

The monarchy moves in

The ascension of Margaret Thatcher to the Prime Ministership of Great Britain has nothing to do with the internal politics of Britain—a fact attested to by the response on this side of the Atlantic.

No sooner had the “Iron Lady” been installed in 10 Downing Street than the entire herd of Republican stalking-horses for Gen. Alexander Haig’s presidential candidacy heralded the “Tory” victory as a signal to proceed with union-busting and a Cold War military buildup in the United States. An equally vociferous “left” emerged, around the persons of Gov. Jerry Brown and Sen. Ted Kennedy, to declare “class war” on behalf of shutting down the U.S. nuclear energy industry.

Were this constellation to dominate U.S. politics entirely, it would seal the revenge of King George III over his arch-enemy Benjamin Franklin. Thatcher’s advisors and her cabinet (see EUROPE) are striking for the direct presence of the royal family’s first cousins, no longer disguised as Labor and Tory party politicians. The Thatcher government, inclusive of its international “left-wing” opposition, thus represents the emergence of the British monarchy in its *own name* to make a final desperate effort to maintain oligarchical rule over the world and reverse the achievement of the American Revolution.

The monarchy’s strategy was discussed at the April 26 meeting of the secretive Bilderberg club in Baden, Austria. According to inside reports from that meeting, a top agenda item was the deployment of Bilderbergers to make contact with “religious minorities” in the Middle East—particularly in Saudi

Arabia—to replace existing, production regimes with the kind of feudalist “revolution” now ruling Iran. The seemingly incongruous hobnobbing of Europe’s oligarchic elite and its top ideologues with the unwashed mullahs is explained by the overriding policy objective of the Thatcher government project of ruling layers of British intelligence, also discussed at Baden and set into motion by the May 6 Bank of International Settlements meeting in Switzerland. That policy depends on “freezing” the European Monetary System within the iron corset of the International Monetary Fund’s “conditionalities” policies toward the Third World—a demand for a global dark age.

If the EMS were now steered toward “Phase II” of its operations, along lines currently proposed by the Giscard government’s spokesmen, of extending credit for high-technology agricultural and industrial development to developing sector nations, the continued power of

the City of London over world finance—and over international political affairs—would be irreparably broken.

Although President Giscard of France and Chancellor Schmidt of West Germany proceeded from sound traditions and perspectives in initiating the European Monetary System, the theoretical basis for a successful “Phase II” implementation of the EMS is unique to the work of American economist Lyndon H. LaRouche, Jr. We refer to, most recently, the October 1978 *EIR* supplement by LaRouche, “The Theory of the European Monetary Fund,” and LaRouche’s computerized “Riemannian” economic model published by this review two weeks ago.

It is for this reason that the architects of the “Thatcher project” now regard the accelerating spread of support for LaRouche’s U.S. presidential candidacy as the greatest threat to their designs.

—Nora Hamerman

The Week in Brief

As history has repeatedly shown, treaties do not necessarily lead to peace, and the prognosis for the Carter Administration’s new SALT II treaty is **not good**. Even the negotiators are not hopeful. Said Secretary of State Cyrus Vance: “This agreement reduces the **likelihood of nuclear war**.” He was joined by Secretary of Defense Harold Brown: “Even with SALT, we will have to **expand our strategic nuclear efforts**, and expand our defenses...”

As for the **Soviet Union**, after a total day of silence, Radio Moscow reported May 10: “**According to the U.S. State Department**, a SALT agreement has been reached.”

What’s more, SALT just may be Alexander Haig’s ticket to power, and his foreign policy commitments are well known. As one reporter put it, all eyes are on Washington in expectation of a “titanic debate on SALT . . . comparable only to the League of Nations Senate fight that

destroyed Woodrow Wilson.”

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The arrival in the United States last weekend of a Soviet delegation led by Central Committee member **Georgii Arbatov** of the **Moscow USA and Canada Institute** was heralded with a sudden rash of foolishness in the pages of *Pravda*. Arbatov, who is viewed in Anglo-American policymaking circles as a kind of “observer-status” member of the New York Council on Foreign Relations, attended the regular meeting of the **Dartmouth Conference** on U.S.-Soviet relations in Virginia this year.

As the talks opened, *Pravda* May 6 hailed the re-emergence of what it called “realistic forces” in the United States, such as Secretary of State **Cyrus Vance**—blithely ignoring Vance’s desire to “keep the Cold War cold.” Such blindness toward liberalized U.S. warhawks is called “Arbatovism.”

It does not reflect prevailing views in Moscow however. The Soviet press has been prominently reporting a fact completely ignored by the press in this country: the first arrival in Peking of a U.S. military delegation. *Pravda* perceived this as a sign of a growing inclination of Washington to **arm China**—a situation the Moscow leadership has said it will not tolerate. *Pravda* has also said that the Soviet Union harbors no “illusions” that the conclusion of a SALT II treaty will end the arms race.

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Either there will be international energy agreements for development or there will be war, Mexico’s President José López Portillo warned a meeting of the U.S. House Subcommittee on Science and Technology this week.

“Either all countries decide for orderly production, distribution, and consumption of energy or there will be war. The apocalypse is near,” said the Mexican chief of state,

whose country’s estimated oil reserves exceed those of Saudi Arabia. But, he added—U.S. industrialists take note—“if there were an international plan, Mexico would readily change its production to enter into a world order for something that is really worthwhile.”

López Portillo is proposing an international conference to be sponsored by the United Nations of oil-producing and the major oil-consuming countries to regulate world energy supplies on the basis of oil-for-technology exchanges.

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In a dare to Syrian peacekeeping forces to respond, this week Israel sent 400 of its troops—equipped with tanks and artillery—across the border into Lebanon, ostensibly in chase of three Palestinian guerrillas. Israeli planes are also bombarding cities and villages extending up Lebanon’s northern coast, hitting power lines and water installations.

After bombing Lebanese cities, Israeli Prime Minister Menachem Begin offered to negotiate with Lebanon’s President Elias Sarkis. The Israelis’ offers included a proposal for a diaspora of Lebanon’s Palestinian population to the other Arab nations, and the condition that “Syria must leave Lebanon at once.”

As described by France’s *Le Figaro*, Israel’s aim is to create maximum chaos in Lebanon and support Lebanese Christians who are determined “to drive the Syrian army out of Lebanon.”

But Israel is carrying out more than just its own desire for more northern *lebensraum*. The dismembering of Lebanon is central to the plans of *Bernard Lewis*, who was recently hailed at a secret meeting of the Bilderberg Society in Vienna, to fracture the entire Mideast into warring tribal enclaves that would extend their claims into the Soviet Union.

The pressure from Israel on Lebanon is fast threatening the dis-

solution of this strife-torn country. Begin has pledged “not to sell down the river” the force renegade **Colonel Saad Haddad**, who has set up a “Republic of Free Lebanon” in the south, and to the north, **Dany Chamoun**, son of warlord **Camille Chamoun**, is threatening to declare an “autonomous province” ... if order were not restored.”

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New York State Banking Superintendent **Muriel F. Siebert**, acting on the political uproar in New York State caused by the U.S. Labor Party’s exposé of the Hongkong and Shanghai Bank’s control of the drug trade, has rejected that bank’s landmark bid for 51 percent of the shares of the \$14.3 billion Marine Midland Banks, Inc. of Buffalo, New York.

“I am ... giving notice of my intention to deny this application by the Hongkong and Shanghai Banking Corporation,” Supt. Siebert wrote in concluding a 48-page draft report she sent to New York Attorney General **Robert Abrams**, May 11, outlining her objections to the takeover. The report questioned whether HongShang has “the attributes needed for management” of Marine Midland, and the impact on New York if “Hong Kong were taken over by China,” a direct reference to the Party’s charge that HongShang and Red Chinese foreign intelligence jointly produce, ship, and finance the world’s opium trade out of Shanghai and Hong Kong.

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Simultaneously, the Independent Bankers Association of New York, May 10, endorsed Supt. Siebert’s February call for Congressional hearings on a “national policy review” of the takeover wave. Association Director **Robert Crooke** told EIR: “It’s more than a New York issue; it’s a national issue to be addressed in Congress.”