be convened in Paris in October. Deniau is president of the Commission. While Franco-Soviet trade exchanges were giving all appearances of lagging badly as of the first half of this year, Deniau signed an accord to build a chemical plant in the USSR for 170 million francs. A more ambitious plan for the French to build an aluminum plant in Siberia for 3 billion francs is now being actively studied.

agriculture, away from labor-intensive forms of production towards American-style modern farm technologies. Giscard d'Estaing has sent his Prime Minister a plan for setting up industry in south-west France, and has met with the leader of the farmers' Federation FNSEA, Michel Débatisse, who was originally against enlarging the EEC, came out of meetings with the

President saying he had changed his mind. "When it is shown to us that as a community at twelve, we will also be modifying the political structures of Europe, setting up a European monetary fund and going towards common economic responsibility, then we lay aside our objections," the farmers' leader explained. "In this light the Bremen and Bonn summits appear very encouraging to us."

President Giscard put out a statement saying the government will work to create "the conditions for a powerful economic organization of producers, capable of better marketing, better competitiveness in production and promotion of exports," and that "the French regions bordering Spain must seize the opportunity to extend their range of activities which geographical and economic expansion will offer."

The Paris newspaper *Le Matin*, controlled by Rothschild interests, already has been complaining that such expansion will lead to the "dangerous" use of heat generated by new nuclear plants for hothouse agricultural production.

'Free Enterprise' Versus Dirigism

The adoption of these dirigist policies is a slap in the face to "free enterprise" advocate Raymond Barre, Giscard's Prime Minister. Since they like Barre's austerity, Rothschild press organs in France are at a loss to reconcile very clear state-coordinated recovery measures with Barre's religiosity in favor of Friedmanite economics. *Le Matin* claimed two days ago that Giscard's pledge of recovery made at Bonn would not occur with Barre's control over policy. In fact, Barre is being isolated. The advocates of relaunching the economy include Labor Minister Beullac, and Transport Minister LeTheule, who is in the process of reorganizing his ministry for efficient action.

Giraud and his friends are acting in agreement with Bremen by putting "free enterprise" rhetoric on its head: freedom to industry-building yes, and let the zero-growthers freely go to hell.

September Deadline

The industrial strategy will come out in final form in September. It is then that specific industrial development guidelines will be put forth, the financing arranged etc. The publication of the domestic development and export plan is due to coincide with the arrangement of the final plans for the European Monetary Fund.

— Garance Upham

West German Trade Unions Mobilize For Nuclear Energy

On July 21, 500 elected officials from factory councils representing more than 2.5 million West German workers held a press conference in Frankfurt, in the state of Hesse, to announce that their organization would publicly attack any environmentalist parties or candidates running for office in the Hesse state elections in October. The organization, called the Factory Council Action Circle for Energy, chose Frankfurt, the largest city in Hesse, for its press conference because it will be most drastically affected if environmentalists are successful in stopping the construction of the new "C" block at the Biblis nuclear power station, West Germany's largest.

The factory council chairmen, who organized a massive 10,000 person demonstration for nuclear energy in Dortmund in November 1977, also publicly told Hesse Minister-President Holger Boerner that he had better resist environmentalist pressure, and rescind his decision postponing the construction of the Biblis "C" block reactors.

West Germany's press gave detailed coverage to the trade union mobilization. Portions of two major stories are excerpted here.

Die Welt, by Axel Schuetzack, "Factory Councils for 70,000 Workers Step Out into the Open...The Greenies Are Endangering Jobs," July 22:

Dieter Kolb, factory council chairman of the Babcock-Brown-Boveri Reactor GmbH and spokesmen for the 10

factory councils present, stated before the press in Frankfurt that: "We too are for environmental protection, for an improvement in the quality of life and in living conditions, for cleaner air and cleaner water, and we are also for maintaining the countryside...but not at any price according to the slogan 'Back to Nature'...."

....The councilors jointly emphasized that the Federal Republic of Germany, as an industrial nation, is oriented to exports and to the further development of modern technologies. Jobs can only be maintained in the long run when corresponding technologies are developed further. Factory council chairman Norbert Mook from Alkem GmbH in Hannau (which produces fissionable material) said: "We can also not identify ourselves with environmental protection organizations who naturally propagandize about environmental protection, but in reality pursue entirely different goals."

Alexander Kraushaar, factory council chairman from the "Reactor Fuel Union" (RBU), elaborated: "We are taking the words about the 'holy green world' to be a clear rejection, because this idyll only exists in fairy tales, for the greenies with their demands are going for stopping the construction of power plants of all kinds, for stopping highway projects that go through the woods, for stopping bridge-building, for stopping everything that intervenes into nature, and are going beyond reason."

Karl Graebner, for the factory at RBU, summarized the demands of his Hessen Action Circle:

1. Qualified growth for the future;
2. Increased support for research;

European Labor Party Hits "Greenies"

The "greenies," environmentalists in the West German state of Hesse, have formed themselves into the "Green List — Citizens' Initiative for Environmental Protection and Democracy" (GLW), to run in upcoming state elections. One of the GLW's top candidates is none other than terrorist Daniel Cohn-Bendit, the scruffy former leader of the French student riots in 1968. Cohn-Bendit, whose electoral district includes the population of the Frankfurt Zoo, announced that his platform includes the legalization of marijuana and hashish, the closure of all nuclear power plants, "self-determination" for homosexuals, and the rescinding of recent legislation designed to toughen antiterrorist security organization.

"Our goal is to prevent the greenies from entering the state legislature," European Labor Party leader Uwe Friesecke told the Frankfurter Allgemeine Zeitung this week. Excerpts from the conservative

daily's July 24 coverage of the Labor Party's electoral activities in the Hesse race, published on the same day in the Frankfurter Rundschau, follow.

"European Labor Party Says Yes to Nuclear Energy"

The European Labor Party (EAP) will participate in the elections for Hesse state legislature on October 8, with candidates for direct election in all the (21) Frankfurt election districts. The main candidate of the EAP on the election slate which, according to party statements has approximately 60 members, is deputy Federal Chairman Uwe Friesecke from Wiesbaden. Friesecke said during the party's state convention in the Public Education Building, that the EAP's goal is to prevent the "greenies" from entering the state legislature. The EAP will lead their election campaign with the slogan, "Yes to Nuclear Energy and Progress," in order to make clear that humanity needs constant growth and the development of technologies for the establishment of an international arrangement for economic, political and scientific cooperation.

3. Maintaining a conscious sense of security in connection with the new technologies.

The factory councilors view the party program of Herbert Gruhl and his GAZ (Green Action for the Future) as containing job-threatening proposals for those employed in the area of new technology because it is "quite simply directed against industrial growth..."

Frankfurter Rundschau, by Wolf Gunter Bruegmann, "Greenies Causing Lively Disturbance in the Factory Councils," July 21:

"Instead of saying what they are expected to say in extra-hasty position statements made under the pressure of outside citizens initiatives, politicians of all parties should acknowledge even more clearly than before the necessity for growth, and growth through nuclear energy too." This was demanded Friday at a press conference of

the Factory Councils Action Circle for Energy. "Even the federal government itself is not clearly sticking to its energy program," criticized Alexander Kraushaar, factory council chairman at RBU in Hannau....

The Action Circle is warning politicians of continuing to react to the greenies with "vacillating politics." This reproach even applies to Hessen Minister-President Holger Boerner, as Gunther Herbert from the RBU general factory council affirmed in response to a question, because of the postponement of a decision on the further construction of the Biblis nuclear power station to the period after the state legislature elections.

The spectacular highpoint of its activities was the mass demonstration in Dortmund in the fall of 1977 for nuclear energy with the chairmen of all the DGB trade unions, which for many leading trade unionists was avowedly painful...

The Anti-Defamation League: Britain's Zionist Gestapo

How this London policy instrument operates against both Jews and Gentiles

A shorter version of this article appeared in the July 17 and July 28 issues of New Solidarity.

Introduction

Throughout its long and sordid history, the Zionist Lobby's American Jewish Joint Distribution Committee (the JDC or "The Joint") and the Anti-Defamation League of B'nai B'rith have done more willful damage to the Jewish community than any previous intelligence operation. With the exception of Adolf Hitler, who was largely the Frankenstein creation of the Rothschild and Warburg Jewish banking interests centered in the City of London, the JDC and ADL (respectively, the Zionist Lobby's foreign and domestic Gestapo) are the worst chambers of horrors within the British aristocracy's private intelligence mansion.

Under the command of the British oligarchy, the Zionist Gestapo is now fully deployed to wreck the potential in Europe and the United States to forge a humanist "Grand Design" to unite the nations of the world around a program of global economic progress and technological development. As the heads of state of the world's leading industrialized nations meet in Bonn to secure an agreement to realize that potential — with or without Great Britain — the Zionist Lobby is holding the world hostage to the blackmail threat of thermonuclear holocaust that could be triggered by their insane allies in Israel.

Through the Jewish Nazis of the JDC and ADL, the Zionist Lobby has opened a campaign of "dirty tricks," slanders, and lies against those on its "enemies list" who are the potential components of a humanist counterpole to the British oligarchy. This enemies list includes Henry Ford II; the so-called Chicago faction of U.S. business and industry and other key industrialists; U.S. conservative political forces; the Teamsters and other independent trade unions; and the U.S. Labor Party, which shaped the Grand Design policy which now threatens to destroy once-and-for-all the British System internationally.

Among the primary instruments being used by the Zionist Gestapo are the John Birch Society and one of its leaders, Rep. Larry McDonald (D-Ga.) and spinoff groups from George Lincoln Rockwell's American Nazi Party, which was, as will be shown, a *creation of the Zionist Gestapo*.

Founded in 1913, the Anti-Defamation League has been the "dirty tricks" arm of B'nai B'rith, a Jewish fraternal

organization established by German Jewish immigrants in 1843. After World War I, ADL branches were set up in England where, outside the U.S., B'nai B'rith's most powerful lodge is located; in Germany; and many Eastern European countries. The Joint was founded by Felix Warburg of the Jewish banking family and the aristocracy of the American Jewish Committee in 1914. For very good reasons, a virtual Official Secrets Act has been imposed on the early history of the two organizations. But it is known that the period of their expansion coincides with the effort by the British Round Table's Royal Institute of International Affairs and the Council on Foreign Relations to establish and coordinate a host of private political intelligence fronts to carry out the British oligarchy's geopolitical gameplan for world conquest that ultimately led to World War II and the Holocaust.

The two institutions that direct Zionist Lobby activities internationally are the London-based Anglo-Jewish Association and the British Board of Deputies, whose *Hofjuden* membership form a subordinate, but nonetheless crucial, auxiliary of such key instruments of the British monarchy and their Black Guelph conspirators in Europe as the Round Table and the Order of St. John, Knights of Malta. Traditionally the Board of Deputies and the Anglo-Jewish Association have been dominated by prominent "Court Jews" like the Montefiore family, which traces its financial activity back to the 11th century, the Goldschmidt family, which served as bankers and purveyors to the British royal family since the 1600s, and parvenus like the Rothschilds.

The American Jewish Joint Distribution Committee was probably set up as a U.S. branch of the Conjoint Foreign Committee, an entity founded by the Board of Deputies and the Anglo-Jewish Association in 1878 as a quasi-official Foreign Office of Jewish Affairs by approval of Her Majesty, Queen Victoria. Both the Conjoint and its successor, the Joint Foreign Committee, founded in 1918 on the heels of the Balfour Declaration, have served as a "dirty tricks" or private intelligence arm of the Court Jews and their "Our Crowd" subsidiary in lower Manhattan.

Crimes Against Humanity

Without any exaggeration the JDC, the ADL, and their controllers in the upper echelon of the Zionist Lobby have been the witting perpetrators of innumerable crimes against not only the Jewish community, but humanity in general. Their crimes make them immediately eligible

for prosecution under the Nuremberg Statutes for Crimes Against Humanity established after World War II.

Throughout all of history there have been no racists so virulently anti-Semitic as the leaders of the Zionist Lobby and their British oligarchic supporters — with the exception of the Nazi puppets they created. From the standpoint of the “shepherds” who tend the Zionist Lobby, the vast majority of Jews are mere scapegoats to be used in any dirty way that will further the interests and destroy the enemies of the British oligarchy. The political and psychological dimensions of their crimes can be understood in the following context.

It is a well-known, but unspoken fact among the leading business and intelligence circles that the Rothschilds, Warburgs, Oppenheimers, and other Zionist Lobby leaders were in essential agreement with the geopolitical gameplan of Britain's Black Guelph faction, notably Sir Winston Churchill and the Cliveden Set, to transform Germany into a fascist marcher lord state for an eastward drive into the Soviet Union. Implicit in the Zionist Lobby's political and financial support of Hitler's rise to

power was the conviction that it would be better for Zionism if the Jewish race were purified by exterminating 90 percent of the Jews — the non-elite and basically non-Zionist — in Eastern Europe.

The New York German Jewish aristocracy (the Ashkenazy) had earlier coined the pejorative term “kike,” claiming that such poor rabble disgraced the Jewish race, were unfit to emigrate to America, and would ruin things for the privileged Jews. In the late 1800s, with the mass immigration of Eastern European Jews to the United States, this group attempted (and succeeded in some cases) to ship immigrants who escaped from pogrom areas back to where they came from, and attempted to disperse them in the Southwest, anyplace out of sight. This attitude publicly prevailed until 1938.

To demonstrate the heinous policies of this network, let us look at the 1930s when one of the primary aspects of the Zionist Lobby's 90 percent “final solution to the Jewish problem” was the Schacht-Rublee Plan. This plan, organized by the Joint Distribution Committee, was designed to finance the exportation of Zionist Jews from

The Many Facets Of . . .

The “Zionist Lobby” is a mercenary body that takes its marching orders from the British monarchy. At its apex are the “Court Jews” who bought their way into the parlors of the British aristocracy with their financial activities. These “Court Jews” include the City of London-based Rothschilds, Montefiores, Goldschmidts and their “Our Crowd” auxiliary in Lower Manhattan, notably the Warburgs, Schiffs, Loebes, Meyers, Sachs, Strausses, and so on.

Under patronage of the British Crown, these leading Jewish financial families have been brought into positions of power within such bodies as the Round Tables, the Royal Institute of International Affairs, the Council on Foreign Relations, the Bilderberg Society, and the International Institute of Strategic Studies that coordinate the myriad networks and fronts that comprise the British oligarchists' international private intelligence capability.

The Zionist Movement, as such, is one of the most psychotic branches of this private intelligence apparatus. It was artificially created as an instrument of the geopolitical doctrine developed by H.A. MacKinder, the Round Table's leading strategist, to the effect that the lynchpin for British world domination was conquest of the Soviet heartland. While Zionism (and the later activities of the Joint Distribution Committee's Soviet-brand agents) was used to help Balkanize Russian society, Germany was divorced from its natural allies and prepared for its “marcher lord” drive east under Adolf Hitler.

Historically, the bitterest enemies of the Zionist Lobby have been the leaders of the neoplatonic, humanist current within Judaism, who have been constantly in the

forefront of the humanist elite's struggle for a Grand Design policy. This tradition traces its origins to collaboration between leading intellectuals of Phoenicia and Israel in the cradle of humanist culture and to the collaboration between Jews and Moors in Spain that produced Spinoza. It is the Sephardic Jews in Israel today (the heirs to this humanist tradition) that are seeking alliances with their counterparts in the Arab states, in the Vatican, and among other leading forces in Europe. Zionism was also created as a counterdeployment to this humanist current within Judaism.

Institutions. The Zionist Lobby has maintained a network of interlocking institutions that include the British Board of Deputies, Anglo-Jewish Association, and Jerusalem Foundation, which serve as an important auxiliary of the British aristocracy's secret societies such as the Sovereign Military and Hospitaler Order of St. John of Jerusalem, Knights of Malta; the American Jewish Committee, founded by Jacob Schiff and others in the New York German “Our Crowd” group and currently led by such characters as Detroit-based Max Fisher and the warmongering “neoconservatives” around *Commentary* editor Norman Podhoretz (e.g., Irving Kristol and Sidney Hook); Israel's official lobby, the American-Israel Public Affairs Committee, headed by Morris Amitai; and the World Jewish Congress and World Zionist Organization, whose leaders include Nahum Goldmann, the Rothschilds' soft-cop spokesman for a separate peace with Egypt.

Labor. Tentacles of the Zionist Lobby's franchise extend into the Fabian core of the labor movement and the major media. Leonard Woodcock's United Auto

Europe, leaving the non-Zionists and the "useless eaters" to be exterminated in the slave labor camps set up by the Warburg's "financial wizard," Hjalmar Horace Greeley Schacht, then the Nazi Finance Minister. Under this plan, negotiated under the auspices of then Bank of England head Montagu Norman, Germany's blitzkrieg economy was to be financed in part by trading 250,000 Jewish bodies for the purchase of German exports that the emigrants would take with them.

The Schacht-Ruble Plan and similar operations to "rescue" the Zionist-elite 10 percent of European Jewry provided a cover for the much uglier reality. It was the thinking of the Zionist Lobby's leaders that the greatest service which most Jews could render was to be ground up with 18 million gypsies, communists, and Slavs in Schacht's slave-labor meatgrinder, to produce tanks and planes for Britain's proxy war to conquer the European heartland and producing Zyklon-B gas which would be used for their own extermination.

One of the ugly truths of the Holocaust is that the Joint Distribution Committee was the instrument that sabo-

tagged a Soviet plan to create an independent Jewish Socialist Republic out of the Nazis' reach. Continuously from 1931 to 1937, the period before the Nazis gained control over Poland and the period when Stalin sought an alliance with the Western allies against the Nazis, the Soviet leader offered to turn over Soviet territory bordering Mongolia and China for a Jewish Socialist Republic that would receive Jewish immigrants from Eastern Europe. But when Stalin discovered that in the first group of 1,000 immigrants were two Polish intelligence agents linked to the British Secret Intelligence Service and a Gestapo agent, the entire project was collapsed. The three agents were "doctors" planted by the JDC. (1)

Those Jews remaining in Germany were placed in a totally controlled environment enforced by the Nazis and the *Judenrat* of the Joint and other Zionist organizations. A process to select candidates for emigration was established, which permitted only the most servile adherents of the Zionist Lobby to leave, like Henry Kissinger whose family became so Orthodox that Henry wore *tfillin* (phylacteries) during this period. A similar selection process secured the release of Max Cohn (the father of

... London's Zionist Lobby

Workers Union and the International Ladies Garment Workers Union are two of the Zionist Lobby's instruments to prop up George Meany's corpse-like grip on the AFL-CIO bureaucracy. The ILGWU produced British butcher J. Lovestone, Max Kampelman (who is on the ADL's board), and Irwin Suall, head of the ADL's "Fact-Finding Division" that runs Klan and Nazi provocateurs. It has been the primary task of the Zionist Lobby's trade-union agents to stop the emergence of a "Labor-Industry Alliance."

Media. The Zionist Lobby is a major power within the three TV networks, and especially within NBC and ABC, the latter of which televised "Rcots" and "Holocaust" to build racial tensions for urban riots and terrorism. Its chief press sewer conduits are: Katherine Meyer Graham's *Washington Post* and *The New York Post*, which was recently purchased from Dorothy Schiff by Rupert Murdoch, whose "yellow urinalism" won the "Anti-Defecation League's" human rights award last year. Lesser conduits for ADL-planted slanders and lies have included Walter Winchell, Drew Pearson, Pearson's protégé Jack Anderson, and Victor "the Weasel" Riesel.

Politics. The Zionist Lobby's political action fronts make a mockery of the "man-in-the-street" notion of "right vs. left" politics in America. The Zionist Lobby simultaneously runs a section of the Kennedy wing of the Democratic Party (e.g., Social Democrats USA, Americans for Democratic Action, etc.) and holds command positions within the conservative wing of the Republican Party.

Elements of this "Trojan Horse" deployment into the conservative movement include: the Committee on the Present Danger, which is led by such Cold War propagandists as Lane Kirkland, Max Kampelman, Paul Nitze, Sol Chaikin, Eugene Rostow; elements within the Heritage Foundation, such as Robert Moss, editor of *Foreign Report*, the confidential newsletter of Evelyn de Rothschild's *Economist*; Britain's treasonous Buckley family agents and their political hatchetman, "New Right" leader Richard A. Viguerie; and the John Birch Society, which is totally in the hands of the Zionist Lobby through such agents as Rep. Larry McDonald (D-Ga.), John Rees, Herbert Rommerstein, and Gary Allen.

Through groups such as the recently created "Interchange" umbrella coalition, the "Kennedyite," Fabian machine has been mobilized for pseudo-war against kneejerk conservative issues raised by "Viguerie's Piggery." The purpose has been to keep conservatives at odds with labor, their natural allies.

Terrorism. Together with the terrorist controllers of the Washington-based Institute for Policy Studies (which was itself partially financed by such Zionist Lobby sources as the Stern Family Fund and James P. Warburg) the Anti-Defamation League is coordinating both the Nazis and the "anti-Nazi" squadrist deployed against them to create a "long, hot summer" of terrorism and urban riots. In Operation Skokie, the ADL simultaneously directed Frank Collin's National Socialist Party of America, the Jewish Defense League, the gon squads of the Communist Party Marxist-Leninist and of the Progressive Labor Party's International Committee Against Racism.

Frank Collin, head of the Chicago-based National Socialist Party) from the Dachau concentration camp.

The same psychosis, which permitted Zionist Lobby leaders to carry out their 90 percent final solution of selecting who would live or die in Europe on the basis of their adherence to Zionism, today permits the "dirty tricks" which are conducted by the Jewish Nazis of the Anti-Defamation League. Their activities can in no way be dated from the particular events of the *Kristallnacht* pogrom in Germany in March 1938. It is well known that ADL involvement in assassinations and the creation of anti-Semitic terrorist gangs in the U.S. dates back at least to the Civil War period when Rothschild agent, Bernard Baruch, Sr., helped arrange the assassination of President Lincoln and then laundered the funds from London banks that were used to found the first Ku Klux Klan immediately after the Civil War's conclusion. (2)

The Strange Origins of The American Nazi Party

According to several sources privy to the founding of the American Nazi Party, George Lincoln Rockwell was on the ADL payroll. His American Nazi Party was a front for the Zionist Lobby. It is a case study of the founding of a Zionist Gestapo.

In the 1950s, the ADL approached one such source with the possibility of financing for his business in exchange for his agreement to publish a Nazi newsletter for distribution in Miami with a large swastika on its front cover. He flatly refused, at which point the ADL approached George Lincoln Rockwell to accomplish the same task in his American Nazi Party newsletter.

Rockwell was hand-picked for his role as the ADL's little "Führer" by William F. Buckley. Buckley's family got their start as British "dirty tricks" specialists when Buckley's father was hired to run assassination and coup plots for Rothschild oil interests in Mexico; that is, until he was booted out of the country in 1921 as a "pernicious foreigner." Buckley recruited Rockwell, a former U.S. Navy commander, when both worked at the *American Mercury*, which acted as a "safehouse" where such top-level British Fabian agents as Max Eastman, James Burnham, and others could undergo a Damascus Road conversion into anticommunist Cold Warriors for the McCarthy period. Rockwell soon joined Buckley, Burnham, Eastman, and other former left-cover agents, trained at the Round Table's Balliol College in Oxford, England, to help found the *National Review* as a psychological warfare journal to manipulate U.S. conservatives into their "dumb giant" anti-Soviet profile. (3)

Rockwell's American Nazi Party was funded by such Zionist Lobby "financial agents" as the media-based Strauss family, who are closely tied to the ADL and Kennedy wing of the Democratic Party, and Benjamin Friedman from the U.S. subsidiary that produces Lux soap for the Anglo-Dutch financed Unilever Corporation. ADL press agent Drew Pearson ran public relations for the operation, building up the Nazi Party's image as a major public menace in his "Washington Merry-Go-Round" column. At the same time Pearson maintained friendly phone contact with Rockwell and he assigned his protégé, Jack Anderson, as his official liaison with the

Nazis. The ADL picked up the tab for Anderson's expenses.

Why did the ADL create this "Kosher Hitler" and parade his gang of thugs across America?

First, the Zionist Lobby created Rockwell as the strong-arm boy for an ADL "protection racket." Rockwell was assigned to distribute literature bearing a large swastika in Miami Beach, which prompted a major influx of funds to the ADL's coffers from a Jewish population looking to the ADL for "protection" from the Nazis. Rockwell's assignment was merely a more sophisticated variant of a long-standing practice. According to reliable sources, Arnold Forster, now the ADL's general counsel, was arrested for painting a swastika on a Utica, N.Y. synagogue in the early 1940s.

To keep the image of the Holocaust fresh in the Jewish community's mind, the Zionist Lobby also entered a secret contractual agreement with Rockwell that guaranteed a bottomline sale of 50,000 copies of Rockwell's American Nazi Party newsletter as long as he kept a large swastika on its cover. Similar anonymous agreements were made to finance *Thunderbolt*, the virulently racist and anti-Semitic rag of the National States Rights Party, which is headed by J.B. Stoner and headquartered in Marietta, Georgia. The ADL mailed copies of both publications to targeted Jewish community leaders whose psychological profiles (and other blackmail material) are kept at ADL headquarters.

Second, the Zionist Lobby has used the swastika-painting incidents and other anti-Semitic acts of the American Nazi Party as a psychological warfare device to maintain a perpetual "state of siege" of Holocaust mentality in the Jewish community, making them the malleable pawns of the Zionist Lobby's warmongering policy for the Mideast and elsewhere. Apart from the swastika armbands, there is nothing new in this practice either.

Since the time of the Babylonian Empire, whose agents transformed the Israelites into a proxy army to help eradicate the Phoenician center of humanist culture, the threat of bloody pogroms and Holocaust has been raised by antihumanist forces to force elements within the Jewish community to knowingly act for immoral ends on the basis of narrowly defined self-preservation. Behind this "Bettelheim phenomenon," which has permitted a faction of the Jewish community to act as the conscious enemies of humanity, are the existential notions of Jewish separatism, and the Chosen People, which agents of Babylonian imperialism in the person of the prophet Ezekiel originally incorporated into the Talmudic tradition. (4)

Third, the American Nazi Party and dozens of other ADL-organized neo-Nazi spinoffs (such as Frank "Cohn" Collin's National Socialist Party in Chicago) have been deployed against the so-called left-wing terrorist networks of the Institute for Policy Studies for "surrogate warfare" pitting "right" against "left," Nazi against Jew, black against white. Surrogate warfare has been a special British destabilization and counterinsurgent tactic for population control.

In the late 1960s, agents interfaced with the ADL and holdovers in the Justice Department from the Kennedy Administration were deployed to provoke a wave of

urban riots and terrorism as part of "Operation Gardenplot" — a British Special Intelligence Service instigated and promoted attempt to provide the rationale for imposing a financial and political dictatorship on the United States by City of London agents.

Some years earlier, Rockwell's American Nazi Party formed the U.S. nucleus of a British-spawned Nazi International — the World Union of National Socialists — which was the first Nazi gang after World War II to openly raise the Jewish question. The union's world headquarters in England, under the nominal direction of British fascist Colin Jordan, was run by former members of the British Union of Fascists, founded in the 1930s by Black Guelph aristocrat, Sir Oswald Mosley. Mosley's career as Britain's leading Nazi had been stage-managed by Fabian Society leaders Beatrice and Sidney Webb, George Bernard Shaw, Ramsey McDonald and others. Shaw, in fact, adored Mosley throughout his life, an affection much in evidence in the Don Juan section of his *Man and Superman* and in his denunciation of those lower echelon Fabian Society members who were "anti-fascist." "My friend, Oswald Mosley, is a much better Socialist than most of them," Shaw stated at a 1937 Fabian jamboree.

This was the network deployed as part of the "right-wing" side of Operation Gardenplot, which was shaped under the cover of the Kennedy Administration's civil rights program. A key nexus point in Gardenplot's development was the 1964 Mississippi Summer, which involved a planned triple assassination targeting three civil rights organizers — Chaney, Goodman, and Schwerner — Sam Bowers, Imperial Wizard of the Mississippi White Knights KKK, and civil rights leader Martin Luther King, Jr. The point of these assassinations (three of which were carried out that year) was to plunge the country into total chaos and confusion. The assassinations were timed to immediately precede the invasion of the South by hundreds of civil rights organizers.

Recruited and trained under programs financed by the Field Foundation, Stern Family Fund, Warburgs, these civil rights workers were to create a "left-wing" side for the destabilization of the South, and the opening up of its cheap labor force for runaway industry from the North.

To carry out the planned assassinations a \$100,000 fund was laundered through the New Orleans office of the ADL. Robert Kennedy's civil rights troubleshooter, John Doar, handled field coordination. Although aborted at the last moment, this plot was the model for a far more complex operation involving the 1968 assassination of King and others, which ignited a brushfire of riots in our nation's cities. (5)

In the early 1970s, members of the Canadian branch of the World Union of Nazi Socialists, headed by Martin Wiezche (a former member of Leopold Trepper's "Red Orchestra" anti-Soviet infiltration organization in the pay of Britain's top agent inside German wartime intelligence, Admiral Canaris) aided British and Israeli intelligence to set up a synthetic Black September unit in Canada. On orders from then National Security Advisor Henry Kissinger, this "unit" of Black September was to bomb airports along the Canadian-U.S. border and assassinate 100 second-level Jewish community leaders in

order to build a climate of tension leading up to the 1973 Mideast war.

This network has been reactivated over the last year. Through such spinoff groups as the British Movement and British National Front in England, the Chicago-based National Socialist Party of America headed by another of the Zionist Lobby's "Nazis in yarmulkes" Frank Collin, and the NSDAP (National Sozialistische Deutsche Arbeiter Partei) in Germany, an operation has begun to sow chaos internationally through controlled "right" versus "left" surrogate warfare and to create a credible density of violence for importing European-style terrorism to the United States.

One of the traveling agents for this new Nazi International is Colonel Hans Ulrich Rudel, who took part in many postwar covert operations under Hitler's own special operations executive, Colonel Otto "Scarface" Skorzeny and Skorzeny's father-in-law, Hjalmar Schacht. Both Schacht and Skorzeny were plugged back into the City of London's "secret team" after a token wrist-slapping at Nuremberg.

And William F. Buckley is not to be forgotten. Among Buckley's methods of *Saving the Queen* not publicized in his book by that name, has been his job of coordinating neo-Nazi terrorism throughout Europe as the errand boy for the oligarchic networks headed by Otto von Hapsburg. (8)

The Zionist Lobby As Myth Makers

One of history's cruelest ironies is that among the chief perpetrators of the myths of an "international communist conspiracy" and an "international Jewish conspiracy" are the agents and dupes of Britain's Zionist Lobby.

Two examples stand out. Through a psychological warfare operation run under British Round Table auspices by the Anti-Defamation League of B'nai B'rith and the British Secret Intelligence Service, Henry Ford was destroyed as a public spokesman for U.S. industrialists with the poison of anti-Semitism. More recently, the John Birch Society was a "tailored creation" of the Zionist Lobby made by order of Her Majesty, the Queen of England.

As purveyors of these conspiracy hoaxes, Britain's Zionist Lobby has performed a service of the utmost value to its aristocratic patrons. As with Henry Ford, the poison of anti-Semitism has been used to divert many U.S. industrialists and political leaders away from the humanist tradition upon which the American System was founded.

On an international scale, the notions that communism is another disguised element of an "international Jewish conspiracy" (Ford's "Jewish Bolsheviks"), or that leaders like President Dwight Eisenhower are somehow secretly "communists" (the Birch Society's undifferentiated "Insiders"), have been used repeatedly to undermine the emergence of a humanist Grand Design that would unite the nations of the world around a program of technological development.

It is a liberal fairy tale that such synthetic conspiracy doctrines are merely the ravings of lunatics and do not

significantly affect the course of history. Among the services that the Zionist Lobby performs as a retailer of such hoaxes has been to cover up one of the most closely guarded secrets of the "inner elites" — that the British oligarchists and their Black Guelph collaborators in Europe continue to set world monetarist policy.

This includes the geopolitical doctrine developed by H.J. MacKinder and a team of Round Table strategists (the "Coefficients," including Lord Milner of the Rothschild mining firm, Fabian Society founders Beatrice and Sidney Webb, and others) to transform Germany under Adolf Hitler into a marcher lord state directed against the Soviet Union.

Henry Ford: Victim Of Britain's Zionist Gestapo

Henry Ford had a deep, *intuitive* understanding of the American System. It was his sincere belief that the benefits of this system must be universalized for all mankind by eradicating the state of backwardness imposed by British imperialism.

As Maureen Manning has documented, Ford recognized a similar commitment to technological development in the Bolshevik Revolution. (6) He arranged for the export of tractors and other technology transfers, which played a significant role in the Soviets' city-building program for rapid industrialization in the 1920s and 1930s.

Ford's humanist, industrial tendency was expressed most self-consciously at the time in the Rapallo faction of German industrialists around steel magnate Hugo Stinnes and a faction in the military around General Kurt von Schleicher. Von Schleicher had sought to negotiate a broad program of trade and development deals with the Soviet Union similar to those concluded in May 1978 between West German Chancellor Helmut Schmidt and Soviet President Leonid Brezhnev.

However, the British Round Table's geopolitical doctrine for world conquest demanded, as a preliminary step, divorcing Germany from its "natural allies" on the European continent and the balkanization of Russia. Therefore, the British oligarchists had to root out this Rapallo tendency at all costs.

Von Schleicher's commitment to saving Germany along the Rapallo policy lines led to his assassination during the "Night of the Long Knives" in 1934. In the case of Hugo Stinnes, who provided a direct bridge between Henry Ford and the Rapallo faction, Warburg protégé Hjalmar Schacht closed down his credit line driving Stinnes to bankruptcy and death in 1924. Henry Ford, however, was subjected to psychological warfare — with the myth of an "international Jewish conspiracy" as the main weapon.

Ford and his cothinkers among U.S. industrialists were ripe for such manipulation. After more than a century of subversion by British agents, including the assassinations of such key American "Whig" leaders as Alexander Hamilton, President Lincoln, and President McKinley, Ford had been cut off from attaining self-conscious awareness of the battle against British colonialism that was fought during the American Revolution and of the 3,000-year-old humanist tradition in which the Founding Fathers were rooted.

There were essentially three phases in the "brainwashing" of Henry Ford that employed the full gamut of Round Table intelligence networks from Fabians, to the official British Secret Intelligence Service, and the Anti-Defamation League.

Phase One was run by the top British Fabian networks in America, including Jane Addams, who founded Hull House as the American prototype of the British settlement house movement, and by Louis P. Lockner of the Carnegie Endowment for International Peace. These two played upon Ford's proper understanding that the U.S. had no business entering World War I unless it allied with the German military-industrial complex to crush the British Empire. Addams and Lockner convinced Ford that he should finance a "Peace Ship" in 1915 to take prominent Americans to Europe to mediate between the belligerents.

Once Ford was hooked, a rumor campaign was launched to make sure no other notable American was associated with the "Peace Ship" scheme. Provocateurs on board ship made a mockery of the occasion, leading the British press to portray the enterprise as a "ship of fools." (7)

Phase Two was handled by Sidney Reilly, who directed a series of attempted assassinations and counterattacks against the Russian Revolution as head of the British Secret Intelligence Service in Russia. Boris Brasol, one of Reilly's subordinates and a former member of the Russian secret police (the Okrana), was deployed to America in 1919 to convince a thoroughly embittered Ford that he had been the victim of an "international Jewish conspiracy." Under the sway of this British SIS "Rasputin," Ford created a huge private intelligence unit nominally directed by Harris Houghton, former chief of U.S. military intelligence, to investigate the conspiracy against him.

Brasol also got Ford to reprint a version of the virulently anti-Semitic *Protocols of the Learned Elders of Zion* and to denounce the "Jewish Bolsheviks" in his newspaper *The Dearborn Independent*. The *Protocols* were originally written as a satire on alleged conversations between Napoleon III and the Devil, which a British SIS-connected faction in the Okrana transposed into a report of a secret meeting of Jewish leaders plotting world conquest. (8)

Phase Three was run by the Anti-Defamation League and other leading elements of Britain's Zionist Gestapo, which orchestrated a public campaign to blacklist Ford for his induced anti-Semitism and to cover the tracks of his British brainwashers. In an ADL pamphlet entitled "An Exposure of the hoax which is being foisted upon the American public by Henry Ford...." British agent President Theodore Roosevelt charged that Ford's anti-Semitism was attributable to "the same stuff" that showed in his anti-Preparedness and anti-War (World War I—ed.) propaganda.... (Ford) has no idea what we mean by Americanism...."

Most important, the ADL directed its propaganda against Ford's Rapallo factional allies to create the myth that it was these German military-industrial forces who had financed the flow of anti-Semitic material from London into the U.S. The same pamphlet quoted British

press sources that the *Protocols* were "a weapon of German Militarist Reactionaries" who distributed it as "part of the German Reactionary plot to upset the Treaty of Versailles, and perhaps to plunge Europe into another war..." (emphasis added).

The scope of this ADL "Big Lie" pales those of Nazi Propaganda Minister Josef Goebbels. The clear intention of the harsh reparations imposed upon Germany at Versailles had been to destroy Germany as an advanced industrial state, leaving what productive capacity remained under the direction of Warburg protégé Hjalmar Schacht, who created the Nazi blitzkrieg economy to rearm Germany for its march east. This fact was well known to the Zionist Lobby's leaders. Among those deployed by the British oligarchists to implement the Versailles policy were Rothschild family retainers Bernard Baruch, Jr., representing the U.S. delegation for reparations, and Lord Milner's protégé Lord Lothian, who demanded that the first treaty be torn up because the terms were not harsh enough.

Other Zionist Lobby leaders took up the "Big Lie" to cover the central role of the British oligarchists in creating Hitler. Adolf S. Ochs, the *New York Times* publisher, later propagandized that Ford and German steelmaker Fritz Thyssen had paid Hitler's wages. In fact, early contributors to the Nazi Party included Ochs himself, who kicked in when the Warburgs assured him that Hitler was in the pocket of the British Foreign Office.

After City of London agents turned the German economy over to Schacht, German industrialists were given the choice of paying into a special Hitler fund held by the Schroeder Bank (of which Allen Dulles was a director) or suffer the same fate as Hugo Stinnes.

The ADL also meticulously covered over the fact that Alfred Rosenberg, who concocted many of the worst myths of Aryan racial superiority and anti-Semitism incorporated into the Nazi belief structure, was on the German receiving end of the same British SIS-controlled White Russian network that had brainwashed Ford. (9)

Ford apologized publicly for the blanket charges of an "international Jewish conspiracy" that he had leveled against the Jewish people. But, while Ford was apparently cured of the poison of anti-Semitism, he never recovered sufficiently from the accompanying dose of anti-communism so as to resume pursuit of a humanist Grand Design policy. Nor did he lose his naiveté concerning British intelligence.

Britain's "America Last" Committee

During World War II, Henry Ford and elements of the Chicago faction of industrialists — including Colonel Robert McCormick of *The Chicago Tribune*, General Robert Wood of Sears, Roebuck Co., the Stuart family of Quaker Oats, and various other midwestern enterprises — fell hook, line and sinker for a classic "inside-outside" entrapment operation set up by Round Table intelligence networks, the America First Committee.

On the inside track of the operation, top-level affiliates of the notorious Cliveden Set were deployed into America First. They sought to turn the committee into a weapon for sabotaging the more enlightened U.S. nationalists (for example, Henry Stimson, Vannevar Bush, Patrick

Hurley, General Douglas MacArthur) who were mounting an aggressive military campaign to rid the world of fascism, *independently of the British*. The chief handle these British agents used was the Chicago faction's extreme hatred for communism and, ironically, for the "perfidious British." (10)

Under the direction of Sir William Stephenson, then head of the British Security Coordination office in New York which was the liaison between British and U.S. intelligence during World War II, agents of the Anti-Defamation League and the American Jewish Committee played a secondary, but nonetheless crucial role as the stick to beat the America First industrialists into the Cliveden Set's control. The Gestapo tactics developed for this purpose, including the actual creation of synthetic Nazi groups, are the same witnessed today in "Operation Skokie" where the ADL directs both the Nazis and broad "anti-Nazi coalitions."

At no point did either Hitler or his British oligarchical controllers desire a war in the West. The "von Schlieffen" strategy of striking west first was imposed upon Hitler by nationalists on the German General Staff as a precondition for their support of Hitler's actual goal — conquest of the Soviet Union. Even at the height of the Battle of Britain, the German General Staff did not seriously consider an invasion of England as evidenced by the flight of Deputy Reichsführer Rudolf Hess to seek an open Anglo-German alliance. Once the Nazis turned east, and were, in effect, back on the British oligarchs' leash, Winston Churchill pursued a course that would maximize Soviet attrition rates on the Eastern Front. It became known to U.S. military leaders that behind Churchill's reasons for stalling a Second Front in Europe — that is, forcing the Allies to strike against North Africa and strike against the so-called Soft Underbelly of Europe — was the British oligarchs' design for an invasion of the Balkans where they would link up with Nazi Panzer divisions.

Among those U.S. affiliates of the Cliveden Set deployed into America First to enlist midwestern industrialist support for this policy of using Germany as a battering ram against the Soviet Union were the following: Allen Dulles, who with his brother, John Foster, played a significant role in the "Rearming of Germany by Night" both as participant at Versailles and as Schroeder Bank director; Harry Emerson Fosdick, who helped found the Russell Sage Foundation which drafted sections of the Versailles Treaty dealing with reparations, and the international, private police group, Interpol, which was headed by SS leader Heinrich Himmler during the 1930s and which remains a deployment center for both Nazi and "leftist" terrorists internationally; and Charles Beard, the Baliol-College-trained member of the Fabian Society's Frankfurt Institute thinktank who led an attack on President Franklin Roosevelt and the dirigist military-industrial forces that emerged from World War II seeking an alliance with the Soviets to crush the British Empire.

A second "leftist" network was deployed in tandem, pushing a purely pacifist line to retard U.S. entry into the war, except as Britain's junior partner. Members of this group included Socialist Party leader Norman Thomas,

midwestern populist Robert LaFollete, future Kennedyite liberal Chester Bowles, and Robert Hutchins, who would later be the Zionist Lobby's candidate to head the Ford Foundation. (11)

Under the direction of William Stephenson and the British Security Coordination, agents of the Zionist Gestapo were formed into a series of so-called anti-Nazi coalitions. The key to understanding these groups is that they never once attacked any affiliate of the Cliveden Set — the very people complicit in creating Hitler. Instead, their attacks focused on the industrialists whom these British agents had duped.

Although never directly a part of any of the British Security Coordination's anti-Nazi coalitions, William Yandell Elliott (the British agent who would later train Henry Kissinger) provided them propaganda support for the group's operations. In *The British Commonwealth at War*, which Elliott wrote with the aid of the head of Round Table intelligence, Sir John Wheeler-Bennett, and the head of the Bank of England, Sir Eric Roll, Elliott reveals the real goal of these groups: "The isolationists who asked what interests we had in the fate of Britain's armies and Britain's Empire...are now finding the brutal answer.... Our sheer self-interest is in the preservation of England as *the main front base of our defense against Hitler*" (emphasis added).

In a semiofficial history of Stephenson's British Security Coordination, *A Man Called Intrepid*, the author admits that to ensure that America would see the "British Empire... (as its —ed.) main front base... BSC created societies to discredit enemies in the U.S., 'spontaneous' and seemingly home-grown agencies such as the American Labor Committee to Aid British Labor... the Committee to Defend America by Aiding the Allies... the Fight for Freedom Committee, the Friends of Democracy... the Century Group... and subcommittees within the American Federation of Labor."

By far the most deadly of these groups, which the British Security Coordination remains afraid of acknowledging as their own, was the World Non-Sectarian Anti-Nazi Council to Champion Human Rights (also known as the Anti-Nazi League). This was financed with money laundered through a Jewish diamond merchant, Isidore Lipschutz, and counted among its leaders and supporters: Colonel Theodore Roosevelt, Rabbi Hillel Silver of the Jewish Agency for Palestine, and American Zionist Organization, Prince Leopold of the profascist Belgian royal family, Sidney Hillman of the Zionist Lobby-controlled Amalgamated Clothing Workers, the Archbishop of Canterbury (who was a member of the Moral Rearmament Movement with Himmler and Rudolf Hess), and Lady Violet Bonham-Carter, a close relation of the Chamberlain family which produced both Neville Chamberlain and Houston Stewart Chamberlain. The heads of the Anti-Nazi League and the Friends of Democracy met regularly with Stephenson, Lord Halifax and Lord Lothian to map their campaign.

By far the most common tactic used "to discredit (Britain's) enemies" was the creation of synthetic Nazi gangs that were sent into America First without the knowledge of its leaders. There these Nazis could be "discovered" by British press conduits in order to smear the midwestern industrialists and their political spokes-

men as secret fascists. To carry out this tactic, a staff of several ex-Nazis turned communists (or vice versa) was assembled on the payroll of the ADL and American Jewish Committee. For example, the head of the Anti-Nazi League's Bureau of Investigation, Dorothy Kahn Wurzburger (also known as Dorothy Waring, Mary Gaffney, "Agent 89," etc.) held the Lloyds of London policy on Adolf Hitler and was an intimate of top Nazi Party officials. She also wrote a book, *Where Now Little Jew*, that has been labeled as one of the most viciously anti-Semitic publications of all times.

Another tactic was to invent industrialist ties to the Nazis for black propaganda. One agent for Friends of Democracy (a group whose leaders included such key British agents as John Dewey) was Avedis Bogros Derounian, also known as John Roy Carlson, who was on the ADL payroll. "Carlson" wrote the book *Undercover* which charges 30 "isolationist" congressmen with being part of a wild, fascist conspiracy. Included in this plot were such figures as Senator Robert A. Taft, Jr., who was a prime target of the ADL and the British Security Coordination because he openly denounced British imperialism.

After the war, "Carlson" and ADL press conduit Walter Winchell, who had helped build the book into a liberal cause célèbre were sued for \$1 million. The judge dismissed the book's charges, stating: "I find this book 500 pages of twaddle — mere twaddle... I would not believe this author if he were under oath.... I believe he would do anything for a dollar." Nonetheless, Carlson was kept on the ADL payroll to concoct further attacks upon the so-called isolationists, this time linking them to both the Nazis and the Communist Party, for their opposition to British Cold War gambits like NATO.

The effect of such smear tactics was tremendous. Following one such operation, British Security Coordination polls showed: "As the campaign against Fifth Columnists continued... the results were most gratifying. On March 11, 1942, only 49 percent of the American people thought Britain was doing her utmost to win the war. Six weeks later... this proportion jumped to 65 percent, *although no important naval or military victory has occurred during this period to influence the public in Britain's favour*" (emphasis added).

British Security Coordination tactics became so blatant that Samuel Untermyer, the Zionist Lobby attorney from the firm of Guggenheimer and Untermyer who had successfully brought a suit against Henry Ford for slandering the Jewish people, quit in disgust as chairman of the Anti-Nazi League. Although he had not seen through the operation against Ford, this time he knew that the charges against AFC industrialists were pure "twaddle."

The stupidity of the industrialist core in the First Committee for equating World War I with World War II cannot be overstated. Given Germany's Schachtian slave labor and looting policies, it was imperative that the United States mount an aggressive military campaign to stamp out this evil Frankenstein creation of the British oligarchists. As the above indicates, neither the British Security Coordination nor its Zionist Gestapo auxiliary cared about the human devastation the Nazis caused. Their sole concern was to

lock the United States into its traditional "dumb giant" role of unquestioning support for the British Empire.

The Conspiracy Behind The John Birch Society

The John Birch Society was created by Britain's Zionist Gestapo and Tory circles around Conservative Party leader Sir Winston Churchill to sabotage President Dwight D. Eisenhower's Grand Design policy for permanent entente with the Soviet Union. The Birch Society developed as a mass-based propaganda conduit for the myth of an "international communist conspiracy," whose ringleader was supposedly none other than Eisenhower.

Robert Welch, the Birch Society's titular chairman, is a clinical paranoid schizophrenic whose devotion to the Zionist Lobby and its controllers, the British oligarchs, has been periodically reinforced by trips to a mental institution for behavior modification. (12) Top-down control over the society's members is exercised by a nest of Zionist Lobby agents, including Rep. Larry McDonald (D-Ga.); his aide John Rees, formerly of British Royal Air Force intelligence; Robert Rommerstein, who began his career as one of several Anti-Defamation League plants on the House Un-American Activities Committee; Birch Society theoretician Gary Allen; and, Allan Stang, another ADL agent.

The foundations of the Birch Society were laid in 1954 with Welch's publication of *One Man's Opinion* after a world tour that culminated in a meeting with Churchill. The Birch Society was one aspect of a total reorganization of the American right, which included the founding of dozens of new anti-communist organizations to carry on the psychological warfare campaign against incoming President Eisenhower and allied dirigist U.S. forces, a campaign which included the notorious witch-hunts of Senator Joe McCarthy.

The key in this reorganization was the founding of the *National Review* by William F. Buckley and several former top-level Fabians turned Cold Warriors at the height of the McCarthy period. Through the *Review*, conservative layers were permeated with anti-communist, "free enterprise" variants on 19th-century British liberal ideology, which served to cut these circles off from the genuine American Whig tradition of Ben Franklin, Alexander Hamilton, Thomas Paine and John Adams.

McCarthy's "red under every bed" diatribes has been the principal propaganda component of the Cold War strategy Churchill announced in his 1947 "Iron Curtain" speech at Fulton, Missouri. Britain's purpose was to sever the wartime alliance between the United States and the Soviet Union by keeping the United States within the fold of the Round Table's "Anglo-American Commonwealth."

Churchill's goal was not attained until the Korean War. Against the backdrop of this conflict, Secretary of State Dean Acheson and the British Foreign Office fanned McCarthy's anti-communist hysterics to give further impetus for creating NATO and rearming the United States under National Security Council Directive 68, which called for "preventive war" with the Soviet Union.

The Timely Demise Of Joe McCarthy

McCarthy was controlled largely by three British networks: the *Kennedy family*—parvenus to the Cliveden Set and the *British Fabian Society*—through Robert Kennedy, assistant counsel for McCarthy's Subcommittee; the *Buckley family* through L. Brent Bozell, McCarthy's ghostwriter and William F. Buckley's brother-in-law (with whom Bozell would later write the definitive cover story on British support for McCarthy's meteoric rise to power); and the *Zionist Lobby*, most directly via Roy Cohn, McCarthy's chief counsel. Cohn had earlier made his reputation as a promising witchhunter in the Rosenberg atomic spy case.

The Anti-Defamation League wholeheartedly supported the British Oligarchists' Cold War gambit. Its publications during the McCarthy period included such gems as *Hitler's Communism Unmasked* and *Primer on Communism*, which pales the writings of the most far right-wing fringes. In a *Primer on Communism*, the ADL hysterically asserts: "the term 'communism' was coined in the 1830s in the secret revolutionary societies of Paris . . . The specter of militant, aggressive, Soviet communism now haunts the world."

Simultaneous with McCarthy's witchhunt against communism, Britain's Zionist Gestapo escalated the mop-up it had begun immediately after World War II against the so-called neoisolationists led by Senator Robert Taft, Jr. This tendency lacked the capability of the dirigist military-industrial forces led by Eisenhower to conceive of positive programmatic solutions to the backwardness imposed by British imperialism. However, it by no means believed in an isolated "fortress America." Rather, its concern was that the U.S. might follow the British model, as in the case of NATO, which was created at the instigation of the British to institutionalize an adversary relationship between the United States and the Soviet Union. Senator Taft repeatedly denounced those who "seem to contemplate an Anglo-American alliance perpetually ruling the world . . . Such imperialism is wholly foreign to our ideals of Democracy and freedom."

An extremely sordid entrapment and smear campaign was launched to depict the so-called neoisolationists as fascists, using the ADL-connected agents of the anti-Nazi coalitions formed by Sir William Stevenson during World War II. One such operation involved the creation from scratch of the neo-Nazi National Renaissance Party by ADL agents associated with the Friends of Democracy. A suitable dupe, James Madole, a former science fiction buff, was recruited to head the new group. Vladimir Stepankowsky, a former top-level British Fabian agent associated at one point with circles immediately around Trotsky, was used by the ADL/Friends of Democracy to help Madole pull together his group.

According to one investigator, Stepankowsky was also part of the notorious Golos-Bentley espionage ring in the State Department, a British Fabian network that has yet to be totally rooted out. Stepankowsky was linked to the network via *The Hour*, a publication set up with ADL press conduits like Walter Winchell and Victor Reisel to

destroy the neoisolationists. The National Renaissance Party was launched with shocktroops recruited largely from the ranks of ADL informants, and with Emanuelle Trujillo, who had been trained at the Communist Party's Jefferson School. Once created, individuals associated with the National Renaissance Party were sent to meet with leading conservative politicians without revealing whom they actually represented.

The next phase in mopping up the neoisolationists involved capturing the Velde Committee, which had been involved previously in anticommunist witchhunts and getting it to investigate the National Renaissance Party. Committee staffers conducted the investigation from the ADL's New York headquarters. When the Velde Committee report to Congress on the National Renaissance Party appeared, ADL press conduits used the report to depict a secret Nazi conspiracy and to call for the investigation and-or resignation of dozens of congressmen.

McCarthyism outlived its usefulness, however, when the Soviet Union developed a thermonuclear device (hydrogen bomb) before the United States, making preventive war unthinkable even for the most hard-line Cold Warriors. At that point, Winston Churchill denounced McCarthyism; and Lady Astor, former leader of the Cliveden Set, traveled to America to organize the Wisconsin senator's downfall. Overnight, the ADL, which had previously applauded the prosecution of the Rosenbergs and others of Jewish parentage, decided that McCarthy was anti-Semitic.

A May 1953 resolution of the ADL's national executive committee stated: "The Communist conspiracy to destroy democracy in the United States compels our nation to mobilize its strength to defeat this subversive weapon of a hostile foreign power . . . In recent years, however, there has developed a tendency which has brushed aside the classic American safeguards of human liberty . . . This hysteria is fertile ground for bigotry."

An uneasy truce was declared between these British networks and the real victims of McCarthyism, namely the military-industrial forces (e.g., Henry Stimson, Vannevar Bush, Patrick Hurley and others) who had seen their plans for a post-World War II U.S.-Soviet pact against the British Empire wrecked by Cold War hysteria. While McCarthy was away on his honeymoon, Zionist Lobby "inside" agent Roy Cohn latched onto a spy scandal at Ft. Monmouth, the Army's advanced weapons lab, in which several Jewish scientists had been ousted as a result of security measures imposed by British dupe, President Harry Truman. The ADL immediately cranked up its press networks and charged McCarthy with anti-Semitism.

With McCarthy muzzled, the British oligarchy instituted a reorganization of the American right focused against President Eisenhower. In December 1953, Eisenhower had announced his Atoms for Peace plan, which called for U.S.-Soviet collaboration in putting nuclear technology to work developing the Third World. It was to undermine this program that *National Review* and the John Birch Society were created, drawing on the remnants of the McCarthy movement.

Atoms for Peace was wrecked largely through the machinations of Eisenhower's Secretary of State John

Foster Dulles, who, aided by his brother CIA director Allen Dulles, was responsible for unleashing "Operation Splinter Factor" to destabilize the countries of Eastern Europe and for precipitating the 1956 Suez Crisis showdown with the Soviets.

Eisenhower again picked up the thread of his Grand Design in 1958, however, with the proposal for a four-power summit conference where French President Charles DeGaulle, German Chancellor Conrad Adenauer, Soviet President Nikita Khrushchev, and Eisenhower could discuss a world development program. A British faction in U.S. intelligence associated with Allen Dulles and the *National Review* group wrecked the conference through an operation that led to the downing of Francis Gary Power's U-2 spy plane.

The Birch Society was formally founded as a mass-based propaganda vehicle for the wrecking campaign unleashed against the summit conference. The target audience of the Birch Society was the grassroots of the conservative wing of the Republican Party, which might otherwise have been the most supportive of an Atoms for Peace-type proposal. While British penetration agents within the Soviet Union used the U-2 incident to discredit Khrushchev's folly of trusting the "American imperialists," the "little old ladies in tennis shoes" of the John Birch Society went into the streets with petitions headlined, "Please Mr. Eisenhower Don't!" Robert Welch, the pitiful brainwash victim, denounced Eisenhower as the ostensible ringleader of an "international communist conspiracy."

A Tradition of Treason

The Birch Society today continues this tradition of high treason.

Allan Stang and Gary are the principal authors of the Birch Society's fairy-tale "international communist conspiracy," reportedly lead by the Rockefellers. *None Dare Call It Conspiracy*, the book that made Allen's "reputation," is a right-wing crib sheet taken from Carroll Quigley's *Tragedy and Hope* which was commissioned by the Round Table to cover up some of the more sordid aspects of its 20th century activities. Allen now appears to rely upon two British networks as sources.

The first network includes circles around A. K. Chesterton, who is notorious for his role in founding the British National Front in 1967 out of the remnants of Oswald Mosley's British Union of Fascists—for which Chesterton was the "chief polemicist." To his fascist followers, Chesterton is less well known as a protégé of Cecil Rhodes and Lord Milner, both tied to Rothchild mining interests in South Africa and both engaged in expanding the Round Table internationally. Rhodes and Milner were also supporters of the World Fascist Organization.

Chesterton's polemics have depicted Britain as having been corrupted by two evil conspiracies: an "international Jewish conspiracy" and an "Anglo-American conspiracy" in which the Americans are the dominant force for evil.

The second network is, by admission, the product of former Students for a Democratic Society leader Carl

Oglesby (author of *Yankee vs. Cowboy*) and the Institute for Policy Studies-controlled radical wing of the Libertarian, or free enterprise movement. Others in this network include: former Goldwater speechwriter cum Institute for Policy Studies agent, Karl Hess; Leonard Liggio, a former associate of the Bertrand Russell Foundation; Murray Bookchin, an anarchocommunist who assisted in the creation of Imamu Baraka in Newark and who later brought British SIS's "Situationist" terrorist network to America; and Murray Rothbard, a self-confessed free enterprise economist serving the Rothschilds.

This radical libertarian wing is now deployed by such British faithfuls as Henry Kissinger, who has led a series of free enterprise seminars since joining Georgetown University's Center for Strategic and International Studies; Milton Friedman of the Chicago School of Economics; and Robert Moss of the Heritage Foundation and the Rothschild-controlled *Economist* magazine.

There is also a thug side to the Zionist Gestapo's Birch society operation. This is overseen by John Rees and Herbert Rommerstein, who were responsible for turning Birch National Council member, Rep. Larry McDonald (D-Ga.) into a British agent-of-influence. Rees, an aide to McDonald, was involved in a mid-1960's Ford Foundation project that included former Weathermen Tom Hayden and a nephew of OSS agent Herbert Marcuse. The project sent two "leftist" gangs, the Crazies and the Motherfuckers, into Newark, N.J. to incite riots after the 1967 assassination of Martin Luther King, Jr.

Under the guise of pacifying Newark, Rees and Rommerstein created prototype black nationalist militant Imamu Baraka also known as Leroi Jones, previously a gutter poet in Greenwich Village; Kamil Wadud, prototype black Muslim terrorist, whose Sunni sect and the Hanifi Muslim spinoff from it were counterdeployments to the World community of Islam; and Kasisi Jitu Weusi (also known as Les Campbell), whose anti-Semitic diatribes fed race hatred during the 1968 Oceanhill-Brownsville teachers' strike and who coordinated youth gang riots during last summer's New York blackout. Campbell's "The East" is now involved in turning the Crown Heights section of Brooklyn into black and Jewish armed camps as part of the Zionist Gestapo's scenario for a "long, hot summer" of violence.

Before joining the Birch Society, Rees and his wife Sheila worked with the "leftist" Institute for Policy Studies and the National Lawyers Guild in organizing their "police brutality" campaign.

Today, Rees and Rommerstein run a disinformation campaign through *Un-American Opinion*, *National Review*, and Rees's own *Information Digest* (the latter oriented to law enforcement agencies) that has covered up the central coordinating role played by IPS and the ADL in recent outbreaks of terrorism by applying a "Made in Havana" label to these murderous acts. One of Rommerstein's research aides is Greg Rose, a Buckleyite agent who has been on the payroll of the Buckley's Young Americans for Freedom, Leonard Woodcock's United Auto Workers, the Communist Party USA, and *New Republic*. Documents released to the U.S. Labor Party under the Freedom of Information Act show that Rose led the FBI on a five-month, wild goose chase

across two continents in search of a nonexistent East German spy ring.

"New Detroit": Zionist Gestapo's 1984 Model

The New Detroit organization is today the model of what the ADL and the British oligarchists plan for America.

The guiding light of New Detroit is Max Fisher, honorable chairman of the American Jewish Committee, who along with Leonard Woodcock and other officials of the United Auto Workers has overseen the destruction of Detroit as an industrial center.

Fisher's career started with the Marathon Oil Co. and in local real estate. After World War II he joined Manufacturer's Bank, which Henry Ford had founded to bypass the "Our Crowd" banks of lower Manhattan and provide credit for local industrial and agricultural projects. Fisher preyed upon Henry Ford II's remorse over his grandfather's "anti-Semitism" inducing him to bankroll the Zionist Lobby.

Max Fisher's influence over Henry Ford II contributed to the appointment of Robert Hutchins, a product of Fabian networks at the University of Chicago, as president of the Ford Foundation. Hutchins used foundation funds to found the Fund for the Republic and the Center for the Study of Democratic Institutions, which were the immediate predecessors of the Institute for Policy Studies in creating the "New Left" and neo-Malthusian environmentalist movements.

These Ford Foundation-funded groups were used to spark the Detroit riots after the 1968 assassination of Martin Luther King, Jr., which led to the shelving of the Walker Cislser Plan to transform Detroit into the nucleus of a major Midwestern industrial complex. Under Fisher's prodding, Henry Ford II instead sponsored the \$65 million real estate boondoggle, the "Renaissance Center."

The terrorist gangs that rose out of the ashes of the Detroit riots, such as the League of Revolutionary Black Workers, the Dodge Revolutionary Union Movement, the Ford Revolutionary Union Movement, and the Communist League (now the Maoist "Communist Labor Party"), now have a stranglehold over the city's auto factories through in-plant drug-running and goon networks. Elements of this network have moved into second-level leadership positions within the UAW where they protect outright terrorist actions.

The Chrysler Corporation has become a virtual hostage of these networks under the threat of a wildcat strike that could force the company into bankruptcy within two weeks under current tight credit conditions. Ford Motor Company is caught in the same squeeze. Zionist lobby agent Roy Cohn, who has spent his time since the McCarthy period defending mafiosi and other drug pushers, recently brought a stockpile of cash against Henry Ford II on charges of mismanagement.

The ADL-UAW is financing this race-war machine. General Baker of the Communist Labor Party has received direct cash donations from the Lobenthal, head of the Detroit area ADL. The Manufacturers Bank Political Action Committee, largely controlled by Max Fisher, has funded Cockrel. And UAW Local 600 at the Ford Rouge plant has contributed directly to the "anti-Nazi coalition," as has the Jewish Welfare Fund.

1. The Soviets did establish a Jewish settlement in Birobijan in 1934, that was to become a "Jewish Socialist Republic," but its development was hampered by Stalin's quite justified suspicion of the Joint's role in selecting settlers. The Joint's so-called welfare activities included setting up a "mini-Israel" in the Crimea complete with separate Yiddish schools and agriculture cooperatives. Small-scale factories and sweatshop type home factories were financed by the "Our Crowd" group in lower Manhattan for Jews in various parts of the country, and Joint agents were free to roam the country at will. The Joint used this opportunity to establish a major "safehouse network" for agent dissidents and Zionists. Its espionage activities provided one basis for the Soviet purge trials, including the notorious "Doctors Plot" just before Stalin's death. From 1936 until the Joint's Soviet branch, called Agro-Joint, was finally wound-up in 1938, Soviet intelligence amassed a wealth of other information linking the Joint's leadership to one or another British-connected, foreign intelligence network.

2. To create this instrument of terror, Baruch's agents welded together a string of Rothschild-financed secret societies that had been established to maintain Britain's control over its southern slavocracy. Among them was the Knights of the Golden Circle, an espionage wing operating in the North during the Civil War whose members included John Wilkes Booth, the "patsy" in the assassination of President Abraham Lincoln. This network of secret societies was placed under the direction of two Catholics and a Jew, the Klan's ostensible founders.

3. Virtually the entire founding membership of *National Review* were former British Fabian agents deployed principally through the Trotskyist movement against the Communist International. Three of the principal founders of *National Review*, notably James Burnham, Frank Meyer, and Willmoore Kendall, were trained at Balliol College, Oxford, England. Balliol was the center where T.H. Green, Arnold Toynbee and later A.D. Lindsay developed the "conservative" or "Apollonian" myths which rationalized the Round Table's program of global conquest under a revitalized British Empire. It was here that Arnold Toynbee, the intelligence director of the Royal Institute of International Affairs, guided the development of Spengler's racist "cycle" theories.

Among the other notable effluvia produced by Balliol College were Rothschild employee Cecil Rhodes and Lord Milner, who both played crucial roles in the growth of the British Round Tables internationally. Balliol also produced William Yandell Elliott, Henry Kissinger's patron, who weaned him from the worst symptoms of his Bettelheim psychosis to become a ranking agent for British imperialism. It was Burnham, Meyer, and Kendall, together with Max Eastman (one of the original Fabian agents trained by John Dewey and Walter Lippmann) who in turn gave William Buckley his unique "polish" as a British agent. Buckley's slavish adoration for the British monarchy is a legend today. In another age, he would have gladly carried the King's chamberpot at the Royal Levee

4. See Paul Arnest's study "From Babylon to Jerusalem: The Genesis of the Old Testament" in *The Campaigner*, Vol. 10, No. 4 (Fall 1977).

5. In 1967-68, there was a wave of assassinations and assassination attempts. Martin Luther King, Jr. was murdered via networks associated with the paramilitary, right-wing Minutemen organization that was taken over by ADL-connected elements in the Justice Department at this time. Democratic presidential hopeful Robert Kennedy was killed, as was George Lincoln Rockwell, head of the American Nazi Party. This sequence of events appears to involve "retaliatory" hits by anti-British factions; however, these factions were locked into an essentially British game of surrogate warfare using phony "left" and "right-wing" groups as pawns.

Recent attempts to implicate federal intelligence agencies like the FBI in aspects of this operation are a cover for the real perpetrators. At the same time, these attempts are part of the effort to destroy the U.S. counterterrorist capability that has the potential to deter current British SIS-inspired efforts to resurrect 1960s-style racial violence. The FBI did not become heavily involved in the Klan until the Kennedy Administration initially deployed the "Get Hoffa Squad" into the South threatening to bypass the bureau's authority. Many of the FBI agent provocateurs, like Gary Thomas Rowe, recently identified as an FBI informant responsible for shooting civil rights organizer Viola Liuzzo (and testifying that it was fellow Klansmen who did it) in fact were controlled by Kennedy Justice Department officials like John Doar and-or were also on the payroll of the ADL.

6. See "Henry Ford and American Industry's Commitment to Progress," *New Solidarity*, Vol. VIII, No. 84, December 23, 1977.

7. The principal go-between used by Addams and Lockner to hook Henry Ford was a Hungarian Jew, Mme. Rosika Schwimmer, a delegate to the 1915 International Conference of Women at the Hague. The "Peace Ship" idea emerged from a meeting in New York to which Schwimmer and Lockner took Ford and which was attended by Addams and Oscar Garrison Villard of the *Nation*. Villard participated in a later operation against Ford, as a member of both America First and the Anti-Nazi League that Sir William Stephenson, head of British intelligence in the U.S. during World War II, used to target industrialists.

8. A section of the Okrana used the *Protocols* as its chief propaganda device to touch off the bloody pogroms of the 1880s and 1903 to destabilize the plans of Russian Finance Minister Count Sergei Witte for developing Russia into a United States of the East. In 1905 and 1917 the *Protocols* were circulated again as a counterdeployment to the Leninist faction which was depicted as a front for the "international Jewish conspiracy." Behind both campaigns was an explicitly pro-British faction of the Russian nobility, including the Governor General of Moscow, Grand Duke Sergei Aleksandrovitch, and a faction of the Okrana, including the Moscow chief Sergei Zubatov.

Zubatov is infamous as the creator of "Police Socialism" and as the controller of Father Gapon, who triggered the 1905 "Revolution" with the "Bloody Sunday" march in St. Petersburg. Zubatov was heavily involved in infiltrating the Jewish Workers Bund by encouraging Zionist chauvinism; he even sponsored the first legal meeting of the World Zionist Organization. Zubatov was also tied to the Okrana's anti-Semitic terrorist gang, the Black Hundreds.

In 1905, when Witte announced government plans to ease restrictions and provide for representative government, the next day the Black Hundreds touched off pogroms in 660 Russian cities.

After 1917, the ADL's Joint Distribution Committee got its start by funding the White Russian counterrevolutionary General Kolchak, a virulent anti-Semite and former member of the Black Hundreds, under the guise of aiding Jewish refugees. The funding continued despite the fact that the Our Crowd set knew that Kolchak was responsible for pogroms. In this operation, the Joint was under the direction of the American Friends Service Committee and Herbert Hoover's American Friends Administration.

Boris Brasol had also been a member of the Black Hundreds and the Okrana. On a trip to the United States, Brasol's controller, Sidney Reilly, got Henry Ford to finance the International Anti-Bolshevik League as an umbrella for White Russian and related anti-communist networks.

The propaganda counterpart of the Anti-Bolshevik League was the Moral Rearmament Movement organized at Oxford University by another British agent, Frank Buchman. The movement united such seemingly disparate elements as Deputy

Reichsführer Rudolf Hess and SS head Heinrich Himmler; Winston Churchill's *backer*, Lord Beaverbrook and Montagu Norman of the Bank of England; members of the Mitsui industrialist family in Japan; and U.S. industrialists, including Henry Ford, Charles Edison, and Fred Firestone. It sought to create a U.S.-British-German-Japanese, anti-Soviet axis. This network remains active today through the World Anti-Communist League whose American head, Roger Pearson, is a British agent at the Heritage Foundation in Washington, D.C.

9. Adolf Hitler, Deputy Reichsführer Rudolf Hess, Ernst Röhm, and others in the Nazi Party's inner circle were agents of the Wittelsbach royal family of Bavaria. The actual power behind the Wittelsbachs, however, was the British oligarchists and their Court Jew auxiliary. The latter administered the Black Guelph Fund that financed the Wittelsbach's political operations.

In addition to Alfred Rosenberg, who was controlled via White Russian Okrana networks, the British oligarchs created the following networks that developed the synthetic belief structure of the Nazis: (1) the Vienna School, which had maintained anti-Semitism as a critical feature since the days of Social Democratic leader, Victor Adler, with full complicity on behalf of the Austrian branch of the Rothschild family; (2) the Thule Society, which was founded by the Bavarian noble families as a recruitment and deployment center based in Munich for such refugees from Vienna as Adolf Hitler; (3) Karl Haushofer, the high priest of the Thule Society, whose geopolitical theories were conducted directly into the pages of *Mein Kampf* by Anglophile Rudolf Hess, while he was in prison with Hitler, and whose doctrine for the drive east was taken directly from H.J. MacKinder's geopolitical theories noted above; and (4) Houston Stewart Chamberlain, bastard nephew of a British Field Marshal, British Colonial Office Secretary Joseph Chamberlain, and appeaser Neville Chamberlain, and son-in-law of Richard Wagner, who served as one of the Round Table's top field operatives to build the Nazi movement.

10. In *A Man Called Intrepid*, a semiofficial history of Sir William Stephenson and the Office of British Security Coordination, author William Stevenson is forced to admit a primary motivation for targeting the Midwest industrialists duped into joining America First: "America Firsters refused to be dragged into Europe's wars by the perfidious British. The *Chicago Tribune* raised an old specter when it cautioned against . . . 'playing the role of office-boy of empire' and reminded its readers of Walter Hines Page, the American Am-

bassador in London during World War II, accused by his enemies of betraying his country to bring the United States into the conflict. 'To Do a Walter Hines Page' had become synonymous with being suckered by the British."

Similar statements were made about John L. Lewis, the labor leader, who took up the America First cause out of a genuine but misguided concern for the workers' lives that war would cost and a proper hatred of what the British System had done to labor. Files of the British Security Coordination characterize Lewis as having "a virulent loathing of Britain." A major campaign was mounted to destroy him — including the assassination of Lewis' associates.

11. Two lesser affiliates of the Cliveden Set in America First were Joe Kennedy, the U.S. Ambassador to Britain and father of President John F. Kennedy, and Charles Lindbergh, the aviator. Lindbergh, whose father had fought implementation of the Warburg-authored Federal Reserve Act in Congress, was a target of British SIS. The full story of his child's kidnapping has yet to be told. After the kidnapping, Lindbergh was psychologically broken and fled to Britain where he was ultimately coopted into the Cliveden Set circles. He returned to the U.S. accompanied by Sir John Wheeler-Bennet, head of the Round Table private intelligence unit and advance man for Sir William Stephenson. Lindbergh introduced Wheeler-Bennet to many of those who would soon help form America First, and Lindbergh became the group's public spokesman.

12. The John Birch Society is named after an OSS officer who was shot by Nationalist Chinese sentries because he was so "bitchy" that he refused to identify himself: they thought he might be a "communist."

13. The origins of "free enterprise" lie in the Austrian school of economics that developed this variant on 19th century British liberalism and Adam Smith's pseudoeconomics as a conscious counterdeployment to a Hamiltonian credit policy for expanding a nation's industry. The Austrian school was founded by a member of the Austrian petty nobility, Carl Menger, in collaboration with Jevons from the Bank of England and with Beatrice and Sidney Webb. Along with George Bernard Shaw, the Webbs used this economic theory as the basis for the British Fabian Society. The Fabians saw it as a weapon against the American System, and felt that if Menger's theory was implemented by any industrial nation, it would leave it open to looting by the British oligarchists.

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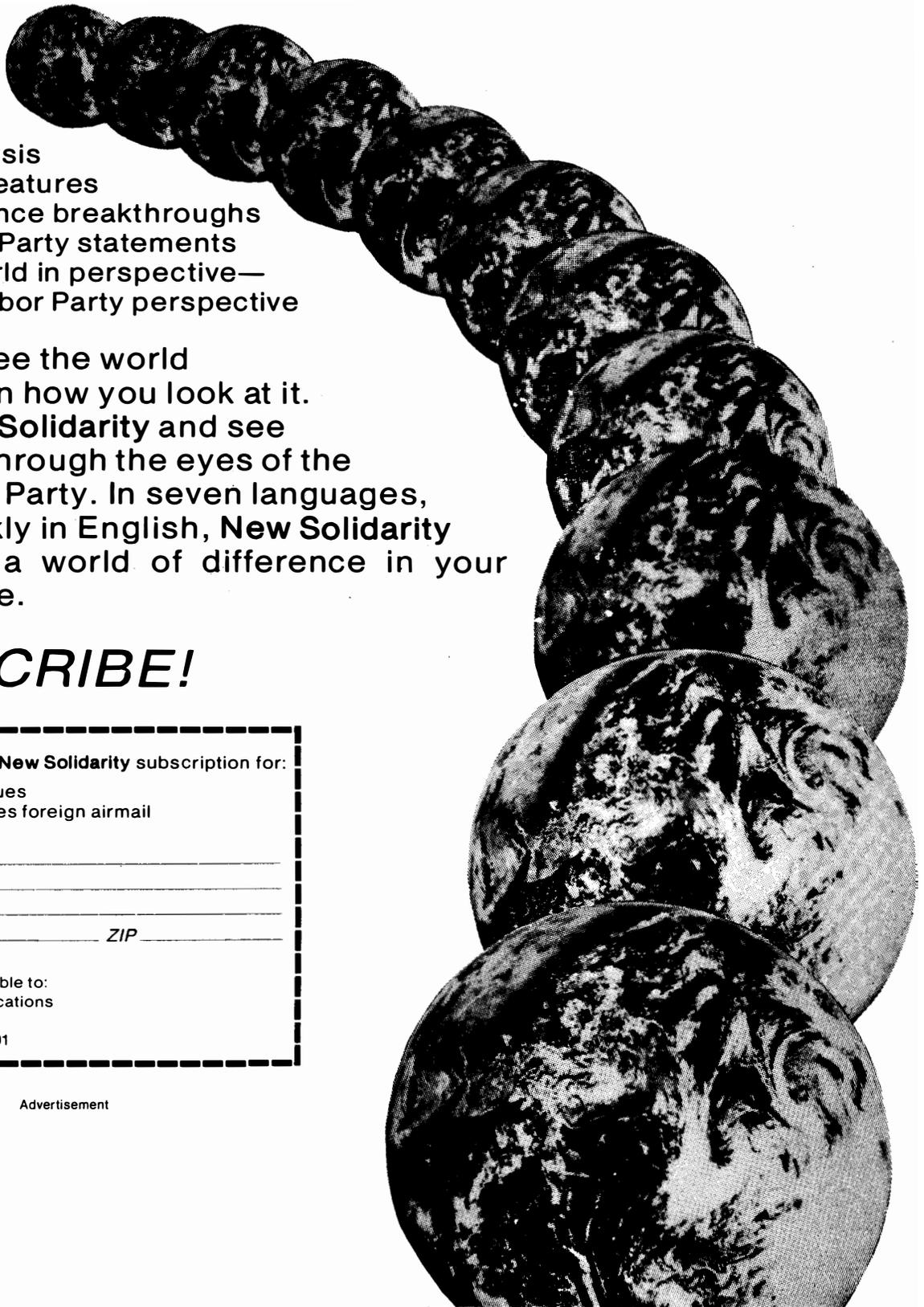
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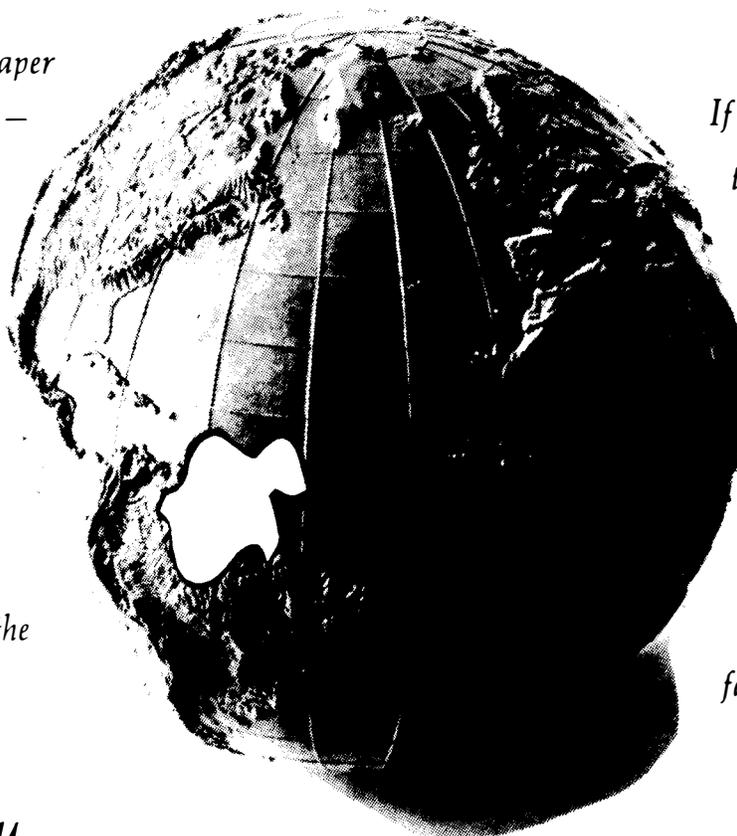


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THURSDAY, JANUARY 11, 1978

LEADING U.S. BUSINESS DAILY CALLS FOR CUTOFF OF NUCLEAR COOPERATION WITH INDIA

JAN. 11 - THE WALL STREET JOURNAL, A LEADING U.S. BUSINESS DAILY RAN A MAJOR EDITORIAL TODAY CALLING ON THE CARTER ADMINISTRATION TO DENUNCIATE AND ABOVE ALL HIS COSMETIC CONCESSION THAT HE WOULD AUTHORIZE SUPPLY OF ONE SHIPMENT OF ENRICHED URANIUM TO INDIA, FOR FUELING NUCLEAR COOPERATION WITH INDIA. THE 'OPEN MIKE' DID AFTER THE INDIAN EXPLOSION. "SO WHILE THERE ARE AT LEAST SOME ARGUMENTS IS IN ADDITION SO CONFUSED HE THINKS A LETTER WILL KEEP HIS HAND, PERHAPS IT WAS NOT THE HEAVY WATER SHIPMENT. BUT ON THE OTHER POLICY CONTACT DESPITE THE CANDIDATE CARTER WHO WERE INTENDED TO OVERHEAR THE OPEN MIKE. PERHAPS THE INDIANS WHO WERE INTENDED TO OVERHEAR PEOPLE."

WHAT IS REALLY GOING ON?

WHILE THE DUST HAS NOT YET SETTLED ON THE CARTER TRIP, BRITISH PRIME MINISTER JAMES CALLAGHAN HAS ARRIVED IN INDIA TO SUPPOSEDLY EVOLVE THE COMPROMISE FORMULA TO BRING INDIA INTO AN ACCEPTABLE STATUS ON THE NON-PROLIFERATION QUESTION. WHILE THE U.S. STATE DEPARTMENT TODAY ADAMANTLY DENIED ANY TRUTH TO THE STORY THAT CALLAGHAN HAS SUCCEEDED WHERE CARTER HAS FAILED, AS PRESENTED BY THE LONDON TIMES, THE CALLAGHAN TRIP HAS OBTAINABLY TWO GOALS. ONE IS TO ARRIVE AT THIS TIME. TODAY'S SECRET PROMISES AND CLOSING DETAILS HOPE TO TAKE DESAI'S LONDON DAILY TELEGRAPH ADDS THAT CALLAGHAN HOPES TO AGREE TO NEW RESTRICTIONS AND SAFEGUARDS ON ITS CONTRACTED FRENCH NUCLEAR REPROCESSING PLANT. CALLAGHAN ARRIVED IN PAKISTAN JAN. 11, ONE DAY AFTER THE NEW YORK TIMES ANNOUNCED THAT FRANCE HAS REQUESTED THE PAKISTANIS CONSIDER ALTERATIONS IN CURRENT CONTRACTS.

MIDWEST COLD FREEZES OHIO COAL STOCKPILES

JAN. 11 - AS THE NATIONAL STRIKE OF U.S. COAL MINERS AND COAL-HANDLING MACHINERY, A SPOKESMAN FOR THE ELECTRIC UTILITY TOLD THIS NEWS SERVICE THAT CUSTOMERS HAVE BEEN ASKED TO VOLUNTARILY CUT OFF FACILITY IN SHIPPINGPORT, PA. HAS BEEN SHUT A DAY, HOWEVER A SECOND COLD FREEZE IS PREDICTED. THE ONGOING ALL EXPECT TO HAVE IN FRESH COAL TO REPLACE FROZEN COAL. STRIKE IN OHIO STATE ENERGY OFFICE DURING TV COAL DELIVERIES TO RESIDENTIAL USERS

A SPOKESMAN FOR THE U.S. DEPARTMENT WILL DO NOTHING IN THE PRESENT SITUATION. HE ADDED THAT THE GOVERNMENT MAKES A STATEMENT HE ADDED THAT CONSERVATIVE BRITISH FIRING OPPOSITION AND UNTIL THEN THE GOVERNMENT

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