

# EIR

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Mondale's KGB-approved attack on 'Star Wars'  
Dominican Republic: Kissinger promises . . . delivers

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a new Olympics massacre**



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## From the Managing Editor

**T**his week's feature section contains some pretty strong stuff. As Lyndon H. LaRouche, Jr. put it bluntly in an April 27 CBS television broadcast, "The organization of the Olympics is a security man's nightmare, a security nightmare administered by an FBI which has used the threats to increase the FBI's power at home and abroad, but an FBI which has so far done none of the things which would have to be done to make the Los Angeles Olympics less of a free target for terrorist forces."

What is our authority to say this? Subscribers to our law enforcement newsletter *Investigative Leads (IL)* have known in advance:

- That since late 1979 Khomeini's and Qaddafi's Islamic fundamentalism would become the number-one terrorist threat. That 200-300 Iranian terrorists have operated in the United States since then.

- That Israeli police officials are on a high alert and have accumulated dossiers on an organized-crime linked Israeli group known as "Terror Against Terror" which is threatening West European industries and attacking Arabs living on Israeli-occupied land.

- That there was a yellow alert for Reagan's assassination within the first 100 days after his inauguration. *IL* was the only source reporting on the psychiatric brainwashing network that mass-produces "Manchurian candidates" like Hinckley, who shot the President on Reagan's 69th day in office.

- That the international "peace movement," with funds from the KGB, and support of the Nazi international, would launch a terrorist offensive against NATO bases and the defense industry in summer 1983.

- That throughout Latin America, narcotics traffickers and terrorist groups such as the *Colombian M-19*, the *Mexican National Action Party (PAN)*, and the *Syrian Popular Party (PPS)* have combined forces.

Now, *IL's* Terrorist Alert Service makes this information available for those who need rapid and accurate weekly reports on terrorist developments in a specified area. A subscription to the Alert Service costs \$2,500 per year, or you can subscribe for 13 weeks at an introductory rate of \$550. With your year's subscription, you receive free a copy of "Terrorists Target the 1984 Olympics," a 160-page profile of terrorist groups presently operating in the United States, Canada and Mexico, which normally sells for \$250. To subscribe, contact Jeffrey Steinberg, *EIR* Counterintelligence Editor, (212) 247-8291.

*Susan Johnson*

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# EIR Contents

## Interview

### 10 Jacques Delivré, M.D.

The chairman of the medical commission of the Usinor steel company in Lorraine, France, discusses the French steel industry's failure to modernize, and insists that modernization will require more human labor, not less, because of the unique role of human creativity. He also describes the medical effects of layoff and early retirement.

## Departments

### 41 Andean Report

The mafia's 'golden opportunity.'

### 42 Middle East Report

Perfidious gets an alibi.

### 43 New Delhi

The mustard plant syndrome in Punjab.

### 44 Report from Bonn

The captive of the Soviet KGB.

### 45 Dateline Mexico

Colombia's M-19 terrorists come to Mexico.

### 46 Vatican

Who benefits from the Vatican reform?

### 47 Attic Chronicle

The captive of the Soviet KGB.

### 64 Editorial

Mondale, the KGB, and Global 2000.

## Economics

### 4 Kissinger and IMF set Ibero-America on fire

From Brazil to the Dominican Republic, the policies applied by the International Monetary Fund are wrecking the region, to the Soviets' advantage.

### 6 The Mexican economy: An IMF 'success' that almost killed the patient

How import cuts have wrecked production while austerity undermines the population.

### 9 French steel sector's collapse: the tragedy of Lorraine

A first-hand account by Laurent Murawiec.

### 12 Currency Rates

### 13 Fed's latest rout of U.S. nuclear power

But there are hopeful signs in Pennsylvania and California, due to the National Democratic Policy Committee's exertions.

### 14 The Soviet technology-stealing machine and the loopholes in Western security

Part IV of our "East-West Trade Mafia" series.

### 17 Banking

U.S. facing credit crunch.

### 18 Foreign Exchange

Crises boost dollar—for how long?

### 20 Business Briefs

## Special Report



UPI/Bettmann Archive

"Black September" terrorists guarding kidnaped Israeli athletes at their apartment compound during the 1972 Olympics, before the athletes were massacred during a bungled counterterror assault.

- 22 FBI sets stage for new Olympic massacre**
- 25 Malta conference deploys terrorists**
- 26 A playground for organized crime and Soviet KGB operations**  
The Los Angeles Olympic Organizing Committee.
- 28 The special terrorist capability of Soviet military intelligence**  
The spetsnaz.
- 30 Terrorist underground: a case study**  
The Revolutionary Communist Party.

**Correction:** Last week's Dateline Mexico column misreported the name of the National Action Party (PAN) leader jailed in Sonora. His name is Adalberto Rosas López, not Adalberto Rosas Moreno.

## International

- 34 Who's covering up the new Berlin crisis?**  
The State Department, among others.
- 36 Anti-'Yalta' faction surfaces in Europe**  
**Documentation:** Two prestigious French publications demand beam-weapons defense for Europe.
- 37 General Copel warns of chemical weapons**  
The French officer's assessment is that they would be the Soviets' chief resource in an attack on Western Europe.
- 38 Khomeini's fanatics stronger than ever**  
After Iran's so-called elections, the Gulf states are pressed to bear down on Iraq for a "peace settlement."
- 39 Malaysian prime minister to parliament: 'A nation's wealth is its ingenuity'**  
Dr. Matathir Mohamad has set forth a program for developing basic industry, overcoming the primitive village structure of agriculture, and ending extreme import-dependence.
- 48 International Intelligence**

## National

- 50 Armand Hammer grabs role in Reagan policy**  
An exclusive story that broke while high-level Reagan stalwarts were forming a task force to seek an end to Henry Kissinger's domination of the administration.
- 53 Mondale's KGB-approved attack on 'Star Wars' beam defense**
- 55 LaRouche wins round in vote fraud fight**  
In Pennsylvania, as old scandals resurfaced.
- 56 League of Women Voters: the vanguard for Brave New World politics**
- 58 U.S. anthropologists help to foment insurgencies in Central America**
- 60 Elephants and Donkeys**  
The man Ronald Reagan used to be.
- 61 Kissinger Watch**  
Henry's counterattack: has it backfired?
- 62 National News**

## Kissinger and IMF set Ibero-America on fire

by Robyn Quijano

Brazil, a nation of 130 million people, with a land mass greater than the continental United States, and the largest and most diversified economy in all of Ibero-America, will see riots and chaos, death and disintegration like the riots in Santo Domingo during the last week of April. This will happen if International Monetary Fund (IMF) dictates continue to be followed, political analysts fear.

Riots, demonstrations, and strikes erupted throughout the Dominican Republic, the Caribbean nation 600 miles southeast of Florida on April 22, leaving at least 54 dead, hundreds wounded, and stores and banks looted and burned in 20 cities. Rioters were enraged at sharp increases of up to 300% in basic foods and the tripling of medicine prices, as the government ended subsidies and lifted price controls.

That Brazil is next is the evaluation of political analysts throughout the continent who looked at the tragedy of Santo Domingo as a mirror image of their own nations. The IMF prescription, which has caused the spread of malaria—almost wiped out a decade ago in Brazil—is being followed in nation after nation with the same foreseeable consequences.

### IMF hits Santo Domingo

The IMF demanded the tripling of prices by requiring that all imports of food and medicines be paid for at the free market rate of three pesos to the dollar instead of the official rate, as a condition for a \$459 million credit agreement signed the previous week by Dominican President Salvador Jorge Blanco. Blanco had called upon President Reagan to intercede with the IMF “to revise and make more flexible” the conditions for the loan. Otherwise, said Blanco, his nation, a “key country in the Caribbean,” would triple its rate of inflation and suffer “a great increase in social tension.” Un-

employment was already 30%—50% in towns where industries have been closed.

President Reagan answered Blanco’s letter by assuring him that the U.S. government was “following with great interest” the Dominican Republic’s negotiations with the Fund, but that “our policy is not to intervene in these types of discussions between the Fund and its members.” He also assured Blanco that the program of the IMF would help to “stabilize” the country, and “strengthen the confidence of the private financial institutions.”

After the exchange of letters, President Blanco visited Washington and met with President Reagan. He ended his visit with a private meeting with Henry Kissinger, the man running administration policy for Ibero-America. Afterward Blanco signed with the IMF, and returned to Santo Domingo to face a mobilization of trade unions and businessmen warning him that the starvation and death that would result from not being able to import food and medicines would not be tolerated. Doctors said that hospitals would cease normal functioning, as controllable illnesses became fatal for lack of basic supplies.

An IMF delegation arrived in Santo Domingo on April 25, in the middle of the rioting, to review the Fund’s conditions. It is not yet known if they approved of the “stability” and the “confidence” that they have produced. Santo Domingo was plastered for their arrival with signs saying “IMF, out of the Dominican Republic.”

### Brazil next?

Health agencies in Brazil attribute the 67% increase in cases of malaria in the last three months to the fact that the key components of DDT were not imported last year due to

lack of foreign exchange, and to IMF demands for a massive cut in all imports. Every 20 minutes a child dies of hunger in Brazil. In March, industrial employment was down 23% from 1980 levels, and inflation has eroded the legal minimum wage to less than \$10 per week.

Millions marched in the streets on April 25 to back a constitutional amendment allowing direct election of the president, the issue seen by the population as the only possible way of overturning the IMF dictatorship. Nationalists in the Brazilian military and the ruling party are no happier with the IMF's dismantling of their economy than the millions that banged pots and pans and honked their horns in a "night of noise" supporting direct elections the night before the amendment vote.

The IMF calls it an "adjustment." But the continent's political leaders, trade unionists, and industrialists now see the IMF demands as provoking deliberate disintegration. "Soviet insurgencies could not do as well as the IMF in destroying the private sector," commented one Peruvian industrialist to *EIR*.

In Bolivia, IMF-imposed price hikes in basic consumer items have set off a new series of worker protests, and the military is threatening a coup. In Argentina and Colombia, the trade unions have taken direct aim at the IMF and the impossible debt situation. In Mexico, the cost of some basic consumer goods has just shot up by 40%. Throughout the continent, Labor Day, May 1, will see massive protests against the IMF's poisonous prescriptions. But provocateurs could cause the organized protests to erupt into uncontrollable explosions throughout the continent.

When Mexican President Miguel de la Madrid visits Washington on May 12, with a program backed by 75% of the continent—demanding lower interest rates, new credits and a letup on IMF conditionalities—he is likely to get the same treatment that Blanco received.

The leaders of Ibero-America will have a clear choice: either preside over the death of their nations, or unite to impose a new monetary order. Either join in the battle against Kissinger, and impose Operation Juárez—the LaRouche plan for debt relief and "great projects" development, an Ibero-American common market and a new gold-reserve-based monetary system—or face more Santo Domingos.

### Trilateral game

A plan for dismembering the nation-states of Ibero-America was laid out by the Trilateral Commission at its meeting in Washington on April 1. In the discussion document for the meeting, "Democracy Must Work, a Trilateral Agenda for the Decade," the following debt strategy was laid out—a strategy that will do more to wipe out democracy on the continent than massive guerrilla armies: "The IMF itself will need to interpret its terms of reference more flexibly than at present to deal with cases in which the conventional criteria would deny adequate assistance to key countries whose po-

litical or strategic importance to the West means that they cannot be allowed to go into default on their debt or to slide into internal anarchy and chaos."

The Trilateral Commission thus recommends anarchy and chaos for those nations whose "political or strategic importance" doesn't count. Since the stability of every Ibero-American nation is of crucial importance to the West, the question is then, *in whose interest are the policies of the Trilateral Commission and the IMF?*

Debt relief for those "favored" nations deemed to be of "political or strategic importance" will slow down the process of death; the IMF will mercifully supply arsenic instead of the cyanide delivered in large doses to the nations set for total destruction.

These favored nations will be offered the "stability" of foreign investment, a term now used to mean selling off all private and public sector industry of any worth for a tiny percentage of their value to foreign banks while ever-increasing interest rates and forced devaluations knock out any of the gains made from divesting the assets of the nation.

This plan of "debt for equity" was presented by Henry Kissinger at a meeting in Vail, Colorado, last August, and is now officially part of the World Bank's International Finance Committee-plan, according to the Brazilian weekly *Relatorio Reservado*. The World Bank would run a mutual fund that would buy up Brazilian companies "at the price of a banana," says *Relatorio*, and run them for foreign banks that would use the interest payment collected in blocked accounts of cruzeiros to buy shares in the mutual fund. The World Bank is working on a scheme by which 35% of Brazil's interest would be paid in such cruzeiro accounts. Such are the great favors bestowed on those important countries of the continent.

### Kissinger's chaos

The events in Santo Domingo were designed by the IMF, and maneuvered by the Trilateral Commission's Henry Kissinger, so that this "unimportant" country would be allowed to "slide into chaos" with a lot of help from its friends.

Unfortunately for the survival of Western civilization, the Soviets understand the Trilateral game plan better than President Reagan, and are poised to take total advantage of the IMF-imposed chaos. An article by the head of the Dominican Communist Party, Narcisso Isa Conde, printed in the March issue of the Soviet monthly magazine *Latin America*, previews with precision the current situation.

The Social Democratic government of Blanco will be finished off, Isa Conde asserts, as the IMF conditions "promote social revolution and the establishment of revolutionary power in the country . . . the magnitude of the economic crisis enters into contradictions with the entirety of the liberal democratic political model."

There is no better proof that Kissinger and the IMF are acting in the interest of the Soviet policy of eliminating the nation-state than the recent events in Santo Domingo.

# The Mexican economy: An IMF 'success' that almost killed the patient

by Jorge Bazua

*This article, by an economics analyst from our Mexico City bureau, is the first in a series of EIR case studies of the destruction of economies by the International Monetary Fund (IMF). In the Establishment press of the United States and Europe, Mexico is touted as a "success" model for solving a large debt problem by applying the IMF's "medicine." In fact, Mexico's economy and its potential as a market for other countries' goods is being rapidly brought to a halt.*

In the course of 1983, Mexico underwent a drastic drop in its economic activity, unprecedented in the country's modern history—a drop shown in a reduction of nearly 5% in the gross national product, a contraction of 15% in the total consumption of the country, and of 25% in its levels of investment, and about a million persons who lost their jobs—all thanks to the fact that the country followed to the letter the kind of austerity measures demanded by the IMF from the debtor countries of Latin America. The 15% drop in total consumption was recently discovered by *EIR* to be the result not only of reduced production, but also of redirecting 10% of the gross national product into exports, rather than domestic consumption.

FIGURE 1  
**Trends in production and investment**  
(Annual Change in Percentage)

	1981	1982	1983
Gross Domestic Product	7.9%	-0.5%	-4.7%
GDP Productive Sectors	9.0	-1.1	-5.1
Agriculture	6.1	-0.6	3.4
Oil and Mining	15.3	9.3	-2.2
Manufactures	6.9	-2.9	-7.3
Construction	11.8	-5.0	-14.3
Electricity	8.4	6.7	1.3
Transportation	10.7	-3.8	-4.0
Gross Fixed Investment	14.7	-15.9	-25.3
Public	15.8	-14.2	-28.6
Private	13.9	-17.3	-22.6
Net Fixed Investment	17.0	-26.3	-42.1

Source: Bank of Mexico, Mexican Ministry of Planning and Budget

This economic collapse is seen in its true magnitude if we take into consideration the fact that the country's economy had shown sustained growth during the last 25 to 30 years, registering an average growth rate of 5%, and even reaching rates close to 10% in the four years before the beginning of the economic recession at the end of 1982.

The change in direction of the economic activity of the country started during the second half of 1982, rooted in the massive capital flight which left the country without the hard currencies needed to bring in the imports necessary to maintain its production levels. This provoked the strangulation of much of the national economy, given Mexico's high level of dependency on imported parts. The devaluation of the peso clinched this process of economic deterioration and disarray.

This was the main reason that led then-President José López Portillo to decide to set up exchange controls and nationalize the private banks, as a means to stanch the bleeding of currencies out of the country. And this was the context in which the government of Miguel de la Madrid came to power, with a half-paralyzed economic apparatus due to generalized scarcity of currencies and lack of imports.

The first economic measures which the new administration handed down, within the scheme of the so-called Immediate Program of Economic Re-Ordering, consisted of a new devaluation of the currency and the establishment of a dual exchange system, fixing one type of nominal exchange at 95 pesos to the U.S. dollar and another "free" exchange at 150 to the dollar. These measures meant a devaluation of 36% and 114% respectively, relative to the exchange system

FIGURE 2  
**Trends in employment and wages**  
(Annual Change in Percentage)

	1981	1982	1983*
Total Employment (Millions)	20.0	19.9	19.2
Total Employment	6.6%	-0.9%	-3.4%
Productive Employment	7.0	-2.7	-3.8
Average Annual Wage	4.6	-2.4	-26.0
Total Wages	11.2	-3.3	-28.5

\*The 1983 figures are estimated.



which the previous administration had left behind, of 70 pesos to the dollar, and of 280% and 500% with respect to the prevailing exchange rates at the beginning of 1982. With these measures and others which we shall detail below, the beginning of a phase-change was marked in the national economy, which, far from improving things, deepened and accelerated the deterioration of the country's productive apparatus.

The economic program of the new administration began under the strategy of "economic re-ordering" formulated by the Secretary of Planning and Budget, Carlos Salinas de Gortari, in complete conformity with the contractionary policies of the IMF. Such a strategy, as it was presented by Salinas de Gortari in the National Development Plan at the outset of 1983, claimed that the economic crisis had originated in the ambitious development programs of the previous administrations (Echeverría and López Portillo), which had overreached the internal savings capacity of the country and had provoked a heavy imbalance in the national finances and the balance of payments. Consequently, it was necessary to make big "adjustments" to eliminate the imbalance and re-establish the national economy's growth capacity.

### The Salinas program

Basing himself on these suppositions, Salinas de Gortari set forth the premises upon which the economic strategy of the country would be founded during the six-year presidential term:

1) The country will have to generate a surplus in its balance of goods and services to cover the debt service on foreign debt, which is estimated to stay around 5% of the Gross Domestic Product (GDP).

2) National development will be sustained by internal savings and not foreign financing, which implies increasing income and reducing the expenses of the public sector in order to reduce its deficit with respect

to the GDP from 16% in 1982, to 8% in 1983, and to 4% by the end of the six-year term.

3) Public investment shall be oriented toward contracting the levels of investment in capital intensive sectors and supporting labor-intensive sectors that can create make-work jobs.

With these premises, the economic program was shown to be subordinated to the austerity and looting schemes of the IMF, in terms of reorienting the national economy toward the creation of "surplus" to pay interest on the debt. This represents the most important phase-change, since the country at no time in the last 30 years had been in the black in its foreign trade balance.

It is important to note that the economic strategy formulated by the Secretary of Planning and Budget in reality was not oriented toward solving the economic crisis precipitated in the second half of 1982 but to eliminate the development programs of the two previous administrations, whose priorities of productive growth and jobs creation were not subordinated to premises of financial equilibrium.

To "correct" such an imbalance, according to Salinas de Gortari's plan, the country would have to "significantly increase its non-oil exports and decrease its imports, despite an unpropitious international context." To induce this change in the foreign sector of the economy, a "realistic" exchange policy was needed which would keep the peso constantly undervalued, so as to make imports more costly and discourage them, and make exports "more competitive," as well as turning the country into an "attractive" place for foreign tourism.

FIGURE 3  
**Trends in imports and exports**  
(Annual Change in Percentage)

	1981	1982	1983
Total Imports	15.2%	-39.0%	-45.8%
Consumer Goods	6.6	-46.3	-63.4
Intermediate Goods	12.0	-36.2	-36.5
Capital Goods	25.4	-42.0	-59.6
Total Exports	19.1	25.1	1.6
Agricultural Products	-7.7	14.9	4.2
Minerals	13.7	-11.0	-10.9
Oil and Natural Gas	31.0	14.9	-2.9
Manufactures	-4.1	11.1	21.5

Source: Bank of Mexico, Mexican Ministry of Planning and Budget

FIGURE 4  
**Trends in the balance of payments**  
(Millions of Dollars)

	1981	1982	1983
Trade account	-4,510	6,793	13,678
Imports	23,930	14,437	7,721
Exports	19,420	21,230	21,399
Oil and Gas	13,830	16,477	16,002
Other Products	5,590	4,783	5,397
Service account	349	-407	1,729
Income	11,390	7,690	6,883
Debits	11,041	8,097	5,154
Interest on Debt	8,383	11,264	9,861
Current Accounts Balance	-12,544	-4,879	5,546
Balance of Capital	21,929	8,574	-853
Errors and Omissions*	-8,373	-8,362	-1,432
Reserves	1,012	-4,667	3,261

\*This figure represents mainly non-registered capital flight.

Source: Bank of Mexico, Mexican Ministry of Planning and Budget

The other important part of the administration's economic strategy is the "anti-inflationary policy," which has been centered on reduction of public spending, given that the rise in inflation levels was attributed to the "exaggerated" growth in public spending of the past two governments. It must be kept in mind that public spending in Mexico involves government and state-owned enterprises, and most of it is concentrated in wages and investments, both in productive areas (oil, electricity, steel, transport), as well as in basic services (education, health).

An important aspect of the orchestration of anti-inflationary policy during 1983 was the fixing of a goal of reducing the inflation levels from the 100% reached in 1982 to 50% in the course of 1983, which was taken as a point of departure to determine the amount of the public budget. Meanwhile, the inflation-limiting goal served also as the basis for freezing wage increases, with the argument that if bigger increases were given to compensate for the inflation that occurred in 1982, then the inflationary spiral would continue. This marked a 180° reversal of the wage policy which the country had followed for a long time—that of granting wage increases to recover lost purchasing power.

The economic disaster which occurred during 1983 is nothing but the direct result of the "anti-inflationary" and "financial equilibrium"-oriented strategy which the present administration has followed under the leadership of Salinas de Gortari, sticking fully to the "recommendations" the IMF formulated for all the Latin American economies.

The decision to maintain the peso constantly undervalued and to keep domestic interest rates high, under the pretext of blocking capital flight, led to strong inflationary pressures which put the annual inflation index at 80% by the end of the year, considerably surpassing the predicted goal of 50%. The repercussions on the average monthly level of national inflation were even greater, which rose 102% to the average level of 1982.

In this inflationary context, the policy of not granting wage increases over the initially established ceiling of 50% tore gaping holes in the purchasing power of Mexicans' wages, which in real terms dropped by more than 25%. Completing this picture is the desolate spectacle of the domestic market, which is estimated to have contracted by some 15% in all in 1983. If we take as a reference point the consumption levels of 1981, the magnitude of the contraction of the internal market goes up to 20%.

## **Production dwindles**

In the face of the contraction of the internal market, the productive activity of the country was noticeably reduced, above all in the sectors related to production of consumer durables and capital goods. It forced a large number of industries to turn toward the external market, which despite its depressed state, absorbed a growing quantity of national products which were sold below the prevailing prices on that market, but represented profits for the national producers

because of the extreme undervaluation of the Mexican peso.

As a result, national production of goods was reduced by 5.1%, showing a more drastic fall in the production of manufactures, whose level contracted by 7.3%. And due to this lowering in production volume, the level of imports suffered a catastrophic drop, by some 47%, descending to a magnitude comparable to that of 1978 in absolute terms, but no more than 1973 in real terms.

The combined effect of the small increase in non-petroleum exports and the decrease in imports was reflected for the second consecutive year in a positive foreign trade balance for Mexico, \$13.68 billion against \$6.79 billion in 1982, which, added to the positive balance in service account, created a total surplus of \$15.4 billion. This surplus was mainly destined to pay interest on debt, which went up to \$9.86 billion, leaving inclusively a remainder of \$5.54 billion which was used in the payment of the debt principal and the increase in national currency reserves.

In this manner, the national economy was converted into a conduit for channeling resources out of the country, at the cost of the standard of living of the population and the growth potential of the country's productive apparatus. The total goods channeled abroad in 1983 in the form of net exports represent about 10% of the national production of tangible goods.

## **New collapse ahead?**

The prospects for 1984 are as desolate as in 1983, since the same premises and policies that provoked the productive collapse of last year continue to be followed. Wage levels and investments have again been predetermined based on the "goal" of reducing inflation to 40% during the year, fixing wages at an increase of 30%—which besides being much lower than the inflation registered last year, is very low vis-à-vis the "forecasts" for this year.

The evolution of the economy in the first three months of the year clearly shows that the contractive trajectory of 1983 has not been shifted, despite government promises to begin to ease up. We are seeing a low index of productive activity, reduced import volumes, and levels of inflation of 17%—much higher than the "forecasts." The first two months of 1984 saw import levels of \$700 million per month, exactly the same as the disastrous average of 1983.

This highlights the urgency of moving on the perspective for an integrated Latin American "economic-security pact" outlined on the Mexican president's recent Latin American tour. If the government of Miguel de la Madrid does not overthrow the economic program of Salinas de Gortari and the IMF, and take urgent measures directed at increasing wage and investment levels and reducing interest rates, we will not see anything but a new collapse in the levels of consumption and production. Such an economic disaster could very well have severe political repercussions for Mexico, a result which the sponsors of the current economic program cannot have overlooked.

# French steel sector's collapse: the tragedy of Lorraine

by Laurent Murawiec

Viscount Davignon, the vice-president of the Commission of the European Communities (EC), is an assassin. This is no metaphor, as the interview below with Dr. Jacques Delivré, physician at the huge, devastated Usinor steel complex in Longwy, Lorraine, documents. Western Europe in 1974 had 792,000 steel workers, and there are 480,000 now: The successive "Davignon Plans" for massive capacity cuts in steel-making have destroyed much of the industry, in the Malthusian name of adjusting to the "post-industrial society."

The Davignon Plan has, in successive waves, imposed a vast "restructuring" on the industry, shutting down human and material capacity. Quotas were set, as well as an intricate pricing system, with fines and punishment for those steel-makers obstinate enough to produce too much. After a "state of manifest crisis" was officially declared by the EC, the vast powers of the EC Commission were brought to bear under Davignon's supervision to impose controlled shrinkage of the steel industry; the postulate was and remains that no recovery will ever revive European steel.

## Results of controlled shrinkage

Since 1974, steel production has dropped by 21.8% in West Germany, 21.3% in France, and 31.8% in Britain. In 1982, the EC—using the supranational powers vested in the Brussels Commission by the Common Market, and the threat of heavy fines—ordered a further 20% cut in capacity so that "supply does not exceed demand" even in the case of an economic recovery, after having promulgated in 1981 a "subsidy and support regulation code" calling for phasing out subsidies by governments to help the industry tide itself over the crisis and re-equip. It is a legally binding text that regulates the quantity, quality, and type of state subsidies that can be allocated to steelmakers; its most shocking provision is to make fund allocation dependent on capacity cuts, under the ruthless control of the Commission.

Downstream—in terms of equipping developing nations with the wherewithal to develop their economies, from railway tracks to factories—this is murder. Upstream, at the "post-industrial" sites, it is murder as well.

A number of Europe's main industrial regions have been meted out a sentence of death by Davignon: The steel heartlands of the continent, the Ruhr and the Saar in Germany, Wallonia in Belgium, and the Lorraine. Three "steel restruc-

ture plans" have devastated the region in the last eight years. The announcement last month by a French government totally subservient to the Brussels Commission and the like-minded International Monetary Fund that another 25,000 steelworkers, most of them located in Lorraine, were now on the chopping block has set off a titanic uproar. Mass demonstrations, a united front of workers and other employees of the steel industry, workers of other industrial branches and shopkeepers, priests, unionists, and political figures of all stripes and colors, and the regional media, have angrily responded to the limp pretense by Mr. Mitterrand's government that "nobody will lose his job" and "new industries are going to be settled instead." The reality is that the oldest industrial region of France is being turned into a junk-pile, by deliberate action.

Most rolled steel products manufactured in France are made in Lorraine; the government plan cancels a scheduled investment of 2 billion francs in a universal rolling mill at Gandrange, which was to turn out rails, beams, and pilings. A mill at Neuves-Maisons will be shut down, with a loss of some 2,000 jobs; of some 6,000 jobs at the Usinor plant in Longwy, 3,600 are slated to be axed; the Gandrange-Rombas steel complex may soon follow, with 9,000 jobs on the line. Total French steel output is now planned at 18.5 million tons in 1987, compared to 27 million in 1974. France had 108,000 steelworkers in 1975, and 53,500 now; the non-production staff has shrunk from 48,000 to 37,300. Typically, the productive labor force then accounted for nearly 70% of employment. The restructuring plans supposedly aimed at making the industry "more competitive and more profitable," have lowered that ratio to 59%, while overhead cost grew from 31 to 41% of manpower employed.

## A trip to Longwy

Driving from Metz, the capital of Lorraine in the east of France, through the steel valleys where small towns of 10,000 to 30,000 are lined with houses stretched along several-kilometers-long steel mills, I entered a disaster area on April 25. Rusty, twisted steel sheets dragged there by enraged workers during the past few weeks' demonstrations and riots, still litter the roadsides. Teams of disposal workers are at work disentangling them from bridges and the roads' metal barriers; riot police can be seen driving around; the landscape

abounds in old, derelict, abandoned plants and mills. In the valley of the Fensch river, the earliest center of France's steel industry, steel town Hayange proclaims to the visitor that it is "the cradle of Lorraine steel"; the sign has a black crepe on it. Painted inscriptions one meter high claim: "Lorraine will live!" But the coal conveyor overhead which passes above the fields in the country is still.

Houses are poor in the villages. Most were built around the turn of the century. Fields are cultivated, cows grazing; at the next turn of the road, you see a two-mile long steel mill, and the yellow dust of iron ore. Steel has been everything here since the late 1700s, when the first rudimentary wood-fired furnaces were built. Longwy, the ancient Gallo-Roman town of Longovia, is surmounted by a 100-meter high hill of ore rock. Grey dust covers everything around. The huge Usinor plant stretches two miles, and workers' houses are at a stone's throw from the mill. Talking with Dr. Delivré at the unprepossessing medical center of Usinor—one of the two loss-making steel giants of France—the problem becomes obvious: The region is in peril of dying pure

and simple, and its people too.

For now, there are surprisingly few banners in the streets and posters on the walls. Does this indicate demoralization and resignation on the part of the population? It may. Tomorrow, Industry Minister Laurent Fabius comes to Lorraine—at a respectful distance from the steel centers, though, a courageous man, not a rash one. Anger exploded a few weeks ago, and a violent rampage ensued all over the region. The Communists, the radical CFDT (Confederation française et démocratique du travail) labor union, and terrorist commandos working closely with some leaders of the latter, might well use the population's seething rage for their own purposes.

Still, the two huge cooling towers of the nearby nuclear power plant at Chooz indicate that another path is possible: a vast plan to modernize and re-equip the mills, reopen them, and churn out the product for Third World development. Such a plan would revive the whole area and its population, and give it a new sense of hope and purpose. That is what is at stake in the current steel crisis.

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## Interview: Jacques Delivré, M.D.

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# 'An epidemic of moral old age'

*Jacques Delivré, M.D., chief of the medical center at the Usinor mill in Longwy, Lorraine, chairs the medical commission of the French steel industry and the medical commission of the Usinor company as a whole. He is vice-president of the Institute for Labor Medicine and Ergonomics at Nancy, and a reserve colonel in the French Army. He recently received the Camille Simonin Award of the Strasbourg medical society for his "contribution to the advancement of industrial medicine and hygiene." The interview was conducted in Longwy on April 25 by Laurent Murawiec and Claude Albert.*

**EIR:** What happened in the Lorraine steel industry?

**Delivré:** What happened in the Pays Haut [this area of Lorraine] is that we manufactured steel, we manufactured rolled products which the whole world needed. The Pays Haut is something apart. In 1870, Bismarck, after our defeat in the Franco-Prussian War, could not annex it, nor could Prussia grab the steel complex. There has been steel here for a long time! It started in the late 1700s. . . . France and the world needed steel. The Pays Haut was essentially agricultural. But some clever fellows discovered the ground, and the underground, with the iron ore, and there was water. The hills are woody and the blast furnaces were built.

Then people were needed to work here. . . . In 1976,

when I came here, there were 25 nations represented. The Italians arrived, and, from 1900, they settled for good. Since then, Portuguese, Yugoslav, Turkish, and Maghreb workers came with their families. And there was no racism because the mill was their second christening.

Steel is being cut back, like milk . . . and the day after, TV shows us kids in Africa suffering from malnutrition, beriberi. Why don't we sell the damn milk, why don't we give it out?

**EIR:** So, what is the problem, in your view?

**Delivré:** The problem is whether the economy is really still appropriate. People defend their mill because it is as a moral life to them, a cultural life. It is the wealth of the country. If he does not study at the university, a child will go to the steel mill. Your house, your friends, your associations, your religion, I was about to say, well, that's the mill. Lose the mill, lose your life. . . . It is not just something material. . . . It is not that I disparage things material, far from that. But things social are not, as was thought in the 19th century, something for charity and assistance. Then, you were born under a good or a bad star, you had to work to eke out a living—and retirement was the antechamber of disability. This conception of labor is entirely obsolete.



The great tragedy is that in the name of profitability, men are being destroyed. Look, we need modern technologies, we need automation, we need robotization. A machine will do the work of 100 men. Computers will help. But I *need men*. And our society is *eliminating* people. . . . You need men when you modernize. Qualities are here which you did not need before. A major mistake is being committed: happiness is not being like a fetus, shrinking into the safe and inglorious life of intra-uterine comfort. You cannot make the world go away.

**EIR:** Why is there a crisis?

**Delivré:** I am no economist, no specialist, no expert. But I know that 15 years ago the steel industry should have regrouped itself, concentrated. New measures should have been taken which did not counterpose technology to social requirements, did not modernize at the expense of people. . . .

**EIR:** That's what the Japanese have done: they have invested in frontier technologies, expanded as a result, and they don't have the mess we've got. . . .

**Delivré:** Exactly! Social requirements do not go against technological ones. The more I modernize, the more I need people. Even the unskilled worker first and foremost acts through his brain. But disrespect for this idea has meant that there was no restructuring of the industry 20 years ago.

**EIR:** How are people affected?

**Delivré:** Let us examine what labor is, from the standpoint of the most advanced neurobiological research. The snake and our ancestors both had a hypothalamus, which took care of vital functions. But our neo-cortex has developed, that's man's noble part, it grew, while the snake's did not. That is crucial to understanding labor questions. . . .

There is no memory without emotion. The limbic brain, the seat of memory and emotion, is in continuous interaction and supplies the neo-cortex with its 30 billion neurons. Each of them produces its own electricity and chemicals. As all data come helter-skelter and I cannot remember them all, my neurons set out to work. . . . We retain what corresponds to our desires, our inclinations. Then it turns into reflection and action. . . . Adrenalin and catecholamines are spread out to the nerve cells through electrical impulses and stimulate them, and all these impulses and data are going to the nerve cells— if some action has been decided on.

Now, an action can be undertaken, but not completed. Say, someone graduates as an engineer from the École Polytechnique, and he gets a top job at a steel mill, say, in Longwy. But then, all his projects fall by the wayside: no credits, no scientific research, no technological research, no proposals get approved. And thus it goes for a year, for 5 years, for 10 years, for 15 years. The action is at an end, there has been no realization. He wanted to develop things, and there is a feeling of failure. . . .

What happens then? The nerve cells do not receive or-

ders, but they set out to work, they are set into motion: feelings of inhibition, which is a pathological state. Electrical impulses do arrive, in disorderly fashion. The love of risk, of enterprising, of effort goes fallow. . . . What emerges is an ulcer, eczema, angina pectoris, heart troubles, allergies. . . . In steel, we face a genuine SOS of the human brain.

**EIR:** People are being forced into early retirement. . . .

**Delivré:** Of course, early retirement means some pay, not the end of any welfare. But this is not the problem! Working is not just earning a living, it is reaching a true balance, a psycho-physical balance, by contributing to collective labor, the collective design through one's creative imagination and mentation. Man does not need to be sent into hibernation, to be sheltered.

**EIR:** What is the impact of the steel crisis?

**Delivré:** In the eight years that I have been here, 25% of the cases of fatigue were linked to the job itself—job shift, lack of sleep, strenuous work. The other 75% were indirectly linked to the job: relations with colleagues, with superiors, feelings of uselessness and boredom, anguish, fear of being shifted, fear that the mill will close down, family trouble. . . . Men feel useless, they do not realize themselves: inhibition as I described it, action is not completed.

**EIR:** What, for instance, is the impact of forced retirement, a disguised form of layoff?

**Delivré:** In 1977, a first steel plan was started. White-collar staff had to leave at 56 years and 8 months of age, and workers at 54. In 1979, a second plan was started: everyone had to leave at 50. That's what I told the TV a few days ago, when they interviewed me for the 8 p.m. news. . . . We have lost people young enough to be excellent technicians, and people old enough to have gathered that precious experience that no university will give you about the world and about people. We have created an epidemic of moral old age, which is the most contagious of all.

In 1977, I remember how many workers came to me and said, "Look at me, Doctor, do I look like an old man? I am still able to work!" But today, at 46 or 47, they tell me "Doctor, at my age, I could not adjust and adapt to a new job." Retirement equals old age. Earlier, steel people retired at 65, that was too late given the work they were doing. . . . But now, it's different.

**EIR:** What symptoms do you encounter among laid-off or retired workers?

**Delivré:** Dysfunction of impulses, disorderly motion, a flow of catecholamines, of histamines—this produces allergies—the nerve cells get stimulated. The stomach is set into motion, its wall gets inflamed: gastritis. The walls of the bile duct, of the gall bladder get a cholecyst, which leads to a bladder stone, a lithiasis. The blood vessels, the veins, the arteries

expand and contract, they get spasms. If you are 50, the walls are tired, they are not as flexible as if you were 20, they are becoming fibrous. If the arteries get spasms, less blood comes to the heart; the heart is a muscle that needs blood to work; in that case, necrosis affects parts of the heart: coronary infarction [heart attack]. Psychosomatic disorder leads to true injury. . . . Then there are depressions, nervous breakdowns, situational depressions, reacting to a shock; neurotic depressions: someone had a neurotic pattern, but realized himself on the job; the job is gone, only neurosis remains. Melancholy, depression.

**EIR:** What is this region going to do now?

**Delivré:** I don't know. M. Fabius comes to Lorraine tomorrow . . . he says that new industries will settle here . . . that's all nice, but they're panicked, the government is in a bind. Fabius promises to settle in two weeks a problem which has existed for 20 years! It is as though I had misdiagnosed a patient for 20 years, and all of a sudden, he shows all the symptoms of an acute heart condition. So I'll bombard him with 5 or 10 different medicines, to do this, to do that, and each will counteract the other. . . . You see, the extraordinary wealth of the steel industry is its men. I know them, I have lived with them for the past eight years, I have seen them on the job, at night, and by daytime. Computers are fine. I'm all for computers. But man's brain develops its own programs, not computers. Man's creative mind is everything. And there is no separation between a manual and an intellectual worker. Take one single piece away from the computer and it won't work. Take 1,000 neurons from a brain, the rest of them will take up the job.

**EIR:** So what is to be done?

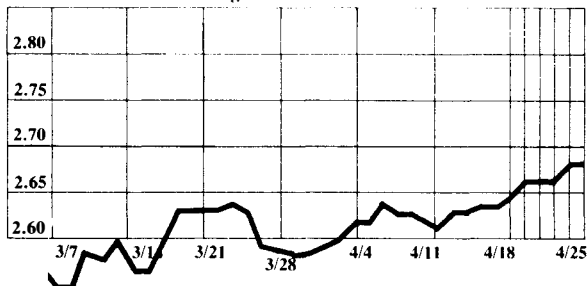
**Delivré:** What I am telling you now concretizes what was a mere intuition 30 years ago on the part of the young medical doctor—I was at [the battle of] Dien Bien Phu in Vietnam, in 1954—30 years this month. I was a lieutenant in a combat unit, and I had nothing to treat my men with: all the medicine had landed on the other side. I could only give them words of solace. And then I swore to myself, in this atmosphere of desperate fighting, that I would never look indifferently upon unnecessary death. And unemployment is moral death, just as they were physical deaths in Tonkin 30 years ago.

I apologize for my emotional tone, but I am revolted when anyone thinks that men are useless. A "golden handshake?" Thirty years ago I saw people with a perforated lung hit point-blank by a bullet, in the middle of the mud and dirty water we all drank, with leeches stuck on the wound, in the lung, which I had to burn with a cigarette butt—and some of them recovered! They would not have recovered in the best-equipped hospital in peacetime. But they wanted to live. So look again at the progress in neurobiology . . . today's events must help us raise questions. Man must not be subject to such things. A new conception of labor is due.

## Currency Rates

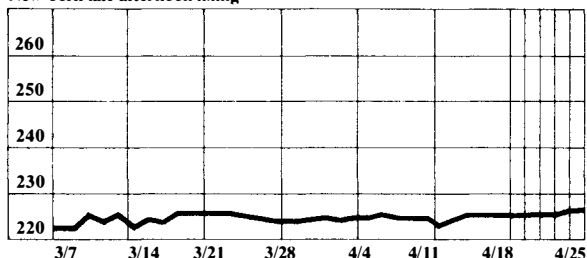
### The dollar in deutschemarks

New York late afternoon fixing



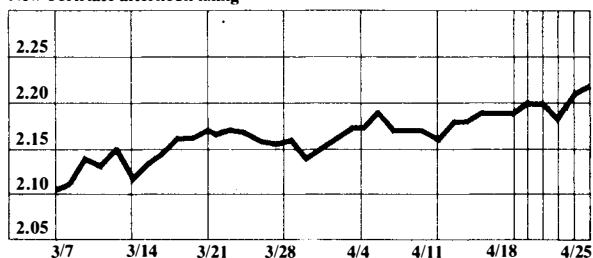
### The dollar in yen

New York late afternoon fixing



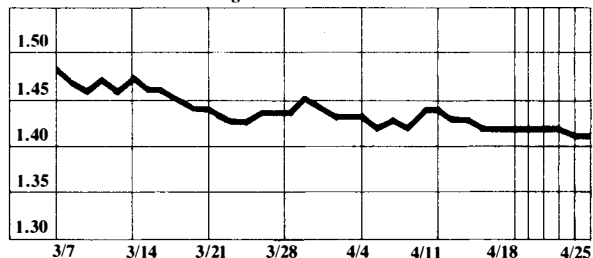
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



# Fed's latest rout of U.S. nuclear power

by Paul Gallagher

In May 1981, *EIR* published a special report, "Will Paul Volcker Destroy President Reagan's Nuclear Power Policy?," which defined the turning point the U.S. electric power grid faced as the new administration took office. Then, on Aug. 8, 1983, *EIR* outlined the precise consequences to be expected from Reagan's failure, by then evident, to challenge the Federal Reserve chairman's devastation of the nation's most capital-intensive industry, electric power. As we insisted then, any pundit who claims that the collapse of the nuclear power construction industries stems from public acceptance of environmentalism, is denying both the polls and the overwhelming evidence—it is the Fed and Treasury Secretary Donald Regan's friends on Wall Street who have turned off the nuclear power switch. The President's much-publicized initiative to build a dozen nuclear plants for China is revealed to be an election-year hoax by his performance in allowing his own nation's electricity grid to be destroyed.

## Ratcheting down

Three public utilities in the United States are now on the verge of joining the Washington Public Power Supply System in bankruptcy, due to inability to complete nuclear power projects. After five years of slow crumbling under Volcker's high-interest-rate policies, the nuclear power industry is now undergoing a sudden ratchet-like collapse, threatening the national electricity grid.

Fifty-two hundred construction workers lost their jobs April 19 as Public Service of New Hampshire halted work on the Seabrook plant, despite having defeated all environmentalist attempts to stop construction of the plant. Fifteen hundred workers had been laid off last year. The state of New Hampshire has opened a National Guard armory to handle the flood of unemployment registrations.

The utility's stock and bond ratings have plunged since it announced it might be bankrupt by the end of April, and canceled its dividend. The bankruptcy was "arranged" through the release last month by a private accounting firm of a cost estimate of \$9 billion for completion of the two nuclear units at Seabrook; the publicity of the estimate led to an immediate cutoff of bank credit to the utility.

No public utility in the United States has ever gone bankrupt before, but Volcker is now knocking them down like

dominoes, with the assistance of Regan's old cronies around the Merrill Lynch water-coolers. Merrill Lynch has proposed a "robber baron" reorganization plan for Public Service of New Hampshire, which would create a "new operator" company to raise new construction cash at interest rates three or more points higher than existing bonds—while cutting off payments entirely to the smaller investors, throwing the default of Public Service upon them and the company's construction and white-collar work force.

## The next dominoes

Consumers Power of Michigan, builders of the Midland nuclear power project, has announced that it will run out of cash for the project by mid-year, due to sabotage and delays by state officials who have been unopposed by Reagan's "pro-nuclear" Nuclear Regulatory Commission. Consumers Power also faces a severe threat of bankruptcy if the project goes under. A third utility, Long Island Lighting Company (LILCO), which is being prevented by state and county officials from putting the Shoreham plant on line, is said by Wall Street insiders to be certain to go bankrupt before the end of 1984. Merrill Lynch, acting through Gov. Mario Cuomo of New York's cardboard "Commission on Shoreham," has proposed a similar reorganization for LILCO, which would close the plant and write down much of the firm's market value.

The next target is Chicago's Commonwealth Edison, the nation's largest and most experienced operator of nuclear power plants. Wall Street consultant Charles Kamanoff, an operative for the Naderite "Public Interest" lobby, and a similar Boston-based outfit called Energy Systems Research Group, have released reports claiming 50% higher construction costs than the company estimates for its Braidwood nuclear reactors, and claiming "substantial cost saving to the rate-payer from cancellation of Braidwood."

In all, more than 50,000 megawatts of nuclear power capacity have now been canceled since Volcker took over the Federal Reserve, in addition to more than 25,000 megawatts of coal-fired capacity.

## Two exceptions

Two striking exceptions to this collapse have developed in states where a political battle is now being waged in favor of nuclear power. In Pennsylvania, LaRouche Democrat Sally Phleger, a congressional candidate backed by the National Democratic Policy Committee (NDPC) who campaigned in the Harrisburg area for the reopening of Three Mile Island Unit I, received 46% of the vote in the April 10 primary. The next day, the NRC granted a license for testing of the plant prior to full operations. And in southern California, an NDPC stronghold, the NRC has granted a start-up license for the Diablo Canyon plant in San Luis Obispo, despite court actions by Tom Hayden's Abalone Alliance and Ralph Nader's Center for Law in the Public Interest.

# The Soviet technology-stealing machine and the loopholes in Western security

by Laurent Murawiec

Early last month, CIA director William Casey caused something of a sensation with a speech held in Silicon Valley to an audience of several hundred local business people. His topic was the danger of Soviet military use of stolen technologies. Thirty thousand samples of machinery and equipment and 400,000 mainly classified technical documents had fallen prey to Soviet thievery in the late 1970s alone, Casey said, to the point that “the gyros and bearings in the latest Soviet ICBMs have been designed by us,” and the Soviet would-be replica of Silicon Valley, Selenograd, was “equipped literally from scratch,” with Western technology. And 300 Western companies, the CIA director added, have been identified as being involved in illegally exporting high-technology materials to the U.S.S.R.

News items gleaned on a daily basis from the international press confirm Casey’s contention. A glance at Soviet organized thievery will reveal the extraordinary extent of the immense spying and stealing machinery that explains why “70% of Soviet military and weapon technology is stolen,” as he indicated. The shocking loopholes in Western security and the political-strategic considerations involved will show why such dangerous, potentially fatal thievery has been tolerated, nay, encouraged in the West, and by whom.

## ‘Steal American’

On April 2, a Czech-born Canadian citizen was arrested in Miami, Florida, and charged along with six other defendants with having shipped computers and other Hewlett-Packard and Digital Electronic equipment through Canada, then through Switzerland, into the Soviet Union and East Germany. A Swiss company, Elmont AG, run by one German and one Swiss businessman, operated the transshipments.

Days after, the Swedish company Datassab, part-owned by the telecommunications giant L. M. Ericsson, agreed in an out-of-court settlement to pay \$1 million in fines for having deliberately violated a 1977 export license extended by the U.S. Department of Commerce: The company had ex-

ported “very strategically significant” materials to the U.S.S.R., which contributed in allowing the Soviet military to establish an air traffic control system able to track the most advanced foreign military aircraft.

In December, a Swiss-based American citizen was arrested in San Francisco with relatives and associates, who had conspired together to ship tens of thousands of dollars worth of microprocessor technology to Russia, through a complicated route spanning South Africa, the port of Hamburg, and Sweden. Dummy and front-companies were located in Switzerland.

Dozens of known cases could be brought up, representative of hundreds of completed investigations, and thousands of individual transactions and continuing Soviet “pumping” and funneling of advanced Western technologies to feed Moscow’s military machine.

## The Soviets stealing machinery

The Soviet regime has developed over the last 65 years an extraordinary institutional machinery designed to optimize and accelerate the acquisition of foreign technology. Not surprisingly, the KGB provides the hard core of the machinery.

The *Penkovsky Papers* (New York, 1965) were authored by a senior Soviet military intelligence (GRU) official, Oleg Penkovsky, who spied for the West before being tried and reportedly executed, and worked at the State Committee for Science and Technology, a ministerial-level institution in charge of coordinating scientific research work in the U.S.S.R. Much of the staff was either KGB or GRU personnel, or sworn in to act as one. Wrote Penkovsky: “The Soviet government goes in for espionage on a gigantic scale. . . . We are collecting intelligence always and everywhere . . . the Ministry of Foreign Affairs and the Ministry of Foreign Trade each has its own intelligence department. Everybody is involved in spying—all Soviet ministries, committees, the Academy of Sciences, etc. Anyone who has anything to do at all with the work of foreign countries . . . is perforce.



engaged in intelligence work.”

The State Committee for Science and Technology, or GKNT, is chaired, additionally, by the co-founder of the Club of Rome, Dzherman Gvishiani, one of the KGB's chief talent-scouts in the West. The son-in-law of the late Premier Alexei Kosygin, and the son of a KGB general who was Stalin's distant relative, Gvishiani played a commanding role in the establishment of one of the most successful technology-stealing institutions, the International Institute for Applied Systems Analysis (IIASA), the East-West interface co-created by McGeorge Bundy and Lord Solly Zuckerman, which was exposed last year as a gigantic spying machine for the Russians; among other feats, KGB scientific operatives were using the IIASA computer interface with one of the world's most advanced and powerful computers, CRAY II in England, to effect calculations which their own computers in Russia are incapable of. Much of the material thus processed was of direct military value to the Soviets.

The GKNT “works like a surreptitiously operated clearing house for new developments in virtually every area of modern industry and technology. . . . Few individual countries escape its notice. . . . Soviet trade missions, members of the Academy of Sciences, and almost every delegation sent abroad on technical business works under the Committee's aegis. . . . The Committee's activities are worldwide. . . . At [its] top sits a 15-man presidium . . . under its direction, a large staff of highly trained experts . . . [which] continually maps out targets, assigns information-collecting duties to its men in the field, then processes the results—to be distributed to Soviet science and industry.”

There exists a much broader machinery for intelligence collection: The Russian military industry is managed by the Council of Ministers' Presidium's Commission for Military Industry (VPK). Every year, the 12 ministries chiefly involved in military industry, the state committees, and the research institutes, submit “shopping lists” which VPK will coordinate with the GKNT, the Academy of Sciences and the Foreign Trade Ministry. Shopping lists are espionage and theft targets. The head of VPK is the veteran “survivor” L. V. Smirnov, a government figure for decades, and a vice-president of the Council of Ministers whose power and importance are not indicated simply by his apparent rank in the pecking order.

After the “shopping lists” have been drawn up, five “collecting” units handle the gathering of the items specified: the KGB itself, especially its “Directorate T,” the Scientific and Technical Directorate, second largest in the all-powerful KGB First Chief Directorate; the GRU's Division for Scientific and Technical Intelligence; the GKNT; the Academy of Sciences; the Foreign Trade Ministry which organizes “legal” acquisition; the All-Union Chamber of Commerce, run by KGB General Ye. P. Pitrovanov; and the State Committee for Foreign Economic Relations (GKES). Together, these

agencies employ several hundred thousands, a huge portion of which is simply devoted to spying, processing and using the proceeds of espionage and illegal technology transfers.

Once intelligence and samples have been acquired abroad by legal, illegal, or clandestine means, a solid structure is in place for exploitation. The “deliveries” are sent to the group of nine military-industrial ministries; the central organization of special technical services (TsOSTS) of each industrial branch will then supervise the exploitation. Each ministry will entrust its own scientific research institutes and other subordinate units with the study of the product. The VIMI, National Institute for Inter-Branch Information, is the conveyor belt and dispatching center for the proceeds.

### Why copy and how?

“Western equipment and technology have played a very important, if not crucial, role in the advancement of Soviet microelectronic production capabilities,” stated a CIA anal-

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*‘The Soviet manager hates innovation as the devil hates holy water’. . . . It remedies this self imposed plight by looting the rest of the world economy, skimming off the top through the agency of the KGB and associated organizations.*

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ysis submitted to the Senate Permanent Subcommittee on Investigations in May 1982. “This advancement comes as a result of over ten years of successful acquisitions—through illegal, including clandestine, means—of hundreds of pieces of Western microelectronic equipment worth hundreds of millions of dollars to equip their military-related manufacturing facilities. These acquisitions have permitted the Soviets systematically to build a modern microelectronics industry which will be the critical basis for enhancing the sophistication of future Soviet military systems for decades. The acquired equipment and know-how, if combined, could meet 100% of the Soviets' high-quality microelectronic needs for military purposes, or 50% of all their microelectronics needs.”

The U.S.S.R has countless “copying offices,” units solely in charge of assimilating-reproducing stolen or otherwise-procured Western technologies; in the 1950s, there were 35 such units for the machine-tool industry alone! As a result, the U.S.S.R. saves on the “expropriated” patent costs, on the skipping of the R&D outlays and time involved in the hit-

and-miss research process, as well as on the experimentation and risk inherent in the process of innovation. The gain in time, resources and investment is prodigious. As historian A. C. Sutton put it, "The technological dragnet is unbelievably thorough and complete. It is doubtful whether any technical or economic development of consequence has escaped examination by the Soviets."

"Prototypes of promising processes [are] acquired, examined, dissected, catalogued, and analyzed in the most minute detail. The process most suitable for Soviet conditions [becomes] the standard. When the standard [has been] identified, it [is] prepared for duplication and standard drawings are prepared. . . . The Soviet system has institutional procedures enabling the rapid, usually successful transfer of Western technology at low cost and in a relatively efficient manner. . . . The Soviets have demanded and have been supplied with the frontier work of capitalist systems often before it is utilized in the country of origin. . . ."

In short, the Soviet system has axiomatically organized itself in such a way as to *ban* organically generated innovation—"The Soviet manager hates innovation as the devil hates holy water," Leonid Brezhnev is reported to have said once. It remedies this self-imposed plight by looting the rest of the world economy, skimming off the top through the agency of the KGB and associated organizations.

### **What is the West doing?**

In 1949, the U.S. Export Control Act was passed which prohibited export of strategic materials without an export license. In 1951, the Battle Act extended this to the NATO members and other nations, who would be denied U.S. aid and assistance unless they complied with such restrictions. The Trade Agreement Extension Act, the Mutual Security Act of 1954 which limited or banned the export of weapons, ammunition or related technologies, complemented this legislative arsenal, as well as the Agricultural Trade Development and Assistance Act. A special NATO agency was established, the Coordinating Committee for Multilateral Export Control (CoCom), which informally allowed all NATO members (except Iceland), plus Japan, to set up lists of goods (nuclear, military and civilian) where exports are restricted, if not banned altogether. CoCom, however, has no juridical status, nor are its recommendations binding. And it is a case where the loopholes have been far larger than the protective wall.

Legislation enacted in the United States in 1969 (the Export Administration Act) and in 1977 (the Export Administration Amendments Act) have considerably softened the impact of the restrictive measures taken before the détente era. Worse, the extraordinarily lax attitude taken by senior U.S. administration officials over the decades, has massively weakened the efficacy of these measures, both in the United States and abroad. Robert McNamara, when secretary of defense, brutally overruled Pentagon and CIA objections to

the granting of export licenses on hypersensitive equipment—such as the famous Centalign B machines which ground miniature ball-bearings. Henry Kissinger, as NSC chief in 1972 made sure that every item on this particular Soviet shopping list was delivered. The State Department and the Department of Commerce have similarly manifested unbelievable laxity on the subject.

Recent timid, if commendable, measures taken by the Reagan administration have predictably provoked howls of horror from the East-West trade mafias, and their political-journalistic accomplices. The establishment of the "IT2 Committee" and the International Technology Transfer Committee to coordinate the "anti-theft" programs, the drawing of a 700-page Military Critical Technologies List and a "militarily significant emerging technologies awareness list" dubbed by its acronym METAL, as well as the Commerce Department's Compliance Division's Denial List, which blacklists violator companies and individuals, have gone some way toward improving the world's most leaky situation.

In March, the Department of Defense scored a significant victory in being granted by the President the right to review (if not veto) the export licenses for all "dual-use" technologies. This of course extends not only to U.S. companies, but also their foreign subsidiaries and affiliates, as well as foreign companies using components of U.S.-developed technologies.

The aggrieved yelping of innocent Western businessmen and the solidarity displayed in Moscow are most revealing. "British scientists describe the situation as 'potentially explosive,'" the London *Sunday Times* wrote, reporting that Mrs. Thatcher and Chancellor Helmut Kohl had protested with Washington against the new restrictions. "NATO faces one of the severest tests yet of its cohesion as the row over computers between the U.S. and the members of the Alliance worsens," wrote the *Times* of London.

In countries that have been the most prominent interfaces in the huge smuggling/transshipment business—Switzerland, Austria, Sweden, Norway, etc.—the howling has been deafening. Moscow would not let such injury to harmless capitalists go unanswered. During the month of March, the Novosti news agency spouted a series of self-righteously angry articles scorning the proposed tightening of CoCom rules.

Will NATO get serious? Desirable and urgent as it is to deny Moscow the benefit of using the West's best and the most advanced technologies to equip its military blackmail and war-fighting machine, the appointment of former British Foreign Minister Peter Lord Carrington as secretary-general of the Atlantic Alliance bodes ill for such a resolve: Was not the chairman of Britain's General Electric Company (GEC) touring Bulgaria as recently as last October in an effort to promote the sale of the GEC-Plessey advanced "System X" electronic digital telephone exchange, which includes highly sophisticated, dual-use equipment?

## U.S. facing credit crunch

*Massive Eurodollar borrowing puts America in the position of a banana-republic borrower.*

**B**ank for International Settlements data released in April show that U.S. banks borrowed net from the Eurodollar market \$13 billion in the third quarter of 1983 and \$20 billion during the fourth quarter. Indications are that at least \$40 billion, perhaps much more, was borrowed in the first quarter of 1984.

For example, during the month of March alone, three giant oil-industry mergers brought \$35 billion into the hands of American stockholders, and thence into the banking system. The April 26 charge by Pennzoil chairman J. Hugh Liedtke that banks were raising lending charges to compensate for bad loans to the Third World is oversimplified, but substantially true.

Liedtke said, "When the banks grant loans to countries that would not ordinarily be justified in order to receive abnormally high interest rates, the risk is obviously very high. Now the banks want to share that risk with the American public, and so interest rates creep upward."

In fact, Citibank, Rockefeller's Chase Manhattan, and the London Ditchley bank cartel have set up some profits for themselves by creating an even more dangerous situation for the national credit structure. While directly cutting loans to Third World nations during 1982 and 1983, the Citibank crowd had continued to loan dollars to the offshore Eurodollar bank market at a \$10-\$20 billion quarterly rate during much of that time. This money allowed a certain amount of credit for trade in turn to be created out of London.

When U.S. banks, however, be-

came net borrowers from the London Eurodollar market in late 1983, even that small trickle of credit was turned off. This immediately forced an additional huge leap in the U.S. trade deficit, as debtor nations were forced to slash even further their imports from the United States and gun their exports to the United States, in a vain attempt to earn cash to pay their debts.

In March, the United States therefore reached the situation of borrowing funds from the Eurodollar market to finance a record \$10.3 billion trade deficit, an annual deficit rate of over \$123 billion.

This is not new. The United States has been living off foreign investment capital imports since early 1982, in the form of flight capital from Europe and Latin America into U.S. bank deposits and the stock and bond markets. But the BIS data show that foreign investment flows into the U.S. have now had to be massively supplemented by straight bank borrowings from the Eurodollar market. This is financing the American budget deficit and the sagging consumer-spending uptick.

The U.S. banking system is therefore now in the position of a Third World banana-republic debtor—the slightest destabilization of the Eurodollar markets by eruption of any debt crisis could lead to a run on the U.S.A. Watch Eurodollar six-month to one-year interest rates (the latter now near 12%), not federal funds, for an indication of the actual state of credit tightening. The United States is subject to a massive credit crunch later this year.

Undaunted by the results of their stupidity, the Citibank-Rockefeller crowd also plan to use the chaos as opportunity for more domestic takeovers and expansion of their national banking operations. Savings and loans institutions and smaller banks in particular will see new red ink with another rise in interest rates, rendering them more vulnerable to mergers and acquisitions.

Citibank's announcement April 13 that it plans to open 10 banks in nine states outside New York, and similar announcements by Chase Manhattan, Mellon Bank, U.S. Trust, and Chemical Bank at the end of April, underscore the major domestic reorganization in progress. Despite a 2% drop in first quarter earnings stemming entirely from a \$6.2 billion loss by two S&Ls it acquired last year, Citibank announced it plans to convert existing consumer finance offices in Houston, Dallas, Philadelphia, West Hartford, St. Louis, Phoenix, and other cities into consumer banks. These would both accept consumer deposits and make consumer loans. By simply not making commercial loans, they would escape being called "banks" through a federal loophole, and thus escape laws against interstate banking.

Senate Banking Committee Chairman Jake Garn (R-Utah) stated April 22 he will pass the most comprehensive deregulation legislation possible. "I don't care which way it goes," he said.

Temporarily, this U.S. vulnerability is being masked by a new inflow of capital from Europe, as the Soviet Union's Berlin crisis causes investors to seek safe haven in New York.

But at the end of the June or September quarter, debt crises could explode, leading to tightening on the Eurodollar interbank market and dramatic consequences for U.S. credit markets.

## Crises boost dollar—for how long?

*A burning tanker in the Gulf and political strikes in Europe hurt the mark.*

European currencies fell sharply following the April 26 report that a Phibro-chartered, Saudi-flag tanker with a full load of crude was burning in the Gulf. BBC London is the source for the allegation circulated on international newswires that this was an Iraqi attack, and BBC's apparent source is the master of the ship itself.

These allegations should be viewed as suspect. Phibro, owned by the Englehard-Oppenheimer combination of raw-materials interests, has been manipulating oil spot market prices since the mid-1970s; since its assimilation of Salomon Brothers in 1983, it has become one of the organizations best positioned to gain from a new oil crisis.

But the tanker is burning, whoever attacked it, and the financial consequences are evident.

We warned last week that a Soviet-inspired European strike wave had overridden the financial factors which otherwise militate for a dollar decline.

The emergence of Soviet agent of influence Armand Hammer in President Reagan's China trip entourage gives the Soviets encouragement. Hammer's mere presence serves as a signal to both America's European and Asian allies that the White House is willing to compose and appease the Soviet Union at a moment when the latter is on a course of confrontation and rapidly gaining hegemony in Europe, the Middle East and North Africa.

The White House and the State Department have refused to even acknowledge the continuous and escalating Soviet violations of the four-

power treaty governing Berlin. They have refused to recognize the significance of the recent extraordinary deployment of Soviet military power in the North Sea, Southeast Asia, and Afghanistan, and refused to counteract the collapse of Western power in the Middle East.

The political situation in Europe reflects this political decay in Washington.

- Communist-organized strikes are presently sweeping the French steel-producing area of Lorraine.

- In early May, the Federal Republic of Germany will be hit by strikes in the steel sector, the printing industry and the public sector. These strikes will be supported by the SPD, the Green Party and the peace movement.

- In Holland, the Dutch parliament is expected to vote down the deployment of American Cruise missiles within the next couple of weeks.

- Italian foreign minister Giulio Andreotti has signed a \$3 billion deal with the Russians, and the Central Committee of the Italian Communist Party is about to decide whether they will pursue their assault on an already weak government.

- Anti-terrorist specialists in Europe also expect a new wave of Iranian, Syrian, and PFLP terrorism in Europe over the next couple of months.

The problem in judging the foreign-exchange markets during the coming weeks is that the same political offensive on the part of the Soviet Union can, from day to day, produce diametrically opposite effects on currency rates.

At the moment, fear concerning the defensibility and energy-supply situation of Western Europe is supporting the dollar. It is not even excluded that the dollar could regain its mid-January highs in the context of a breaking Berlin crisis.

Two interwoven developments between now and September could nonetheless produce a spectacular dollar decline. The first involves the European reaction to such a crisis; the second involves the consequences of widespread default upon Latin American debt.

As our European Economics editor Laurent Murawiec reported last issue, financial decoupling of Europe is already in progress, through the elaboration of a large market in European Currency Units, or ECU.

If the Europeans respond to this crisis by capitulating to Soviet demands, the result may well be what certain U.S. intelligence officials call "a monetary Pearl Harbor," i.e., withdrawal of European capital from the dollar sector combined with Soviet dumping of the U.S. currency.

This sort of monetary development is implicit in the editorial viewpoint of the Hamburg weekly *Die Zeit*, which argued April 23 that Europe should respond to the new Berlin crisis with an offer of "entente" with Moscow.

Secondly, the collapse of the quarterly swindle to sustain American banks' Latin American assets would force the Federal Reserve to create masses of liquidity to protect the banking system, with dreadful consequences for the dollar.

The political profile of bankers' arguments concerning how to approach the underdeveloped-sector debt problem—particularly the Swiss decision to write off such debts—shows how closely these two assault flanks against the dollar are related.

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NORA HAMERMAN, Editor.

# Business Briefs

## *Steel*

### **European steel condemned on 'Pittsburgh model'**

The French and German governments intend to take the destruction of steel production in Pittsburgh as a model for their own nations, with the help of the Mellon Institute that planned the original Pittsburgh catastrophe. For every ten jobs destroyed in steel, they want to create one or two in "sunrise industries" such as consumer electronics.

French Industry Minister Fabius, planning to eliminate 20,000 steelworkers in the Lorraine region, promised to create 4000 new jobs in a "informatics pool."

The state governments of the two main German steel-producing regions, the Saar and the Ruhr, have already voiced their desire for the same insanity. Experts at the universities in Bochum and Saarbrücken are working with the Mellon Institute in the United States created the blueprint through which U.S. Steel is turning Pittsburgh into a post-industrial wasteland.

Mellon's expertise in laying-off tens of thousands of steel workers is intended to be applied to Germany's main steel centers such as Dortmund, Duisburg, Essen, and Völklingen. This policy has been agreed upon by both the Social and the Christian Democratic parties in the states of the Saar and the Ruhr.

Helga Zepp-LaRouche's European Labor Party has undertaken a mass publicity and organizing campaign in the Saar, the Ruhr, and Lorraine to prevent the implementation of the Pittsburgh model in Europe.

## *Foreign Exchange*

### **Nigeria takes on neo-colonial mafia**

The Nigerian government is attempting to stop operations to wreck the naira, the nation's currency, by mopping up the huge black market in naira. The fourth week of April, the government closed the borders,

and began issuing new bills to those who can account for the amount of naira they hold over \$7,000.

*EIR* founder Lyndon LaRouche suggested to Nigerian officials in February 1983 that the government produce new bills to short-circuit economic warfare.

The government's purpose is to take control of the huge number of naira that were stolen by corrupt officials of the previous regime, and used to finance operations of the neo-colonial mafia in Nigeria.

Large amounts of naira were also sold on the black market, fueling the 60-90% rate of inflation in Nigeria. Although the official rate of exchange was \$1.30 to the naira, its value on the black market fell as low as 33 cents on the black market.

Last year, Nigerian officials told *EIR* that the currency was being threatened by counterfeiting operations outside the country.

International bankers in London and New York have confirmed that Nigeria, the most populous nation in Africa, is being targeted for social breakdown and civil strife.

## *Energy*

### **Soviets move to develop Baltic oil**

The U.S.S.R. announced at the end of April the formation of a new joint holding company, Petrobaltik, whose announced purpose is to explore and develop oil and gas in the continental shelf of the strategic Baltic Sea.

The new company, established with Polish and East German participation, has already begun drilling its first wildcat well from a platform in the Baltic, according to Soviet press reports. The official reason given for the new venture is alleged exhaustion of onshore reserves.

There is an obvious military component, however. In recent months, the U.S.S.R. has greatly stepped up plans for exploration of such strategically vital zones as the Barents Sea, through which the Soviet submarine fleet based at Murmansk must pass in wartime. The Baltic itself has been the target of an enormous campaign of Soviet subma-

rine probes and provocations since September 1982 when a Soviet "Whiskey" class sub went aground off the Swedish coast. It is not yet clear the extent to which the new drilling in the Baltic provides a pretext for increased military presence in that vital region.

In a related area, the U.S.S.R. imported about 500,000 tons, or almost 4 million barrels, of crude oil from Saudi Arabia in the first three quarters of 1983. This is believed to have been Saudi crude provided to Iraq, which presumably used it to purchase Soviet arms for its war with Iran, according to some observers. Additional sources of Soviet crude imports included 5 million tons from Libya and 2 million tons from Iran.

## *Food Crisis*

### **Millions have died from hunger in Brazil**

In the course of the past five years, 10 million people, most of them children less than 5 years old, have died in Brazil's drought-afflicted Northeast, due to starvation and malnutrition-related causes, according to a report released in late April by the Brazilian Agrarian Reform Association.

The report declares that the situation is aggravated by bad land distribution. Most of the good land is owned by big farmers, while the peasants have been forced to migrate and starve.

"Through the whole Northeast, 71% of children are undernourished, affecting their height," the report said. Infant mortality is now 250 per 1,000 in the city of Fortaleza, the capital of Ceara. Ceara is one of the states most hit by the drought.

## *Research and Development*

### **OECD reports on Japan's increases**

Japanese investment in research and development showed the greatest growth among the 24 nations of the Organization for Economic Cooperation and Development, dur-

ing the period from the 1970s to the early 1980s, according to a report released by the OECD April 24.

The ratio of Japanese R&D investment to overall R&D investment by OECD nations increased to 17% in 1981 over 10% in 1969, according to the report. The ratio of U.S. investment to overall OECD investment fell from 55% to 47%.

The field drawing the most intensive investment among OECD nations was electronics, followed by chemicals, machinery, and space.

The next day, the Japan Economic Research Center released a report stating that Japan has been making rapid progress in development of high-technology products, including fifth-generation computers and industrial robots, but it still follows the United States in basic R&D.

The report recommended that Japan should develop the fifth-generation computer despite the U.S. edge in manpower, experience, and funding.

Japan has already surpassed the United States in robotics, and plans to develop robots for operation inside nuclear reactors and in the ocean depths.

## **French Industry**

### **Heavy machine producer threatens bankruptcy**

Creusot Loire, the private company which is the biggest French producer of heavy machinery and of nuclear power plants, threatened the week of April 23 to declare bankruptcy if the government does not transform a 2-billion-franc loan into a consolidation of capital.

Creusot Loire has some 20,000 employees, and the Schneider group, which owns Creusot, some 109,000. From 1978 to 1982, Creusot accumulated some 1.3 billion francs in losses. By April 1984, the company's losses totaled 1.4 billion.

Creusot Loire has consistently attempted to continue producing steel, machine tools, and equipment for nuclear power plants. With the decline of these sectors under current European Commission policies,

and the collapse of exports both to the developing sector and the East bloc, its position is untenable.

Creusot has also suffered from cutbacks in the French nuclear power program. The company has been producing six nuclear plants a year: the French program is now limited to one per year.

## **Ibero-America**

### **Argentine Peronists on the offensive**

The Peronist leaders of the Argentine labor movement won a declaration from President Raul Alfonsín on April 24 that "Wages will no longer be a variable for adjusting the Argentine economy." Freeing wages from austerity demands by the International Monetary Fund has been a central demand of Argentine labor.

The same day, labor minister Antonio Mucci, who had attempted to break Peronist control over the unions, was replaced by Juan Manuel Casella, who has shown flexibility toward the Peronists.

Reports from Argentina indicated that Finance Minister Bernardo Grinspun may be the next to go. Sources report to *EIR*, however, that Grinspun will be ousted only after he signs accords with the IMF. President Alfonsín is attempting to draw the Peronist opposition into the government now, to make them party to the IMF agreement. He has offered the opposition 40% of the cabinet; however, Peronist leaders have refused to join his government.

On April 17, the Peronist party issued a statement repudiating the agreement Alfonsín and Grinspun had reportedly made with the IMF and denouncing "a future undermining of our national sovereignty regarding nuclear policy." As *EIR* has reported, the nuclear program, Ibero-America's most advanced, has been cut back under IMF pressure.

The Association for the Progress of Advanced Technologies (APTA), in collaboration with the United States' Fusion Energy Foundation (FEF), will hold a series of seminars on nuclear power development in Argentina this June.

## **Briefly**

● **THE IMF** delegation to France was accosted by *Le Figaro* journalist Vincent Gerard in Paris April 24. The delegates refused to reveal much about their mission except that every member country must submit to such a study every year. The delegates will visit the economics ministry, the economic forecasting office, and the Bank of France. "We look at the unpublished figures to complete our investigation," said one expert to the journalist. "Why?" Gerard asked. "Do you mean the published figures don't correspond to reality?" "I won't answer that question," said the expert.

● **SHINTARO ABE**, foreign minister of Japan, said April 24 that the nation's cabinet will probably approve a government plan to extend financial assistance to the Philippines in the very near future, according to *Jiji* press. Abe told a foreign affairs committee session of the House of Councillors that intragovernmental work on the proposed assistance was nearly complete.

● **A FRENCH** company will begin testing a full-size plasma torch on a full-scale blast furnace in July, *EIR* was told April 24 during a visit to IRSID, the National Steel Research Institute near Metz. Until now, the only testing of plasma torches in Europe has been in small-scale furnaces in Sweden. For the Lorraine region of France, use of the plasma torch would make the mining of the low-grade (30%) iron ore a profitable proposition.

● **MEXICO** signed a \$3.8 billion jumbo bank loan with its international creditors April 27. At the signing, Finance Minister Silva Herzog expressed "appreciation" for the loan but warned outright that the soaring international interest rates were threatening to "wipe out overnight" the efforts of the developing sector to improve its lot and pay its debt. He noted that there was an interest rate level at which Mexico would be unable to pay its debts, but slyly commented, "I will not divulge that level."

## FBI sets stage for new Olympic massacre

by Jeffrey Steinberg

Barring a dramatic turn of events, this summer will see the North American continent beset with urban riots and spectacular acts of international terrorism on a scale never before seen in the Western hemisphere. If that wave of bloody violence is not successfully preempted by an ambitious counterterrorist effort, primary blame will not rest with the Soviet super-spy agency housed in Dzerzhinskii Square. Nor will it primarily rest with the fanatical Islamic fundamentalist legions of Libya's Qaddafi or Iran's Khomeini.

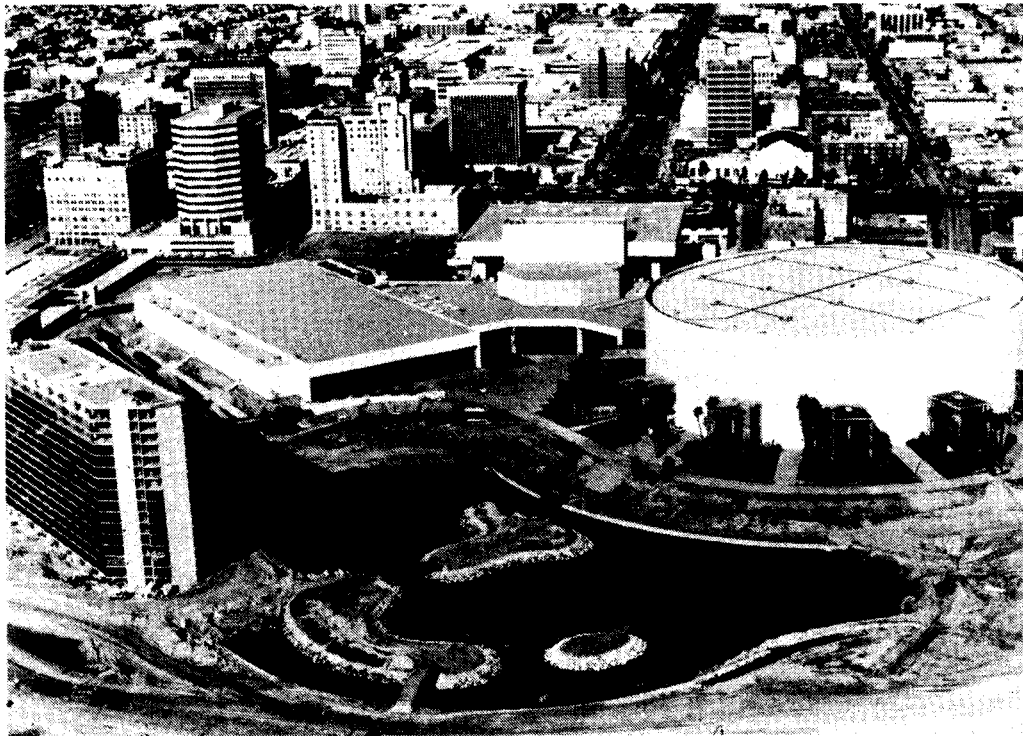
The true perpetrators of the undoing of America's democratic-republican institutions in general, and the Reagan presidency in particular, will be the Federal Bureau of Investigation (FBI) and those leading officials of the Reagan administration who secured the FBI the status of "lead agency" in the security preparations for the International Olympic Games scheduled for July and August in Los Angeles.

This stark indictment of the FBI is one prominent feature of a 160-page Multi-Client Special Report, "The Terrorist Threat to the 1984 Summer Olympics," released on April 20 by *EIR* and *Investigative Leads*. The document presents extensive refutation of the declaration made by FBI director William Webster before a nationwide television audience on Dec. 18, 1983 that there is "no serious terrorist threat" to the Olympics. It details 1) the connections of the Los Angeles Olympics Organizing Committee, the official sponsors of the summer games, to organized crime and the Soviet KGB, 2) the deep penetration of North America by the spetsnaz elite commando units of the Soviet GRU military intelligence service, 3) the role of the FBI in running protection for KGB and Islamic fundamentalist-linked terrorists since the time of the Carter-Mondale administration, and 4) the profiles of over 30 terrorist cells known to be actively preparing for violence.

We publish here, for the benefit of a broader audience, a few dossiers selected from that Special Report.

Even as the Special Report began to circulate among government and corporate security clients, a brawl was breaking into the national media over the direction of America's belated effort at blocking the planned election-year terrorist assault. At





*The Long Beach Convention Center complex, one of a half-dozen sites for the Olympic games spread throughout the Los Angeles metropolitan area. These sites present a security nightmare, given the sophisticated weapons today's terrorists possess.*

LAOOC

the center of that fight is an early April Presidential Directive authorizing federal security agencies to accelerate intelligence-gathering on international terrorism and to develop "action plans" for preemptive paramilitary operations against both terrorists and foreign governments sponsoring and harboring terrorist groups deployed against the United States and its allies. Sources in Washington, D.C. have informed *EIR* that the Reagan White House has conceded broad domestic and international jurisdiction to the FBI in implementing that executive order.

The apparent success of the FBI in securing jurisdictional override goes hand in hand with the ongoing consolidation of a White House "cold coup" by the associates of Henry Kissinger, a coup exemplified by the April 1 White House reception for the Trilateral Commission and by Kissinger's own appointment to the President's Foreign Intelligence Advisory Board.

### **The FBI's treason**

As this news service has reported over the past three years, Carter-Mondale appointee William Webster—a co-chairman with Henry Kissinger of the super-secret Mandalay Lodge of the west coast Scottish Rite hideaway at Bohemian Grove—has repeatedly vowed that he is committed to driving Ronald Reagan out of the White House. Multiple sources have testified to Webster's statements to this effect, including left-wing journalist Dan Moldea who reported in May 1981 that he had received assurances from the FBI that the Bureau would not harass the Institute for Policy Studies and allied leftist organizations, but instead would direct its fire against

President Reagan and "the right." Toward that objective, Webster has deployed the FBI as a "fifth column" protecting the Soviet KGB's efforts to sabotage U.S. national security. Among the Bureau's more outrageous actions are the following:

In May 1983 the FBI refused to act on a request from a group of conservative U.S. senators to block a U.S. tour by a group of 26 "peace-loving" Soviet KGB and GRU officials, sponsored by the mayor of Minneapolis, a protege and supporter of Walter Mondale. The Soviet delegation instructed its collaborators in the U.S. "nuclear freeze" movement to go on an all-out offensive against President Reagan's March 23, 1983 announcement beam-weapon antiballistic-missile defense policy. Even after investigators for this news service successfully penetrated the Minneapolis conference and taped over 15 hours of interviews with Soviet and American participants, the Bureau persisted in denying that the Soviets were overstepping the bounds of protocol.

The FBI gave free rein to Khomeini's Savama intelligence service to carry out the July 1980 assassination of Iranian opposition leader Ali Tabatabai at his Washington, D.C. suburb home by David Belfield, an American black muslim and personal bodyguard of east coast Savama station chief B. Nahidian. The FBI had received advance warning from Washington police officials of an imminent assassination attempt against Tabatabai; however, under direct orders from the Carter White House, the Bureau took no action against Nahidian, allegedly due to his role in "sensitive" negotiations under way to secure the release of U.S. hostages in Teheran. While Nahidian still freely walks the streets of

Washington, D.C., Belfield showed up in the spring of 1983 in Beirut as part of the Iranian terror squad that blew up the U.S. embassy, wiping out almost the entire Central Intelligence Agency team in Lebanon.

While it would be an exaggeration to state that every individual FBI agent is personally complicit in the outrages committed under the direction of Webster, the fact remains that the Bureau has been crippled as an effective counterterror force by its director's and senior management's coverup of terrorist actions directed against the United States.

## Target: United States

As this issue goes to press, the Libyan People's Bureau in London remains cordoned off by British Special Air Service commandos in the aftermath of a machine-gun attack on anti-Qaddafi demonstrators on April 17 that left one British policewoman dead and eleven demonstrators injured. The London incident, in which as-yet-unidentified snipers fired from inside the Libyan embassy compound on a crowd below, was one of a dozen recent terrorist attacks planned at a March 15-18 conference of several hundred separatist and anti-nuclear activists in Malta financed by the Libyan government (see page 25 for details).

The attack on the anti-Qaddafi activists is now widely believed to have been pre-rigged between Qaddafi and the pro-Moscow wing of the British aristocracy to trigger an "Operation Chaos" whose principal target is the United States.

Western European intelligence sources have reported that Libyan terrorist controller Colonel Younis, head of external security affairs (Libya's foreign intelligence agency, housing its assassination squads), made a recent pilgrimage to East Germany to meet with Marcus Wolff, deputy director of the East German secret police (the STASI), to plan out the pending terrorist onslaught. Following the secret talks, a second meeting occurred April 20 at the Libyan embassy in Rome, involving Savama officials from Iran and the Soviet-linked Syrian military intelligence chief Ali Duba. A similar caucus was held in Geneva 24 hours before Iranian kamikazis blew up the U.S. and French military compounds in Lebanon last November.

The most alarming indications of the targeting of the United States for imminent terrorist action include:

Canadian and Mexican immigration officials report that an average of 1,000 Iranians have entered the two border countries on tourist or student visas during the past month, only to immediately disappear. These Iranians are apparently slipping across the border into the United States.

U.S. military and intelligence agencies are quietly warning that Soviet spetsnaz sabotage and assassination units are active inside the United States on a scale far beyond anything generally believed. The spetsnaz, according to these sources, have targeted at least four ranking U.S. military officials for assassination and have placed individual four-man teams in position to carry out these hits on short notice. Other U.S.

intelligence channels have indicated that a combination of international and domestic terrorist groups, acting in concert, has assembled a list of over 15 assassination targets in the immediate context of the summer Los Angeles Olympics.

Terrorist groups are known to possess sophisticated "insider" intelligence respecting their targets. This was true of those that recently vandalized three defense facilities in the United States responsible for production and shipment of Pershing missiles to Western Europe, and sophisticated planning went into a high-powered explosion that wrecked the officers' club at the Washington Navy Yard early in the morning of April 20.

Several long-defunct violent neo-Nazi groups in the United States have suddenly reemerged in the past several weeks, including the National Socialist Liberation Front. Such groups are known to have been created in the past by FBI agents as part of "Cointelpro," "Garden Plot," and other domestic "counterinsurgency" programs that fueled some of the student and black ghetto riots of the 1960s. Following widespread congressional exposure, the FBI was forced during the mid-1970s to shut down those criminal activities. The prospect of the FBI reviving such practices—under the umbrella of the Presidential Directives signed in March 1983 and earlier this month—could dramatically increase the likelihood of urban riots within the broader environment of terrorism on U.S. soil.

## Reagan's choice

Should the President come to his senses and move to block the FBI's power grab, he would have a potentially impressive counterterrorist apparatus to draw upon. On April 3, Pentagon special operations chief Noel Koch announced the formation of a Special Operations Policy Advisory Group made up of six flag-grade officers with years of experience in combating unconventional warfare. CIA Director William Casey is on record in an April 22 *New York Daily News* interview supporting a policy of "hot pursuit" of terrorist groups and the nations harboring them. Casey hinted at the possibility of a direct role for the U.S. military in the war against terror, when he characterized the present mode of "state-supported terrorism" as blurring the difference between "wartime and peacetime."

Between the first week of May and the first week of November, the United States will host a World's Fair in New Orleans, the summer Olympics in Los Angeles, and two presidential nominating conventions in Dallas and San Francisco. During the same period, the Canadian government will host state visits by Queen Elizabeth II of England and Pope John Paul II. The Pope has already been threatened with assassination if he sets foot on Canadian soil. At the end of this six-month period, the American people will elect a President. Decisions to be made over the immediate weeks ahead will determine whether or not the outcome of these events will be shaped by the hand of international terrorism.

# Malta conference deploys terrorists

by Stuart Pettingell

On March 15-18 the "First International Conference of Peace Liberation and Alternative Movements" was convened on the Mediterranean island of Malta, bringing together over 260 leaders of peace movements, separatist organizations, and liberation struggles from around the world. The conference's purpose was to merge "peace movement" groups operating in the advanced-sector nations with the more violent liberation and separatist groups, forming a globally deployable force, in preparation for a planned spring/summer terrorist outbreak.

*EIR* drew attention to this gathering in our April 17 issue, reporting that the conference had taken place under the shadow of the U.S. cruise-missile base at Comiso on the south side of Sicily, one of the most important installations on NATO's southern tier. Despite disclaimers by the assembled peaceniks that no concrete actions were decided upon at the conference, we concluded that the inner core of the conference organizers had mapped out plans for renewed and expanded terrorist assaults on U.S. military facilities in particular.

These forecasts were borne out on Easter Sunday, April 22, with internationally coordinated sabotage actions at four different points in the chain of production of the U.S. Pershing missiles scheduled to be deployed in Western Europe: the Williams Co. plant in Walled Lake, Michigan, where Pershing engines are produced; the Martin-Marietta Corp. factory in Orlando, Florida, where final assembly of the missiles occurs; a military base in Seneca Falls, New York, the point from which Pershing missiles are shipped to Western Europe; the U.S. Air Force Base in Mutlangen, West Germany, one of the main points where the missiles are shipped into Western Europe.

The Malta conference was run from the top down by Libyan dictator Muammar Qaddafi. Qaddafi chose Malta as the site for the conference, provided some 90% of the financing for the event, and used his European networks to select conference delegates. The only literature available at the conference was Qaddafi's *Green Book*.

## A Libyan beachhead

Fifty percent of Malta's foreign trade is controlled by Libya, and it has recently been reported to be receiving North

Korean military equipment and advisers. It is a leader of the Congress of Mediterranean Socialist and Progressive Organizations, which was formed by Qaddafi's personal attorney, the late Lelio Basso, a leader in the Sicilian Socialist Party and head of the Bertrand Russell Peace Tribunal until his death. Ahmed Shehata, the head of the People's Bureaus for Qaddafi's Arab Socialist Union Party, has been a leader of the Congress, which is committed to removing all NATO nuclear capabilities from the Mediterranean.

The conference was officially hosted by the John XXIII Peace Laboratory of Malta and its founder, Franciscan friar Dionysus Mintoff, brother of Dom Mintoff, the leftist prime minister of Malta. Qaddafi selected the Austrian Society for North-South Questions to conduct the international organizing for the conference. The Society is headed by former Austrian Chancellor Bruno Kreisky, a long-time supporter of Qaddafi. It was Kreisky who, while still chancellor, hosted the first meeting between West German Green Party leaders and Qaddafi in 1982.

The organizing steering committee included Alfred Mechttersheimer, whose Research Institute for Peace Policy in Starnberg, West Germany, is reported to receive the financial backing of Colonel Qaddafi, the director of the Austrian Society for North-South Questions, and Dionysius Mintoff, director of the Malta Peace Laboratory. Others on the committee included Capt. (ret.) Falco Accame of the Italian Socialist Party and Juan Gutierrez of the Basque information agency called The Big Eye.

At a lower level, the conference was a mobilization of the international peace movement, with affiliated separatist and terrorist organizations, for a renewed hot spring and summer offensive. Among the "peace" organizers present were: Thyra Quensel, Peggy Pernas, and Ulli Fischer of the West German Green Party; Otto Raubal of the Austrian Green Party; U.S. peace activists Philip Berrigan, Daniel Ellsberg, and Dave McReynolds; Ben Thompson, the son of British peace guru E. P. Thompson, representing European Nuclear Disarmament (END); and Women of the Greenham Common in England.

Representatives of separatist movements included: Juan Gutierrez of The Big Eye (Basque), the American Indian Movement, the Moro Liberation Movement (Philippines), the Potanni Liberation Movement (Thailand), and the Polisario (Morocco). Overtly terrorist organizations such as the Popular Front for the Liberation of Palestine (PFLP) and Faribundo Marti of El Salvador were also present, and official government representatives attended from Syria, Libya, Guinea, Sierra Leon, and the Cameroon Islands.

The official side of the conference centered around two discussion papers: the first by Pugwash conference participant Johan Galtung of the Swedish Peace Research Institute, titled: "Will the peace movement become a liberation movement?"; the second, by Mehdi Emberesh, titled: "Will the liberation movement become a peace movement?"

# A playground for organized crime and Soviet KGB operations

by Tim Pike

The Los Angeles Olympic Organizing Committee, founded in 1979, describes itself as a “blue-ribbon” panel mandated to organize every aspect of the 1984 summer Olympics, from contract services to security protection. In fact, as we shall show, it is the Committee itself, with its connections to organized crime and to Soviet intelligence agencies, that poses the greatest threat to the security of the Olympics.

These will be the first Olympic Games paid for entirely by “private enterprise,” ostensibly to save the taxpayers money. But the entrepreneurs who constitute the Committee, controlling \$3.3 billion in economic benefits generated directly and indirectly by the Olympics (by the Committee’s estimate), are not acting out of love for spectator sports. They and their business partners include some of the top organized-crime figures in the country, individuals with multiple connections to the Soviet Union, people who used their political muscle to wreck the intelligence capabilities of the Los Angeles Police Department.

## Ziffren and the mob

The Committee chairman is **Paul Ziffren**, a wealthy attorney from Chicago, who headed the California state Democratic Party during the governorship of Edmund G. “Pat” Brown. Ziffren also served as John Kennedy’s state campaign manager, until his ties to Chicago mobster Frank “the Enforcer” Nitti were exposed in 1960.

It turned out that Ziffren had been the attorney and business associate of Alex Louis Greenberg, a front-man for the Al Capone mob and Nitti. Greenberg was murdered by hitmen in 1955; he held at least \$2 million of Nitti’s assets in his own name. Ziffren owed Greenberg \$19,000 at the time.

When Ziffren moved from Chicago to California in the 1950s, he was followed by Sidney Korshak, another Nitti lawyer, also associated with Henry Crown (Hilton Hotels) and the Pritzger family (Hyatt Hotels). Ziffren and Korshak in California performed the role of Greenberg in Chicago, laundering mob monies into the “legitimate” entertainment field. One of Korshak’s first Hollywood contacts was mobster Willie Bioff, gunned down in Arizona in 1955 without revealing more about Korshak than a communication he had received from Nitti lieutenant “Cherry Nose” Gioe: “Sidney is our man and I want you to do as he tells you. Any message he may deliver is a message from us.”

Pat Brown, then state attorney general, elevated Lester Ziffren, Paul’s younger brother, to deputy attorney general, right out of law school. The mobsters themselves were placed at the top of the “law enforcement” apparatus.

In the 1960s, Ziffren and Korshak negotiated one deal after another for Bernie Cornfeld’s Investors Overseas Services, set up in 1961 with a \$26,000 loan from the Dreyfuss Fund. Under cover of mutual funds activities, IOS laundered monies from mobster Meyer Lansky’s syndicate, after Lansky’s move into narcotics. Within a few years, the influx of dirty money from the drug trade and the Las Vegas skim was so large that stock movements by IOS on the New York exchange could comprise up to 10% of the trading on any given day.

IOS created the Fund of Funds in 1966, and Pat Brown was placed on the board. In June 1967, a portion of the Fund of Funds managed by Lansky-associate Fred Alger invested \$2.5 million in the Mary Carter Paint Company, which changed its name to Resorts International.

IOS also invested big in Charles Bludhorn’s Gulf and Western common stocks, while Bludhorn placed \$29 million in debt stocks with IOS, which additionally poured investments into G&W subsidiaries. Korshak arranged deals whereby Lansky lieutenants invested in G&W, and were named heads of its subsidiaries. Philip Levin placed \$22 million in G&W stock, and became chief of the Transnation real-estate subsidiary, for which Korshak negotiated the loans that enabled Levin to build the O’Hare Towers Hotel (now O’Hare Hilton), and teamed him with Los Angeles mobster Moe Morton to build the Acapulco Towers Hotel. Levin died in 1971, soon after a case in which he invoked lawyer-client privilege to protect Korshak from illegal campaign-contribution charges. G&W became one of the largest conglomerates in the film industry (Paramount Studios).

Attorney **Stephan Reinhardt**, another member of the Olympic Organizing Committee, arranged in 1978 for the state’s Culinary Workers Union, under Korshak’s friend Blackie Leavitt, to make loans to Murietta Hot Springs—a resort controlled by Las Vegas mobster Morris Shenker—and to Rancho LaCosta, in which Shenker, Irwin Molasky, and Mervyn Adelson have interests. For a time, Reinhardt enjoyed a tax shelter, Pastoral Vineyards, with Dalitz, Molasky, and Adelson. Jimmy Carter made Reinhardt a federal

judge in 1979, although "Brilab" sting-man Joe Hauser charged that he had made \$16,000 in illegal campaign contribution's to Pat Brown's son Jerry. The FBI called Hauser "unreliable," so Reinhardt got the job.

Reinhardt is the mentor of Los Angeles Mayor **Tom Bradley**, a Committee member whose run for governor in 1982 was organized by Reinhardt, Ziffren, and Lew Wasserman, the MCA (Universal Studios) mogul and another old friend of Korshak. Bradley's financial disclosures revealed investments in Interscience Systems and Summit Systems, Inc., both limited partnerships with the Elsinor Corporation, producing slot machines. On Elsinor's board are Korshak's associate Jay Pritzger of Hyatt Hotels and mobster Francisco Lorenzo, now notorious for asset-stripping and union-busting at Continental Airlines. Elsinor owns the Hyatt Lake Tahoe casino and part of Morris Shenker's Dunes Hotel and Casino in Las Vegas, one of the beneficiaries of Reinhardt's Culinary Workers' loans.

Sidney Korshak's son Stuart works for the Wyman, Bautzer, Rothman, Kuchel, and Silber law firm. He handles the accounts of G&W subsidiary Paramount and of Max Factor & Co., of the Jake "the Barber" Factor family. Partner Frank Rothman is chief executive officer at MGM/United Artists, the flagship possession of Kirk Kerkorian, who started out running an unscheduled airline to Las Vegas after Bugsy Seigel consolidated Lansky's operations there. Kerkorian worked out financing with Charlie "the Blade" Tourine, among others, subsequently taking over Western Airlines and several Las Vegas casinos.

## The Manatt connection

A kingpin in the milieu from which the Olympics Organizing Committee was drawn is Charles "Banker" Manatt, the chairman of the Democratic National Committee. **Philip Rothenberg**, a Committee member, is a member of the Manatt, Phelps, Rothenberg, and Tunney law firm; the firm itself is a command center for the "young.turks" who are the designated successors to the Ziffren/Korshak mob. As for Manatt himself, he got his start in politics as student coordinator for John Kennedy's election campaign in 1959-60, working for Paul Ziffren, until Ziffren's mob ties came to light.

Clients of Manatt's law firm include:

- Western Airlines, the old Kerkorian operation;
- Gulf & Western, the late Meyer Lansky's favorite money-laundry;
- Texas Airlines and Continental Airlines, controlled by Elsinor director Lorenzo;
- the Argonauts, a hockey team controlled by Vancouver's Bellsberg brothers, Lester Ziffren's Beverly Hills real estate partners;
- MCA Corporation, Lew Wasserman's holding company for United Artists;
- Elisabeth Ashley, wife of Ted Ashley, the mob partner of Max Pavlesky who is a principal financier of the National Organization for the Reform of Marijuana Laws (NORML),

and who almost single-handedly financed **Mayor Bradley's** first election campaign;

- Playboy Enterprises, which provided the seed-grant for NORML, and whose godfather Hugh Hefner has paid Korshak hefty fees to arrange deals (with Lew Wasserman et al.) relating to casino-gambling operations.

Both Manatt and Rothenberg are directors of the First National Bank of Los Angeles, whose sale to the Istituto San Paolo di Torino Manatt announced in 1981, maintaining directorship under the agreement. The Istituto San Paolo sponsored IOS's operations in Italy.

## KGB assets

Manatt partner John Tunney, a former U.S. senator, headed Image Factory Sports, Inc. prior to the 1980 Moscow Olympics, entering into a joint venture with Dzhermen Gvishiani to market Olympic coins. Gvishiani is the son-in-law of the late Soviet Premier Alexei Kosygin; head of the State Committee on Science and Technology, a KGB industrial-espionage instrument; and reputed head of KGB covert operations. Tunney's deal with Gvishiani was arranged by "mystery financier" David Karr, who is not so very mysterious after all: He is a former member of the Communist Party U.S.A. (CPUSA) who wrote for the party's paper, the *Daily Worker*. Israeli intelligence once traced sales of Soviet weapons to Libya and the PLO back to Karr. He is an associate of Occidental Petroleum's Armand Hammer, who has a relationship to the Kremlin's inner circles dating from the immediate post-revolutionary period, and whose father was a CPUSA founder.

Links between the KGB and organized crime have a long history. **Paul Ziffren** was investigated in the mid-1950s for membership in a CPUSA front, Progressive Citizens of America, headed by Ed Mosk, an attorney for Amtorg Corporation, the Soviet trading company which operates as a cover for intelligence activities. Bernie Cornfeld started out as a paid organizer for the League for Industrial Democracy, which created Students for a Democratic Society. Cornfeld's IOS later funneled more than \$7 million into SDS and the New Left, through "peace conferences" organized by Robert M. Hutchins' Aspen Institute and the Center for the Study of Democratic Institutions. Among Hutchins's protégés was Saul Alinsky, a bookkeeper for Al Capone in his college years, who became a "radical organizer," the godfather of the New Left, producing (among others) Caesar Chavez and his United Farm Workers. It was Sidney Korshak who secured Chavez's first labor contract—at the vineyards of the old mob's Schenley's brewery.

Former SDS activist Tom Hayden now runs the "Committee for Economic Democracy," whose founding documents dedicated the organization to dismantling police-department intelligence capabilities. Leading the attack on the Los Angeles Police Department was **Stephan Reinhardt**, as a member of **Mayor Bradley's** Police Commission and a leader of the California ACLU.

# The special terrorist capability of Soviet military intelligence

by Vin Berg

In Rangoon, Burma, half the cabinet of South Korea is killed in a bomb explosion. In Sweden, the entire nation is blacked out for 24 hours. In the United States, five ranking officers of the strategic missile, coastal defense, and Rapid Deployment Force commands are dead or missing in a two-week period. In West Germany, two drivers for the East German Deutrans trucking firm possessing photographs of NATO military installations are arrested as they attempt to re-enter East Germany. In France, the arrest of Bulgarian truck drivers recovers documents of the nuclear power commission. Throughout Europe, there is a steady increase in truck traffic from the East bloc.

Intelligence professionals characterize these incidents in a single word: spetsnaz. The drivers arrested in West Germany proved to be East German Army parachutists, attached to special units under command of Soviet military intelligence (GRU). Similar conclusions were arrived at by French authorities regarding the Bulgarians. Interrogation of captured North Korean demolition experts in Rangoon yielded the same assessment. Only the "official" Swedish version of the black-out, and the "official" FBI version of the dead and missing officers, purport otherwise.

Spetsnaz (*Spetsialnogo Naznacheniya*—Special Purpose) Forces is the designation given to a unique operational capability of the Second Department of the Soviet General Staff. No report on the terrorist threat to the Olympics can ignore it.

Spetsnaz units are much more than U.S. Green Berets or British Special Air Services. The West, in fact, has no comparable capability against the East. The spetsnaz forces do include Green Beret-type elite commando assault-units, stationed in East Germany, Hungary, and Czechoslovakia, the three Warsaw Pact states bordering the West. French sources report spetsnaz units of this type based in Romania, trained for missions against France. Other Warsaw Pact forces have their own spetsnaz units under GRU command, as do the armed forces of North Korea, Cuba, and other Soviet allies. Islamic spetsnaz units are the core of an insurgency against the Yugoslav government in Bosnia.

The East German spetsnaz commandos are designated HVA/Section V and interface 400,000-strong factory-militia units. Each factory militia has two six-man spetsnaz sabotage units attached, specifically trained to either destroy or seize and direct the operation of a designated factory complex in West Germany by a designated factory militia in East Germany. For Rostock, East Germany, the target is Hamburg, West Germany; for Matthias/Thesen shipyards in Wismar, the target is HDW/Kiel shipyards. Interflug Airlines is prepared to take over Lufthansa; Ost-Post to take over the Bundespost (the West German postal service). The attached spetsnaz units are to be parachuted into West Germany 24-48 hours prior to regular army/factory militia invasion.

However, the spetsnaz forces encompass not only commando units—and these in much greater numbers than the West—but professional assassins, both men and women, who wear civilian clothes; the crews of merchant ships and Aeroflot airliners; the crews of mini-submarines; and widespread networks of deep-cover agents in the West, both foreign nationals and Russians trained in the national language, appropriate dialect, and even local colloquialisms. Such "sleepers" wait to be "awakened" for pre-designated acts of sabotage and assassination.

Finally, selected members of all major Soviet athletic teams, including the Soviet Olympic team, are professional, active-duty spetsnaz.

## Sabotage and assassination

The spetsnaz have designated tasks which include:

- "anti-VIP measures": the assassination of political and military leaders of targeted countries;
- surveillance, communications, and demolition behind enemy lines: the pin-pointing of nuclear and other military installations for air or missile strikes or on-ground sabotage, and sabotage of mobile command and communications structures, airfields, roads, and other vital military infrastructure;
- sabotage of power systems, oil and gas storage depots, and the electricity grid of targeted countries.

The spetsnaz commandos are also the obvious choice of instrument for non-random terrorism. There is reason to believe, for example, that spetsnaz professionals from the East are now in the leadership of Western and Middle Eastern terrorist organizations, while there also occur deployments of regular-army spetsnaz professionals from the East bloc for individual acts of terrorism in which no "slip-ups" are wanted.

"Victor Suvorov" (pseudonym), a defector to the West who says he was an officer in a Red Army spetsnaz unit, reports that the spetsnaz forces consist of basically three groups: commando combat units, units of professional athletes, and foreign agents. The training of foreign agents takes place on an individual basis at special centers on Soviet territory; they are returned to their native land, buy houses close to airfields, bridges, missile emplacements, power stations, and other important targets. Unless orders come from the GRU, they may "do nothing criminal," and in the case of sabotage and assassination agents, may not even gather intelligence throughout their entire lives.

The combat units, which are to be parachuted behind enemy lines just prior to the onset of general warfare, are selected conscripts, intensively trained and maintained at such a high level of combat readiness that each year of service is counted as 18 months.

### **'Athletes' with a deadly mission**

Among the hard-core spetsnaz professionals are the athletes. The training of professional athletes is done in small groups and sections, and consists of physical training, "in some cases to Olympic level," foreign languages, the study of the territory likely to be fought in ("in the course of sports trips abroad"), as well as communications, demolition, and assassination.

One can infer from what Suvorov writes of Russian athletes, that the same applies (perhaps not to the same degree) to all Russian "cultural exchange" groups—dancers, musicians, and so forth. Theirs, he specifies, is an "anti-VIP" specialty—assassination of Western leaders.

"Suvorov," writing in the Swiss publication, *International Defense Review*, reports:

In order to conceal the existence of the professional nucleus of the spetsnaz, the brigade anti-VIP HQ companies are detached from their parent brigades to become Military District, Group of Forces, or Fleet athletics teams. The spetsnaz regiments, which are manned entirely by professionals, are disguised as sporting teams belonging to the Central Army Sporting Club (ZSKA). The same method is used by the KGB, and professional KGB saboteurs belong to the Dinamo Sporting Club. The Soviet Union's combined Olympic team is, for the most part, made up of professionals from these two very wealthy and highly successful clubs. . . .

The Soviet Union needs prestige and one way of providing this is by winning Olympic medals. The country needs an organization with draconian discipline to squeeze the maximum effort out of the athletes. At the same time, the spetsnaz needs athletes of the highest calibre who have the opportunity to visit areas in which they may have to operate. . . . The athletes, for their part, need opportunities for training and need to belong to an organization that can reward them lavishly for athletic achievement, give them apartments and cars, award commissioned ranks in the forces, and can arrange trips outside the Soviet Union. The spetsnaz thus provides a focal point for the interests of state prestige, military intelligence, and individuals who have dedicated themselves to sport. . . .

The ZSKA sports club sends its athletes all over the world and the fact that these athletes have military ranks is not hidden. The KGB, which also has the role of assassinating enemy VIPs, has its own similar organization. . . . It is of note that the number of women athletes in spetsnaz is unusually high.

According to several sources, hours before the Soviet Union invaded Czechoslovakia in 1968, a Soviet athletic team in an Aeroflot jet reported that it had lost its way to air-traffic control in Prague, and requested permission to land. Upon arrival, a few hours before the full-scale Red Army invasion, the athletes, armed with Kalashnikov automatic rifles, silenced pistols, and grenade launchers, seized and held the airport. The same spetsnaz athletic-team subsequently captured Czech President Alexander Dubcek.

Similarly, spetsnaz units were parachuted into Afghanistan in both November 1978 and December 1979, seizing the palace and assassinating top members of the government—in the latter case, two days prior to Soviet occupation of the country.

### **Current deployments**

The CIA and French intelligence sources leaked to the Western public the existence of the spetsnaz forces in September and October 1983, at the time of a marked rise in their deployment as part of the Russian military junta's buildup toward global confrontation. The objective, as described by one source, is "to divorce the sympathy of the population from the authorities, and by covert means upset the stability and smooth functioning of the society. . . . This is the type of situation which the Soviets would like to achieve, because it will increase their chances of a quick victory."

The October 1983 bombing that killed 16 members of the South Korean government at a Buddhist shrine in Rangoon, Burma is known to have been the act of a North Korean spetsnaz commando-unit, trained and commanded by the Soviet GRU. Swedish military authorities have photo-

# Terrorist underground:

*The Revolutionary Communist Party (RCP), the most sophisticated of the radical groupings currently threatening the Los Angeles Olympics, is in the thick of operations targeting U.S. military facilities in Western Europe. When 37 radicals in West Germany cut through fences surrounding the U.S. army base in Mutlangen April 21, with a mission to sabotage the deployment sites for U.S. Pershing II missiles, RCP'ers were among them, informed sources report. The RCP and 12 other Marxist-Leninist groups on March 12 formed a new "Revolutionary Internationalist Movement," which experts believe is dominated by elements of British Intelligence. We present here a dossier on the RCP, one of 30 case studies published in EIR's new Multi-Client Special Report, "The Terrorist Threat to the 1984 Summer Olympics."*

### Leaders

**Bob Avakian:** Chairman and original founder of the RCP; currently in exile in Paris; charged with riot disturbance during Chinese Premier Deng Xiao-ping's visit to Washington, D.C. in 1979; with William Hinton and Paul Jacobs started the Revolutionary Union (RU), the predecessor of the RCP; member of the Students for a Democratic Society (SDS) Flint War Council that established the Weatherunderground in 1969; associate of Black Panther leaders Huey Newton, Bobby Seale, and Eldridge Cleaver; had a personal meeting with Mao Tse-Tung in 1970.

**Clark Kissinger:** Although it is not clear if Kissinger is an actual member of the RCP, he led the World Without Imperialism Contingent, an RCP front, on a November-December 1983 tour of West Germany, where the Contingent took part in violent demonstrations and held meetings with the Revolutionary Cells (RZ) and Red Army Fraction (RAF) support-network; was the national secretary of the original SDS, a leading activist in the Committee for Concerned Asian Scholars run from Cornell University, and is an active associate of the Institute for Policy Studies.

**William Hinton:** Founding and central committee member of the RU; State Department propaganda analyst for the Office of War Information in China, 1943-1947; technical adviser to the United Nations Relief and Rehabilitation Administration in China, 1947-53; later authored *Fanshen*; was a guest lecturer at the Washington, D.C. Institute for Policy

graphed markings on the ocean floor establishing that, of six Soviet subs known to have been operating in the Stockholm Archipelago in October 1982, two were mini-submersibles of the type operated by spetsnaz saboteur- and assassin-crews. Sweden's total power outage one year later could only have resulted from sabotage of the single transformer station whose failure was responsible for the black-out—a designated spetsnaz task.

A key element in spetsnaz operations is the deployment of commercial trucks into Western Europe. The drivers are spetsnaz professionals, often Soviet tank commanders. They are principally engaged in surveillance, but also weapons-smuggling, delivery of Western currency to GRU "sleepers" and Western subversive movements, sophisticated-equipment theft, and assassination and kidnaping operations.

EIR investigators of a September 1981 attempted vehicular homicide against West German political figure Helga Zepp-LaRouche, wife of EIR founder Lyndon Larouche, concluded that it was a spetsnaz deployment. The "truck driver" who forced Zepp-LaRouche's car off the Autobahn near Hannover had only recently "fled" East Germany.

In France, a police search-and-seal operation against suspected Bulgarian spetsnaz drivers was called off under pressure from Minister of Transportation Fiterman, a cabinet representative of the French Communist Party. Fiterman had recently visited Moscow, where he met with Deputy Prime Minister Geidar Aliyev, who is directing the Islamic insurgency in Bosnia, Yugoslavia. Aliyev's current responsibilities include transportation. Although Fiterman's protests prevented a French police crack-down, Bulgarian truck traffic notably declined thereafter.

Such "fifth column" activity is not restricted to France. Foreign communist parties provide logistical and surveillance services including maintenance of safe-houses and arms caches for access by spetsnaz units.

The West German Communist Party (DKP), with aid of millions conduited from Russia through East German Stasi channels, is a controlling influence in the mass-based Green movement there. In the course of "factory occupations" protesting West German defense production, the DKP's "green" agents have thoroughly profiled the facilities for spetsnaz deployment. This is known to include the HDW/Kiel shipyards, a site of "greenie" occupation which is the designated target of the factory militia of Matthias/Thesen shipyards in Wismar, East Germany, to which two spetsnaz commando units are attached.

In the United States, the Communist Party U.S.A. is the key operational back-up for all identified U.S.-based terrorist capabilities, and is the coordinator for both public and secret actions planned against the 1984 Olympics. The assigned tasks of the CPUSA are to be understood as an inclusive part of potential GRU-spetsnaz activation in Los Angeles during the Summer Games.



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## a case study

Studies, 1963-73; established the U.S.-China Friendship Committee, 1970; suspected of being a protector of a cell in Reading, Pennsylvania which procured weapons and explosives for left- and right-wing terrorists throughout the United States.

### Current profile

The Revolutionary Communist Party (RCP) is one of the most sophisticated and dangerous terrorist organizations in the United States. Law enforcement officials have indicated that it maintains a 100-person underground which is well trained in intelligence gathering and weapons use. The RCP has access to sophisticated weaponry including rocket launchers and has at least one training camp in Colorado. RCP safe-houses are well established. RCP members often move into low-income working-class housing districts where they do no propagandizing and call no attention to themselves. Intelligence sources have indicated that the RCP may have been involved in the Jan. 11 assassination of Maj.-Gen. Robert Ownby at Fort Sam Houston in San Antonio, Texas.

Although the RCP appears to have been dormant since it conducted violent May Day demonstrations in 1980, the party is run on three tiers. The underground continues its extensive training. The semi-clandestine Fightback organizes GIs in the United States and abroad at coffee houses and in the general environs of military bases. RCP sympathizers in the military have been used by Fightback to provide logistical information for terrorist attacks on U.S. military bases in Europe. According to European intelligence sources, members of Fightback provided security information to the German Revolutionary Cells (RZ) which was used in the RZ bomb attack on the Ramstein Air Base in 1981. That attack caused extensive damage and several casualties.

The central focus of the RCP above-ground apparatus has been participation in direct-action demonstrations in the United States protesting the placement of the Pershing and cruise missiles. The RCP joined several umbrella groups, including the Livermore Action Group (LAG) of California, from which it has recruited violence-oriented hard-core individuals who have become disillusioned with the non-violent tactics of the U.S. peace movement at large.

In October 1983, the RCP established the Organizing Committee for a World Without Imperialism Contingent

(WWIC). A semi-clandestine organization, the WWIC recruited anarchists, radical feminists, and RCP members to go to West Germany to participate in violent demonstrations against the placement of the Euromissiles during the months of November and December. This entourage was lead by IPS associate Clark Kissinger, in collaboration with WWIC activist Katrin Greve of the Washington (D.C.) Peace Center and the overtly pro-terrorist intelligence-exchange group, U.S.-Eurolinks.

The RCP recruits that traveled to Germany received on-the-scenes training in violent tactics in the context of mass demonstrations and military organizing, and established personal contact with the German terrorist-support apparatus. As a result, these RCP members are the potential core of newly created terrorist cells in the United States, and of leadership for violent demonstrations to be carried out against U.S. military and corporate targets.

While in Germany, the WWIC traveled to West Berlin, which since the bombing of U.S. Marines in Beirut has become the center for a Europe-wide regroupment of terrorist networks—in which super-terrorist “Carlos” is very much involved under the sponsorship of the East German STASI intelligence service. Intelligence analysts believe that Thomas Reuter, a “former” member of the Red Army Fraction, is also at the center of this reorganization. In August 1983, Reuter attended a special meeting of the Palestine Liberation Organization in Geneva, which discussed plans to reorganize the Revolutionary Cells. Reuter is a leader of the *Knast Gruppe* (prison group), a support group for the RZ which is housed at the Mehringhoff building, which also contains the offices of terrorist-defense lawyers. The WWIC met with representatives of the Knast Gruppe and held a public forum with them.

Reuter has long been active in terrorist circles. In 1975, he was a member of a Popular Front for the Liberation of Palestine (PFLP) team that was arrested in Kenya for attempting to shoot down an El Al airliner with hand-held rockets. In West Berlin, he works closely with Eva Zischler, the wife of jailed Swiss terrorist Bruno Breguet, a top lieutenant of “Carlos.” This entire network is controlled by Nazi International financier François Genoud of Switzerland, and works in close collaboration with the KGB through STASI channels.

In recent months, the RCP has held “united-front” forums with other activist groups. On Nov. 22, 1983 in Seattle, they held a forum with Charlie Meconis of the Seattle Religious Peace Action Coalition (a participant in the Trident Blockade) and Sherry Kink of the violence-prone Green Peace. On Nov. 21, they held a forum in New York entitled, “U.S. Get Your Bloody Hands Off Grenada and Lebanon,” with Conrad Lyn and others. The RCP is extremely active in recruiting on college campuses throughout the nation. During January 1984, members of the WWIC who toured West Germany gave “report back” speeches to forums throughout the country.

## History: guns and explosives

Since its creation in 1968-69, the RCP has played a special role within the terrorist networks of the United States, functioning in both an above-ground and underground capacity. It has been connected to numerous terrorist organizations and has been involved in servicing them with weapons, explosives, and personnel. This applies to both left- and right-wing terrorist groups.

The RCP was originally created as the Revolutionary Union (RU), a special project of the Institute for Policy Studies (IPS). The case officers in charge of the project were former State Department China expert and top OSS hand William Hinton, and IPS labor organizer and "ex"-Communist Party member Paul Jacobs. Hinton, a founding member of the RU central committee, provided the specialized Maoist belief-structure upon which the RU was built. Hinton wrote the famous book, *Fanshen*, which provided the belief-structure for all U.S. Maoist groups. Jacobs provided new recruits with organizing experience in the Oil, Chemical, and Atomic Workers union in Richmond, California.

Working under Hinton and Jacobs were the inside controllers of the RU: Airforce Intelligence Capt. H. Bruce Franklin (now a professor at Rutgers University in Newark, N.J.), a specialist in irregular warfare techniques; Dr. Steven Levin, a former lieutenant in Military Intelligence, previously involved in creating the radical GI movement; and Robert Avakian, an IPS trainee and son of National Lawyers' Guild lawyer and Alameda County Superior Court Judge Spergian Avakian. Avakian is currently the chairman of the RCP.

The RU was officially founded in 1968 when Avakian led a group of 300 students in a violent "strike support" action at the Richmond, California Standard Oil Refinery. With the help of Jacobs, the RU emerged as one of the first "new left" groups that took its politics to the workers.

At the time, Avakian was an editor of the IPS-run *Ramparts* magazine, and closely associated with Black Panther leaders Eldridge Cleaver, Huey Newton, and Bobby Seale. He had begun to make a name for himself in white radical circles by participating in Black Panther rallies, and urging California students to purchase weapons for Bay Area black radicals.

Following the Richmond strike, Avakian attended the Flint, Michigan "war council" of the SDS Weatherman faction, where the decision to form the Weatherunderground terrorist apparatus was approved. He has maintained ties to the Weatherunderground ever since. Hinton then arranged a meeting of Mao Tse-Tung and Avakian in Peking, which gave Avakian the "seal of approval" for operating the official Maoist franchise in the United States.

The first phase of the organization's creation was completed in 1970 when the RU staged an assault on President Nixon's limousine in San Jose, California, trapping the President in his car while pelting it with eggs, bottles, and rocks.

## The terrorist underground

With the RU "mother organization" firmly established, a series of terrorist groups were spun out. H. Bruce Franklin "split" a faction of the most psychotic RU members into the Venceremos group which carried out armed terrorism in Cal-



*The Revolutionary Communist Party, shown here at an April 1982 demonstration.*

NSIPS/Stuart Lewis

ifornia. The center of this group dissolved into the Symbionese Liberation Army. Dr. Steven Levin then deployed to Lincoln Hospital where he helped create the Black Liberation Army and the FALN. The remainder of the RU under Avakian's leadership fanned out across the country to function as agents provocateur in various sectors of the labor movement, including the steelworkers', autoworkers', and miners' unions.

By 1972, Levin was in Reading, Pennsylvania, near which William Hinton owned a farm, to establish an RU cell which provided weapons and explosives to both left- and right-wing organizations across the country. Members of the cell removed dynamite, primer, and regulator caps from corporations in the Reading area. Explosives from this cell were traced to the 1971 Pontiac, Michigan school-bus bombing by the KKK and to the Black September terrorist network in Canada, which was organized with the help of Hinton. Explosives from Reading were also used by the Weatherunderground and Puerto Rican nationalist groups. Over a four-year period, nine tons of explosives were stolen and distributed by this cell.

During the fall of 1983, two individuals were arrested for operating a drugs-for-guns operation out of Reading. The individuals bought drugs in New York City and exchanged them with organized crime networks for guns. The guns then appeared in caches of the Puerto Rican terrorist FALN in the New York metropolitan area.

In 1976, the RU was reorganized into the Revolutionary Communist Party (RCP). During 1978, the RCP underwent a transformation, linking it to international terrorist capabilities. In November, the Episcopal Church of St. John the Divine in New York City, whose Bishop Paul Moore is a protector of the FALN, sponsored a meeting of the Institute for Policy Studies and the RCP which established RCP connections to the Iranian Student Association and the Muslim Student Association in the United States. The theme of the conference was: "War, Revolution, and the International Tasks of the American People." Keynote speakers were Robert Avakian and William Hinton, and Richard Barnet and Eqbal Ahmed of IPS. The established interconnection with this Muslim Brotherhood terrorist apparatus continues to the present.

In November 1979, RCP member Fred Hanks led a contingent of black radicals in a take-over of the Statue of Liberty in a demonstration of support for the taking of the U.S. hostages in Iran. Some members of this group, along with Iranian students, later formed the underground Islamic Guerilla Army under the protectorship of Bahram Nahidian, station-chief in Washington, D.C. for Iran's Savama intelligence service.

On Nov. 27, 1979, members of the Revolutionary Communist Workers Brigade, an RCP front, took hostages at the Selfridge Air Force Base in Michigan and occupied the base for 35 minutes, again in support of the taking of the U.S. hostages in Iran.

## *Special Report*

# The Terrorist Threat to the 1984 Olympics

For the past three years, **EIR's** counterintelligence newsletter **Investigative Leads** has published detailed evidence of a growing terrorist infrastructure in the United States—funded and supplied by Soviet client state Libya, by KGB-linked fundamentalist movements like the Muslim Brotherhood, and by the Swiss-based Nazi International apparatus. These terrorists are targeting the 1984 summer Olympics in Los Angeles.

The FBI maintains that there is no serious threat of terrorism to the Olympics, while local law enforcement and U.S. military agencies continue to discover evidence of a planned bloodbath.

In the Special Report, "Terrorists Target the 1984 Olympics," **IL** details:

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- The terrorist infrastructure's interface with the international peace movement and its Eastern Establishment figures such as McGeorge Bundy.

**The Special Report is available for \$250.**

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For further information, contact Robert Greenberg or Richard Spida, **Investigative Leads**, (212) 247-8291 or (800) 223-5594 x818 304 West 58th Street, fifth floor, New York, New York 10019.

## Who's covering up the new Berlin crisis?

by Carol White

Speaking before a national television audience on April 27, Lyndon H. LaRouche warned the American public that a new Berlin crisis is in the making. LaRouche's broadcast, warning of the danger of a crisis worse than that faced by President Kennedy in 1961, broke the U.S. press blackout of the worsening situation.

In his fifth nationwide television broadcast since announcing for president on the Democratic Party ticket, LaRouche said: "Last week a U.S. military helicopter was shot at over the West German border. During the same week, the government of East Germany announced it was breaking the four-power agreements covering air travel into West Berlin. There are many other small incidents, building up for recent weeks, in the same way the 1961 Berlin Crisis was built up.

"Some of these incidents have been reported in the U.S. news media. The most important developments have not been covered by your local newspaper or TV news. Washington has been trying to conceal the fact that we are moving up to the edge of a new Berlin Crisis. So, even issues which have been leading news stories in major European newspapers were not known to most of you in our country until you watched this broadcast.

"This new Berlin Crisis is only one of many major developments which our government is presently covering up. The Soviet empire is in a countdown toward something probably as bad, or even much worse, than the thermonuclear eyeballings of the 1961-63 period."

### **Die Zeit points to crisis**

The day before LaRouche's address, on April 26, the Hamburg-based weekly *Die Zeit* became the first major European newspaper to evaluate recent incidents between East and West Germany as the emergence of a new Berlin Crisis. *Die Zeit* drew attention to the seriousness of the Soviet moves to impede Western air travel through the Berlin corridor.

Thousands of Germans have left the East for the West in recent months. The dogmatic leadership of the SED [East German Communist Party] has been urging the Soviet Union to close down on the flow of people. The decision in the Kremlin seems to have been taken. In recent days, *Pravda* has toughened up its tone considerably. This is just what a Western correspondent in Moscow might have reported in August 1961.

August 1961 is well known as the eve of the East-West showdown known as the Berlin Crisis.

Traditionally the Soviets have signaled an aggressive turn by precipitating incidents in Berlin. The 1961 Cuban Missile Crisis followed the building of the Berlin Wall, and a similar pattern of provocations in 1967 and 1968 preceded the Soviet invasion of Czechoslovakia. In 1948, shortly before the famous Berlin Blockade when the world went to the brink of war, a British civilian airliner was shot down, and 15 people died. Other planes, including civilian ones, were downed in 1952, 1953, and 1961—before each Berlin crisis of the past 35 years. It is in this light that analysts are studying the Soviet response to the U.S. military helicopter which is admitted by the U.S. Department of Defense to have strayed "inadvertently" more than six miles over the border into Czechoslovakia on April 20.

Typically, U.S. and East bloc helicopter flights parallel each other on either side of the border. An incident such as occurred last week, with one side violating the other's territory, would normally be responded to by helicopter interception. The use of MiG fighter planes was unprecedented. One line of investigation, suggested by a U.S. intelligence source, is the possibility that the Soviets used electronic means to entice the helicopter into Czech territory in order to provoke the incident.

This would be in line with an article appearing in the East German periodical *Militärwesen*, which challenged the West's right to fly civilian airplanes into Berlin.

The article was cited by *Die Zeit* on April 20 in a comment by their Berlin correspondent Joachim Nawrocki. He wrote: "It is certainly no accident that during the same month when the Soviet disruption maneuvers began, an article appearing in the GDR periodical *Militärwesen* contains reference to a joint-GDR declaration dating back to 1957. According to that declaration, 'the existing Four-Power Agreements are of a temporary and limited nature' and 'do not affect the principle of recognition of the air sovereignty of the German Democratic Republic.' The article's author, legal specialist Lieutenant Colonel Hoeckendorff, claims that the air corridors had been granted to the Allies 'in order to supply their troops stationed in West Berlin from the air; and that civilian traffic in those corridors has practically no legal basis.'"

There have been other indications of alarm in the West German press. On April 24, the *Frankfurter Allgemeine Zeitung*, newspaper of record in the German Federal Republic, ran an editorial warning of the danger of a Soviet surgical strike into West Germany which could occur with the rapidity of Turkey's move into Cyprus in 1974 (see excerpts below). But the press is primarily governed by a policy of pretending the crisis does not exist—including virtually total silence from the French press following the murder of a French officer in East Berlin which the French government itself called "deliberate." One French journalist told *EIR* that he wrote a front-page article on the outrageous incident, only to find it buried in the back pages the next day.

The reasons for Western Europe's silence are not hard to find. The Soviet Union has made it absolutely clear to any and all European representatives, including delegations visiting Moscow, that Europe is slated for destruction if it sticks with the United States. The sharpest signal that West Germany got the message came at the recent Nuclear Planning Group meeting, where Defense Minister Manfred Wörner broke ranks with the United States, and attacked the U.S. Strategic Defense Initiative program as unworkable and provocative toward the Soviets.

Wörner's line has been echoed faithfully throughout much of the German press. On April 20 the *Frankfurter Allgemeine Zeitung* published an editorial attacking the Reagan policy, citing such unreliable sources as Hans Bethe, Richard Garwin, and Victor Weisskopf to claim that beam weapons cannot protect against so-called missile saturation, and anyway are dangerous politically. This mood of appeasement of the Soviets is also reflected in the *Die Zeit* editorial dealing with the emerging Berlin crisis. *Die Zeit* calls for reshaping the alliance thus: "A pan-European concept must include West European partnership with America, but it must exclude complicity in a purely ideologically determined American policy toward the East. It must include the Soviet Union and take account of Soviet security interests. . . ."

## State Department: head in the sand

Not only the U.S. press failed to cover the seriousness of the crisis; the response in Washington political circles has ranged from sluggish to openly cynical. When asked by *EIR* correspondent Stanley Ezrol on April 25 about the significance of the *Militärwesen* questioning of the four-power agreement, State Department spokesman Alan Romberg said he was unaware of the article, and not interested in looking into the matter.

The State Department's Lawrence Eagleburger, one of the Kissinger crew overpopulating that bastion of KGB influence, is deliberately fueling the German mood of appeasement by using every occasion to reiterate the Kissinger line that the United States should decouple from Europe. In the April 26 issue of *Die Zeit*, Eagleburger gave still another interview telling Europeans that they have nothing to expect from the United States, which is now shifting to a Pacific policy.

Using President Reagan's China trip to fan European fears in the face of a situation rapidly escalating to a potential superpower conflict, Eagleburger asserts Henry Kissinger's treachery as official U.S. government policy, asserting that it is good for Europe to have its own military capabilities, an independent identity and the opportunity to launch its own initiatives in place of—the U.S. nuclear umbrella!

## Soviet strike could succeed

*The lead editorial of the daily Frankfurter Allgemeine Zeitung April 24 described the danger of a Soviet surgical strike into West Germany. The paper compared that possibility to the Cyprus war of 1974, when Turkey was able to seize over half of the island in three days, presenting the world with a fait accompli.*

If one analyzes this process, one understands that it could well make sense to conduct a war in Central Europe, limited in time and space. . . . The aggressor would limit himself to taking a few dozen kilometers of territory, and then, after a few days, he would just stay there. . . .

The way the Western decision-making apparatus works, the inertia is so great that an early cease-fire declared by the aggressor would hardly fail in attaining its deceptive effect—deceptive, because it would seem as if only a territory the size of a few Texas ranches would be lost, whereas in reality the political and moral backbone of the Federal Republic of Germany would be broken by the loss of such a strip of land. The way the world is, no one would begin a major war over a few kilometers of land. Once it caught its breath, however, Western Europe would soon discover that its freedom had become a good deal like that of Finland. Of course, such a thing would only happen with a changed temperament of leadership in the Kremlin. But then, who could have predicted a Khomeini?

## Anti-'Yalta' faction surfaces in Europe

by Susan Welsh

Despite intensive pressure from the Soviet Union and Henry Kissinger for Western Europe to "decouple" from the United States, a minority faction of European political leaders is insisting that if Europe does not support the U.S. beam-weapon defense policy, Western Europe will become a Soviet satrapy in short order. This faction has rejected the "New Yalta" deal that Britain's Lord Carrington, German Foreign Minister Hans-Dietrich Genscher, Italian Foreign Minister Giulio Andreotti, et al. are angling to achieve with Moscow.

The pro-beams faction is strongest in France, where the government has launched its own research and development program for directed-energy antiballistic missile defense, and where Jacques Chirac, the head of the opposition RPR party, is on record in favor of Franco-German collaboration to support the U.S. beam-weapon program. Col. Marc Geneste, a leading strategic analyst, known as the "father of the French neutron bomb," toured the United States at the end of April to rally support for the U.S.-European alliance and for beam defense.

### *Courrier du Parlement*

Journalist Philippe Conrad, writing in the influential Paris newsletter *Courrier du Parlement*, defended the U.S. defense program against Henry Kissinger and his "suicidal" doctrine of Mutually Assured Destruction (MAD):

"The present implementation of power-laser weapons opens up extraordinary possibilities. . . . Lasers capable of destroying objects moving in space may well rapidly transform traditional strategies. . . . With the new technology, we can escape the suicidal doctrine of MAD that had become the gospel of so many American officials since the early '60s. . . . The Soviet effort has not let up for the last quarter century, while American research has lagged due to the ABM Treaty of 1972. . . . The American lag can be estimated at three to four years, and this American lag is essentially due to Henry Kissinger's policy and that of the Carter administration. Everything changed with the March 23, 1983 speech of President Reagan."

Conrad quoted at length from U.S. Defense Secretary Caspar Weinberger's March 28 press conference defending

the Strategic Defense Initiative. Because five or seven years is what it will take to deploy an operational first-generation system, the urgency is obvious, he wrote, especially since the French "deterrence" strategy has been upset. "The choice remaining to France if she intends to preserve her national independence is a simple one: France must resolutely commit herself to beam-weapon research, in collaboration with the U.S.A. and by exploiting her own considerable technological resources. On a European scale, the deployment of such systems could be the result of a close cooperation between France, Germany, and Italy. . . . Our 'Maginot Line' based on nuclear deterrence will be obsolete ten years hence, so our leaders must understand the decisive strategic shift introduced by beam weapons."

### *La Vie Française*

Another leading French magazine, the business weekly *La Vie Française*, reviewed at the end of April the advances made in the beam-defense program since President Reagan first launched it one year ago. The article reported the technological breakthroughs such as the downing of five Sidewinder missiles by the USAF airborne laser and progress in the x-ray laser field, as well as the political debate around the beam-weapon policy—the early Soviet rejection, Dr. Edward Teller's challenge to the Soviet delegation at a conference in Erice, Italy in August 1983 to undertake joint efforts for a Mutually Assured Survival program, and Soviet attacks on U.S. beam-weapons advocate Lyndon H. LaRouche.

"The wrath of the Kremlin is now boundless," the magazine reported. "After a conference held in Paris on March 23 of this year, *Literaturnaya Gazeta* called its sponsor, the American statesman Lyndon LaRouche, a 'neo-Nazi Führer.' On April 2, *Pravda* published an article by Soviet Peace Council head, Central Committee member Yuri Zhukov, who recounted in his own way the proceedings of the conference, in which Colonel Geneste and General Copel participated, under the headline 'A Colloquium of Assassins.' In the United States, Henry Kissinger has lashed out against beam weapons and the 'Mutually Assured Survival' policy, which has become the major stake in the Presidential election."

In West Germany, the political climate is chiefly one of appeasement—of the Soviet Union and of the "New Yalta" crowd in Hans-Dietrich Genscher's foreign ministry. Defense Minister Manfred Wörner, who takes his orders from Genscher, has been waffling on the beam-weapons issue, and finally decided April 20 to adopt the position on beams of Kissinger and the Scowcroft Commission, rather than the slightly more extreme stand of the Soviet government press. Wörner declared that a U.S. research program could be considered "legitimate" in view of Soviet advances in this area, but raised what the daily *Frankfurter Allgemeine Zeitung* called "skeptical questions concerning the case in which the West acquired such systems first."

# General Copel warns of chemical weapons

by Laurent Rosenfeld

*Vaincre la guerre (To Defeat War)* by Gen. Étienne Copel was catapulted into public attention when its author, the deputy chief of staff of the French Air Force, resigned on March 10 over disagreements with the present strategic policy of the government. The resignation, timed with the publication of the book, dropped a bombshell into French strategic thinking. General Copel also addressed the Fusion Energy Foundation conference on beam defense in Paris March 23.

The book starts with an argument which is not new in French military circles: The French doctrine of deterrence does not work in the present situation. Or, more precisely, nuclear weapons may deter the enemy from using his own nuclear weapons, but not much more. The basic idea is that if your adversary is pointing the tip of his bayonet at your chest, a 16-inch cannon will not help you very much.

Should the Soviets attack Western Europe with conventional forces, and, more specifically, chemical weapons, it seems unlikely that either the French or the American President will dare to go for a massive anti-city strike, because it would call forth immediate Soviet retaliations at the same level. France, at the same time, cannot accept the insane doctrine of flexible response, because even if it were not dangerous per se, it could be workable only if France or the Western alliance had an outstanding superiority at one of the levels of the graduated escalation provided by the doctrine, which is obviously not the case.

General Copel further asserts that the Soviets cannot really afford to launch a pre-emptive first strike, because the operation is extremely complex and the danger of failure too large. At the same time, however, given the Soviets' present war economy and the social, political, and religious unrest in the Soviet sphere of influence, whether in the so-called "captive nations" or in the Soviet Union itself, the Soviets might find themselves in a situation where they would feel forced to trigger a war against the West.

But how would they attack? A nuclear first strike being, in Copel's mind, too hazardous, the Soviet will strike in the area where they have the greatest margin of superiority. While the Soviets have a clear margin of superiority in terms of conventional forces, *the Soviets have an overwhelming superiority in terms of chemical warfare.* The Soviets were trained in chemical warfare by German chemists (the most advanced in the world in this area) before World War II, and grabbed the Nazi Germany poison gas inventories (and chemists) at the end of that war. They have been producing thousands of tons of poison gas per month, and currently have an inventory estimated to be at least 300,000 tons, i.e., 10 times larger than the United States and a hundred times larger than Western Europe.

A few milligrams of a neurotoxic called VX on the skin for two minutes is enough to kill a person. Modern toxins (i.e., poisons extracted from living organisms) are even more dangerous, in some cases lethal at doses 100 to 1,000 times smaller. (One ton is equivalent to a billion milligrams; if properly distributed, the present Soviet stock would thus be sufficient to kill mankind 50,000 to 100,000 times, or more.)

According to General Copel, the Soviets have already used those gases, either directly (in Afghanistan), or by proxy (Laos and Vietnam). One case at least is well documented: the "acid rain" used in Laos and in Afghanistan (and used more recently by Iran in Kurdistan), which chemical analysis performed in the United States revealed to be a mycotoxin (a toxin extracted from a mushroom) called trichotecen.

## Soviet chemical superiority

The Soviet artillery, tanks, and aircraft are all chemical-capable. Each unit of the Red Army, from the division down to the battalion and the company, has groups specialized in chemical warfare. Overall, at least 100,000 troops are exclusively deployed for chemical warfare. And, according to the best sources available, one-quarter of all Soviet artillery shells and missile warheads are chemical.

In the face of this danger, General Copel calls for various reorganization measures. Among others, he proposes:

- The creation of Western anti-chemical defensive capabilities (able to protect both civilian populations and military personnel), as well as offensive chemical capabilities eventually able to deter the Soviets from using these superlethal weapons.
- The deployment of various types of cruise missiles, in order to cope with the possible vulnerability of ballistic missiles.
- A full anti-blitzkrieg posture, including specifically the deployment in Europe of the neutron bomb, the only weapon able to "saturate" a tank offensive.

The subject deserves attention, and not only in France.

# Khomeini's fanatics stronger than ever

by Judith Wyer

In Iran's April 16 parliamentary elections, the most extreme wing of the ruling Islamic Republican Party (IRP) led by President Ali Khamenei and Speaker of the House Hashemi-Rafsanjani scored a major victory. The Iranian people had nothing to do with the "election." The official Iranian news service, Teheran Domestic Service, admitted that the voting hours were twice extended; this occurred, not because of widespread enthusiasm, as the regime claimed, but because so few voters turned out.

Eyewitness reports indicate that the Khomeini regime utilized such thug tactics as refusing to give Iranians of voting age food ration cards if they did not vote. Weeks before, the legal voting age was lowered from 18 to 16 in order to increase voter turnout. Iranian peasants, illiterates, and youth associated with Khomeini's fanatical Hesballahi (Party of God) were herded into booths with instructions on how to vote in order to give a modicum of legitimacy to the regime.

## A consolidation

This time around, the last vestige of secular influence within the IRP was wiped out when Mehdi Bazargan, a cabinet member in Khomeini's first government, withdrew his name as a candidate just before the polls opened. According to one Iranian source, "The radicals are totally in power now, there is no turning back, since there is nothing within the ruling party to replace them."

The Khomeini regime has now consolidated a power base to intensify the war with Iraq over the coming months, before the summer heat sets in and, to spread the Islamic Revolution across the Gulf. Up to 1 million Iranians, many of them school children, are now massed to wage another bloody human-wave attack aimed at taking Iraq's second-largest city, Basra, near the Persian Gulf.

Khomeini is now prepared to escalate terrorist attacks on Iraq's Arab oil-exporting allies. Less than a week after the elections, a Saudi supertanker exploded in Iranian waters 70 miles south of the Iranian oil-loading terminal at Kharg Island. The 24-yard hole in the hull of the 357,000-ton tanker was reportedly made by an Exocet missile, the same French-made marine warfare missile used in the Anglo-Argentine Malvinas war.

Since Iraq is known to have such missiles, the Western media, beginning with the British Broadcasting Corporation,

quickly accused Iraq of having mistakenly hit the Saudi tanker. But there is evidence that Iran hit the ship and left Iraq to take the blame. *EIR* has learned that late last year, shortly after Iraq revealed that it had both Exocets and Super-Étendard jet fighters, Iran quietly secured its own arsenal of Exocets from Argentina.

## Khomeini's price for peace

The Khomeini regime is now more than ever under the influence of a grouping led by Khomeini and Hashemi-Rafsanjani, both Soviet-trained, who are doing Moscow's work in driving the United States out of the Mideast. Thus the regime has redoubled its effort to pry apart the alliance between Iraq and its major funders, Saudi Arabia and Kuwait, by inducing Iraq's allies to accept a formula for ending the Gulf war. Iran's price is that Iraqi President Saddam Hussein be replaced, and that the Gulf states, which eagerly want the war ended for fear of its spreading, break all military ties with the United States.

Iran's ambassador to Kuwait, Ali Shams Ardekani, publicly called for such a "peace" on April 24, when he urged that Iran and its oil-exporting Arab neighbors make a "collective declaration" guaranteeing the borders of all states in the region as part of a new Gulf-wide security system. Ardekani insisted that "very soon" Iraqis opposed to Hussein will "liberate Baghdad."

According to the London *Guardian* April 25, the Khomeini regime is backing off from insisting that Hussein's successor be a fundamentalist zealot, and may be prepared to accept a secular regime, for a while. European sources report that through various channels, including Syria, Iran is quietly attempting to induce Saudi Arabia and Kuwait to agree to halt aid to Saddam Hussein and "let him fall" in exchange for ending the Gulf war, which has already cost both countries tens of billions of dollars.

The destruction of the Saudi tanker will benefit only Iran, by undermining relations between Iraq and Saudi Arabia, Iraq's chief source of badly needed funds. Saudi Crown Prince Abdullah, a close ally of Syrian President Hafez al Assad, is believed to be amenable to withdrawing funds from Hussein.

Ardekani demanded that the Arab Gulf states stop seeking security under the "American umbrella" or that of another superpower. Iran does not have "any essential" problem with Saudi Arabia, he said. "Our problems are with the schemes the United States is imposing on the states of the region . . . the best way for self protection is to stay away from the United States."

The tanker bombing is only the most recent of a spate of terrorist incidents which have swept the Gulf states, such as last December's multiple bombings in Kuwait. Iran has stepped up its pressure on the Gulf states to meet its demands by announcing that it is training students from the Gulf states at the Qom theological seminary—a move to create new terrorist capabilities.



# Malaysian prime minister to parliament: 'A nation's wealth is its ingenuity'

by Susan Maitra and Ramtanu Maitra

"In my speech today, I wish to depart from tradition," Malaysian Prime Minister Datuk Seri Dr. Matathir Mohamad told parliamentarians at the Dewan Rakyat on March 29, during the mid-term review of the Malaysian Fourth Plan (1981-86). "I shall focus my attention not on the distributional pattern of increased allocations, but on the effort required to ensure that the development plan is not a process of receiving rewards passively, but one that will promote more active participation of people from all walks of life in national development."

What followed was a lesson in the ABCs of economic development that would have left World Bank officials stuttering. Dr. Matathir spelled out a series of new programs to build up heavy industry and transform rural Malaysia. To fully achieve these goals, he emphasized, Malaysia must increase its population of 15 million nearly fivefold!

## Too dependent on exports

Like most other developing nations, Malaysia had been harmed during 1981-83 by the worldwide economic decline and the high cost of credit, a mid-term review document revealed. Since Malaysia's major exports are primary commodities and electronics components, the sharp drop in price and demand for those commodities caused a substantial deficit in the country's external accounts. "Since Malaysia is too dependent on exports, our economy continues to be adversely affected whenever there is a world economic downturn," Dr. Matathir asserted.

This is different from countries like Japan and the U.S.A., the prime minister pointed out. "While there is a need to increase further our exports, those should also be based on domestic economic activities," he said. In 1982, Dr. Matathir launched Malaysia's "Look East" policy of industrial development inspired by the Japanese example of fostering high productivity through advanced technology, manpower development, and hard work.

Largely as a result of the government's determination to take advantage of the dynamic potentials in the country, Malaysia was able to achieve a rate of growth of 6.2% a year in real terms during the plan period, a 1.4% shortfall from

the plan target. Among the major sectors, manufacturing grew at a rate of 4.9%; agriculture at 4%, and the mining sector at 5.4%—all below target levels. At the same time, the construction industry registered a 13.1% expansion. Some services, such as free medical care for working people, also expanded significantly during these three years.

Still, nations can only spend what they can afford, Dr. Matathir said, reviewing the continuing tight balance-of-payments position of the country. "Given this reality, we are now faced with two options," he told the parliamentarians. "We can either lower our standard of living to a level we can afford, or we can increase our wealth to a level that will support the living standard which we are accustomed to. The government is of the opinion that we should choose the second option—that is, to increase our wealth."

## How a nation creates wealth

"The wealth of a nation is not something that can arise of itself," Dr. Matathir explained. "The availability of natural resources, like tin or fertile land or a sea rich in fish, by themselves do not make a nation and its people rich." The wealth of a nation can increase or decrease depending upon the intelligence and wisdom of the people. "The people must therefore produce their output wisely, by increasing its value through processing before they can enrich themselves and the nation. *Hence, the ultimate source of wealth of a nation is its manpower and its ingenuity* [emphasis added]."

Dr. Matathir identified the crucial role of individual savings and productive investment in increasing the nation's wealth. "Money kept under the pillow will not make the owner or the nation rich," he said. The other major source of wealth is productivity, he stressed, emphasizing the individual citizen's role and responsibility in this process. "When a person is totally unemployed, he does not contribute anything to himself, to his community or his nation. On the other hand, when he provides a service or produces goods, either in part or in full, he contributes to the wealth of the nation. Certainly, if he works hard, provides more services or provides greater output by his own efforts, his contribution will be even higher."

In his review of new government initiatives, Dr. Matathir laid special emphasis on the eradication of poverty in rural Malaysia, where most Malays live. Departing sharply from the litany of Malthusian "development theory," the prime minister categorically rejected the small-plot farming system that persists today. "In fact, in these modern times, we can no longer accept a peasantry system in which farmers try to make a living through the ownership of and by working on small plots of land," he stated. "No matter what kind of aid is given, output from the small plots will be inadequate to sustain their livelihood."

Dr. Matathir presented a bold program for rural regeneration based on merging small plots of land into cooperative "estates," and the creation of townships based on these estates. "*Padi* farmers [plot rice cultivators], for instance, could merge their landholdings with adjacent plots to form estates," he said. "For this purpose, estate managers will be trained by the government, but will have to be paid by the cooperatives. These estate cooperatives will also own the equipment and machinery," Dr. Matathir continued. Each landlord would be entitled to a share in the estate in proportion to his contribution to the estate, and the ownership and grants of estate land will continue to be in the hands of the landowners and their dependents.

Since construction of houses will be based on a systematic plan, Dr. Matathir pointed out, land use in the newly created townships will be optimized. As a result, he said, a larger area of the participants' land could actually be devoted to cultivation or other productive purposes that will arise from the merger of the *kampung* [village]. Further, the townships will be supplied with pipewater, electricity, roads, and other facilities. Schools and clinics will be built according to local needs, and shops will also be provided.

### Denounce village idiocy

The prime minister is fully aware that such a program strikes at the root of the rural backwardness which makes the countryside a seedbed for political instability. He coupled his announcement of the new campaign with a blistering preemptive attack on the opportunism of those ruralists and fundamentalist Muslims who can be expected to fight the plan in the name of "maintaining social traditions and harmony."

"Definitely there will be people who say that this scheme will tarnish the beauty of the Malay *kampung* and destroy the traditional culture," Dr. Matathir said. "They will intone that landowners will become wage-earners, the program will become uneconomical and unprofitable, together with all sorts of other accusations which are inconceivable to a normal mind. Surely, various *hadis* and *firman*s [Islamic edicts imposed by religious leaders] will be quoted, distorted, misinterpreted, and loosely used to defeat well-intended efforts, solely to protect their intellectualism or political interests.

"Not satisfied with their efforts to sabotage this pro-

gram," Dr. Matathir continued, "I am convinced that these people will instigate the rural population to oppose and obstruct this program." In addition to a stable of neo-Malthusian royalists, centered in several environmentalist groupings in the old British resort town of Penang, the efforts of Iranian and other fundamentalists to establish a beachhead for destabilization in the Malaysian countryside have come under the attentive eye of Dr. Matathir's government.

### Looking to the future

In his speech, Dr. Matathir stressed that future economic growth must come largely through strengthening the private sector, and called for a special effort to develop basic industry. "With the establishment of heavy industries," he said, "various additional benefits of linkage will be generated, especially in the utilization of natural resources in the country. In addition, those industries will provide the basis for developing indigenous technology. Heavy industries will not only save foreign exchange but will also provide the opportunity for acquisition of skills which can be utilized in other industries. They will also provide the opportunities to learn to manage large-scale industrial establishments. This will directly contribute to the widening of the economic base of the nation."

The Malaysian prime minister also stressed regional development planning, as opposed to the statewide development plan. Competition among neighboring states is economically baseless and actually unhealthy, he declared, from the standpoint of effective development.

But to overcome the many challenges necessary to build up the nation, Dr. Matathir emphasized, Malaysia needs a lot more people. His discussion of population economics with Malaysian parliamentarians epitomizes the political courage with which he has consistently defied prevailing Malthusian shibboleths.

"As the honorable members are aware," the prime minister stated, "Malaysia, with an area of 334,000 square kilometers, has a population of 14.8 million. This population is small compared to Britain, with 245,000 square kilometers and a population of 55 million, the Philippines, with 300,000 square kilometers and 45 million people, and other developed and developing countries.

"While a large population does not necessarily guarantee prosperity, a small population can give rise to many problems; among others, the domestic market will be too small to support mass-consumption industries," he explained, referring to industries that will facilitate a rising standard of living.

"In view of this, the government has decided Malaysia should ultimately have a total of 70 million," Dr. Matathir announced, adding that a large population will not bring about prosperity automatically—education and the inculcation of the values of discipline and diligence are essential. Ultimately, the wealth of a nation depends, as Dr. Matathir insists, on "the intelligence and wisdom of the people."

## The mafia's 'golden opportunity'

*International pressures and economic woes have forced Colombia to invite in the IMF and the drug mafia.*

Toward the end of February, the *junta monetaria* headed by Finance Minister Edgar Gutiérrez Castro ordered the Colombian central bank to begin buying up gold on the domestic market for \$100 above the going international price. Not long after, the government announced that it was going to start selling its gold holdings on the international market in order to bring in dollars to replenish its drained reserves and pay its foreign debt.

Individuals with dollars to spare could thus buy gold on the international market for \$380 a troy ounce and sell it to the Colombian government for the peso equivalent of \$480 a troy ounce. The peso, officially pegged at 95.45 to the dollar, has in effect been made available at 120.55 to the U.S. dollar. In March, the central bank bought 60,000 ounces of the metal, 40,000 more than in February.

The decision not only implies a de facto 30% devaluation of the Colombian peso but, perhaps more importantly, opens the door to outright legalization of the drug trade. Both are conditionalities demanded by the international financial community in exchange for reopening the credit spigot.

The only holders of significant dollar caches abroad with the capacity to smuggle gold into Colombia are the same gentlemen who smuggle narcotics out of Colombia. As the National Association of Jewelry Makers in Colombia recently charged, the government's gold offer is providing an excellent laundering mechanism for Colombian traffickers. The only differ-

ence is that the infamous *ventanilla siniestra* ("sinister window") at the Banco de la Republica which once took in narcodollars, no questions asked, has now become a *ventanilla aurea*, a "golden window."

Colombia's vulnerability on the economic front is what has forced the country with the best record for fighting drugs on the continent into giving the drug mafia an open invitation. The collapse of trade both internationally and intraregionally over the past year has significantly cut into Colombia's export revenues. Its international reserves in 1983 fell from \$4.3 billion to \$2.5 billion, and in the first quarter of 1984 have dropped another \$700 million.

With more than half of its remaining reserves in the form of gold bullion, Colombia has only enough liquid reserves left for four months of imports. Thus its desperation to bring in dollars by any means necessary.

The international financiers who control the credit flows to countries like Colombia have been pressuring for precisely such submission on the part of the Betancur government. Last November, the Swiss daily *Neue Zürcher Zeitung* warned Betancur to stop his war on drugs if he wanted the economy to survive:

"In the past decade, Colombia could depend annually on \$2 to \$3 billion which flowed from uncontrolled [illicit] exports of the most varying sorts. . . . Were the government's moralizing campaign to become the basis for a reduction in this

area, Colombia . . . would see itself—even after a toughening of the already existing import restrictions—no longer in a position to earn the foreign exchange necessary for its economy. . . ."

Drug-linked financial interests in Colombia who see in the government's "buy dear, sell cheap" scheme a golden opportunity to buy up the economy wholesale are not wasting any time in urging the full-scale legalization of drug dollars. The daily *La Republica* editorialized openly on April 24 for using "dirty money" to pay the debt:

"[We recommend] that the dollars which operate on the internal market should have the option of investing in the acquisition, through bonds offered by the state, of part of the public municipal debt of Colombian cities. . . . The intention of such an arrangement for the national economy would be converting surreptitious money into legal tender."

Selling off its gold holdings is not the only measure the government has launched to try to beef up its anemic reserves. In the second and third weeks of April, the government placed some 850 import products on the prohibited list. Another 1,800 now require "prior licensing." Many of the prohibited products are food items, energy components, and tools. One importer of hospital chemicals told *EIR*, "I'm going to go bankrupt. Nearly all the products I imported are now prohibited. I don't know how many patients are going to die. . . ."

On top of the import cutbacks, the government has launched austerity measures the IMF would be proud of. In upcoming coverage, we will discuss these measures in depth. Meanwhile, those of you who have never seen Bogotá's famous *Museo del Oro* had better hurry.

## Perfidious gets an alibi

*To what extent will the British be complicit in the full-scale Islamic terror war being prepared against the United States?*

Behind the front-page news of the British siege of the Libyan embassy in London, telltale signs are emerging that the Libyans and the British are not such bitter enemies as it might appear. The crisis was sparked April 17 when a gunman within the Libyan embassy opened fire on a demonstration of anti-Qaddafi exiles outside, killing a British policewoman in the process.

British response to the incident was perplexing. Home Secretary Leon Brittain advocated that the police immediately assault the embassy, but Foreign Office Secretary David Luce refused, citing international law—unusual for Perfidious Albion—giving immunity to embassies as the reason why London would not take action against a terrorist regime that had killed a British subject.

Then, in an article entitled "Ten Questions All Britain Is Asking," Tory Member of Parliament Eldon Griffiths, who also serves as a consultant to the police federation, pointed out that a full 24 hours before the incident, the Foreign Office had received a CIA intercept from Tripoli ordering a gunman inside the Libyan embassy to fire on the anti-Qaddafi demonstrators. The Foreign Office not only neglected to inform the police, but stuck to the line that the shooting was the responsibility of local embassy staff—not Qaddafi.

It is commentaries from Moscow which began to supply the answers to some of Griffiths's questions. In a lengthy political commentary in *Pravda* April 24, the Soviets declared

that the United States is the proper target for Qaddafi's revenge for the London incident. The crisis is the result of "provocations masterminded by Britain and America. It is not by chance that this coincides with a major anti-Libyan campaign organized in the United States." The British ambassador in Moscow protested to the Soviet Foreign Ministry that the characterization of London's stance was "too harsh."

The Foreign Office reinforced *Pravda's* line by letting it be known that London broke diplomatic relations with Libya only because of "pressure from the Americans." The Foreign Office is a stronghold of the faction led by Kissinger Associate Lord Peter Carrington, former foreign secretary and NATO Secretary-General. Aside from his longstanding links to the Propaganda-2 drug-terrorism mafia that funded Qaddafi, Carrington is Britain's leading spokesman for a deal with the Soviet Union to destroy the United States.

To what extent will the British be complicit in the full-scale Islamic terror war being prepared against the United States?

While the British were playing out their "siege" of the Libyan embassy, leading Islamic terrorists were meeting on the European continent to plan out the next wave of actions against the United States. The most important of these meetings took place April 20 in the Libyan embassy in Rome. It brought together the Syrian chief of intelligence, Gen. Ali Duba, Iranian

Savama chiefs, General Gardhust and General Farazian, and an unnamed representative of the PFLP-GC, the group of Palestinian terrorist Ahmed Jebril.

Three days later, Iranian Prime Minister Moussavi declared that "Iran firmly stands with its Libyan brothers in its fight against imperialism." It has long been known that a center for both Libyan and Iranian terrorism in Europe is the Iranian embassy to the Vatican, run by the Ayatollah Khosrowshahi.

The Iranian component of a terror war against the United States will key off disruptions of Iranian embassies in Europe the week of April 23 by the Socialist International-linked fedayeen, following on the heels of the London shoot-out. Iran accused the United States of instigating the "terrorist attacks."

For Libya, the control apparatus for this war is furnished by East German intelligence. According to European sources, streams of new advisers from the DDR are streaming into Libya, whose internal ministries were reorganized after a long conference held in February. This relationship was made official in the early March publication of a military cooperation treaty between Libya and East Germany. Right before the Rome meeting, the Libyan intelligence chief and Minister for External Security, Col. Beklkha-cem Younis, was in East Germany meeting with officials.

It is Younis's direct underling, Deputy Minister for External Security Col. Abdelrahmane Shuaibi, who was brought to London to negotiate the settlement to the embassy crisis. The decision to end the siege by breaking diplomatic relations was the easiest face-saving gesture the British could have hit upon, alleviating the British of the necessity to arrest a Libyan, or search the Libyan staff and embassy.

### The mustard plant syndrome in Punjab

*Whether the government can exorcize the evil spirit running amok in this key border state remains to be seen.*

In some parts of India when the village medicine man is called upon to cure possessed individuals, he brings along a mustard plant with which he flays the afflicted patient to drive out the "evil spirits." Whenever such treatment fails to bring results, it is generally agreed that this is because the "evil spirits" reside in the mustard plant itself.

The evil spirits that have settled within Punjab over the past years continue to defy every effort to halt the bloodletting and bind the wounds of this strife-torn state.

In the most recent days, New Delhi has launched a new effort at negotiation with the mainstream leadership of the Akali Dal, the Sikh political party, in an apparent effort to wean party leader Sant Longowal and his associates from the grip of the fanatic fundamentalist Sant Jarnail Singh Bhindranwale. Bhindranwale and his gang of terrorists, who carry the separatists' banner for "Khalistan," have insinuated themselves into the Akali movement over the past two years to the point that they are now dictating terms to the traditional Akali leadership, and to everyone else. Both the Akali Dal leadership and the Bhindranwale group have been in an uneasy alliance inside the Golden Temple, one of the most important Sikh shrines, in Amritsar for more than a year. Bhindranwale controls one portion of the huge Golden Temple fortress, while Longowal is reportedly ensconced on the top floor in a room he has not left for weeks.

The occasion for Delhi's renewed bid to isolate the terrorists is the sharp polarization between the two Sikh camps that burst forth following the murder on April 14 of one Surinder Singh Sodhi, a close associate and top hit man for Bhindranwale. Sodhi's female assailant reportedly went directly to Bhindranwale following the murder, where she tape-recorded a confession that she had been paid Rs. 200,000 (about \$20,000) by the leadership of the Akali Dal to kill Bhindranwale and his top leadership.

The following day her dead body was found in a sack in a ditch, but the story of her confession had already raised the temperature in the Golden Temple to the boiling point. Longowal expressed fear for his life in the same breath as he categorically denied any involvement in the killing.

The next day a new wave of terror was unleashed. In a coordinated action small bands of terrorists attacked and set fire to 37 railway stations throughout Punjab, and the so-called Dashmesh Regiment, a terrorist subunit of the banned All-India Sikh Students Federation (AISSF) front, warned of "bigger actions to follow." On April 16 three Akali supporters were killed by followers of Bhindranwale.

There are several features of the recent violence that are significant. First, members of the local Punjab police force have fired upon the Central Reserve Police Force (CRPF) sent into the state under the provision of presidential rule to combat the terrorist out-

breaks, and a number of Punjab police officers have been arrested for involvement in the terrorism.

Second, official reports are that common criminals are being used by Bhindranwale and the AISSF leaders to conduct the terror. Also, a story in the press that the Khalistan protagonists were negotiating with an international "hit team" offering a contract to eliminate certain Indian officials is under investigation, according to Home Minister P. C. Sethi.

Third, it is apparent that the terror operation is of the "low-intensity" variety—it is constant and thus corrosive, but carefully kept below the threshold that would generate an overwhelming popular demand for full military action.

At this writing, there is no official confirmation that any new offer has been made to the Akalis. In any case, the April 27 meeting in the Golden Temple of the entire Akali leadership will tell how much room—if any—Sant Longowal has to entertain such offers in the first place.

In many ways, Longowal gives every impression of being more of a captive of the Bhindranwale forces than ever before. He has vehemently denied the press reports that he and his associates are talking with New Delhi, and in the most recent days he has contradicted his earlier concern and now asserts that he is under no physical threat within the Golden Temple compound. He has also demanded the withdrawal of the CRPF from the state.

The April 27 meeting itself was apparently prompted by an open challenge to the Longowal group's leadership of the Akali cause by the Bhindranwale-AISSF gang in the wake of the Sodhi killing. Bhindranwale has rejected outright the report of the commission of prominent Akalis formed by Longowal to probe the charges of Akali connivance in the affair.

### Phase change in anti-NATO movement

*The Easter marches showed that the unions and Social Democrats are now backing anti-U.S. demonstrations.*

**A**n estimated half-million demonstrators went into West Germany's streets during the April 21-22 Easter weekend. Their targets were NATO, the United States, and the U.S. effort to counter the Warsaw Pact's buildup of intermediate-range missiles.

More visibly than during the mass protests of October 1983, the Social Democrats (SPD) joined hands with the German Communist Party (DKP) and the Greens against the "scorched-earth plans of the United States for Europe," i.e., the ongoing stationing of Pershing II and cruise missiles which began at the end of last year.

At one of the main demonstrations, in Duisburg, the SPD's Erhard Eppler (who, by the way, was one of the 50 privileged Germans allowed to attend Henry Kissinger's Harvard Strategic Seminars in the late 1950s) lashed out against the Reagan administration.

Never before in U.S. history had there been such a "policy disaster" as the stationing of the Euromissiles, Eppler said, and called for "upgraded resistance against this organized insanity."

Observers of the demonstrations noticed that the churches were more in the background this time, while the labor movement's leftists played a larger and more public role than they did during the "hot autumn" of 1983.

This seemed to reflect a shift of political views among the labor bureaucrats, who have recently been in intense contacts with prominent Soviet officials.

In mid-March, the chairman of the Soviet Labor Union Federation, Stepan Shalajev, met with the chairman of the West German Federation of Labor, Ernst Breit, for a full day of discussions; at about the same time, the chairman of the Metal Workers Union (the strongest in Germany, with 2.5 million members), Hans Mayr, was in Moscow for discussions on "peace and disarmament issues" with Soviet representatives.

Mayr and Breit are members of the SPD, whose general manager, Peter Glotz, responded to growing membership criticism of the pro-communist trends in both the SPD and DGB with the statement that "there is no need to draw a line between us and the Communists."

The new pact between the SPD, the DKP, and the Soviets on the anti-NATO issue became public when leading Christian Democrat Jürgen Todenhöfer, his party's spokesman on disarmament questions, accused the Easter marchers of being "Moscow's useful idiots." Julius Lehlbach, an SPDer who chairs the DGB in Rhineland-Palatinate, the West German state hosting most of the U.S. Army GIs stationed on German territory, responded by accusing Todenhöfer of reviving "slogans of the Nazis."

The anti-NATO mobilization is not confined to verbal extremism. The use of violent language, which more and more recalls Moscow's anti-American rhetoric, reflects an orientation toward violence on a broader scale.

A week before the Easter march-

es, police found the railway tracks leading to the U.S. air base at the Frankfurt airport destroyed: Not only were the rails blocked by cement blocks, but at one point they had even been raised by brute force—probably by use of a hydraulic lift.

It was by mere accident that the police, alerted by security officials' overall warnings, discovered the sabotage attempt; what if a U.S. military transport had been derailed?

The U.S. Army barracks of Garlstedt (near Bremen) in Germany's northwest were the scene of massive riots outside the camp's gates, and police had to use water hoses and arrest 160 demonstrators in order to clean up the site.

The confrontation buildup was most dangerous at the U.S. Army camp in Mutlangen, Baden-Württemberg, where Pershing II missiles have been stationed.

While radicals cut the fences around the camp at several locations, 30 activists intruded into the site and approached the hall where the Pershing II missiles were believed to be stored.

It was at this point that a U.S. guard fired two shots at the group, to stop them. If he had hurt even one, the so-called peace movement would have had its long-awaited anti-NATO martyr.

The 30 activists, whose aim quite obviously was to provoke such an incident, were arrested.

Given the actions of the increasingly radicalized anti-NATO movement and of the Soviet military—as witness the ongoing Soviet provocations in the air corridor over Berlin—the Easter weekend of 1984 must be evaluated as the first step in a new phase of Soviet and Soviet-inspired provocations against the U.S. military presence in Germany.

## Colombia's M-19 comes to Mexico

*The PSUM is hosting the narco-terrorists' arrival, part of the Nazi-communist destabilization drive.*

**T**he Mexican communist party, which enjoys the enthusiastic backing of the U.S. State Department, has invited the bomb-throwing terrorists of Colombia, the M-19, to Mexico to participate in the ongoing destabilization of the country.

A leaflet signed by the M-19, recently circulating in Mexico City, announced this with fanfare: "The Colombian April 19 Movement—M-19—invites you to celebrate our anniversary, and to honor our [deceased] chief, Jaime Bateman Cayon. Representatives will be present from the FLMN-FDR (El Salvador), Radical Party (Chile), along with Mexican journalists and M-19 leader Rafael Vergara."

The "celebration" took place April 26, at the auditorium of the SUTIN nuclear workers' union—controlled by the communist party, now called the Unified Socialist Party of Mexico (PSUM).

The M-19 is the principal "narco-terrorist" organization in Colombia, which is currently on the rampage against the government of President Belisario Betancur for his "war on drugs" policy. When Betancur sent the army in to cocaine-processing regions to close down the dope factories, the M-19 laid siege to the town of Florencia in retaliation, shooting up the place and taking over police headquarters, banks, and businesses.

Peruvian War Minister Oscar Brush Noel warned in a statement at the end of April that the M-19 is expanding its operations outside of Colombia and has started conducting acts

of blind terrorism in Peru.

The M-19 is making no secret of its move into Mexico. An organizer from the Mexican Labor Party (PLM) reports that a prominent and well-dressed member of the terrorist group walked up to him on the street April 24, handed him an invitation to the "anniversary celebration," and denounced the PLM's description of the M-19 as "narco-terrorist." The man identified himself as a former head of legal affairs for the Central Bank of Colombia, who now lives in Mexico "dedicated 100% to promoting M-19 activities."

"We are not a mafia," he claimed; "we are politicians fighting with weapons because there is no democracy in Colombia." Colombian President Betancur, he said, is an "oligarch," and the Contadora group of Ibero-American nations (including Mexico and Colombia) seeking a solution to the Central America crisis is "playing with 'gringo' interests." As for Central America, he said: "We are prepared for a U.S. invasion of Nicaragua, and we are going to leave our last drop of blood there."

The two-faced policy of the U.S. government toward Mexico is pulling the rug from under the efforts of President Miguel de la Madrid to deal with this destabilization threat. In February, Paul Gorman, chief of the U.S. southern command, told the Senate Armed Services Committee that Mexico has "the most corrupt government and society in Central America. . . . Mexico is a one-party state that has pursued a policy of accommodation

with its own left and international leftist interests," he charged. "Mexico is the center for subversion throughout Central America," he said, and could become the "number-one security problem" for the United States in the next decade.

Gorman's attack on the "one-party state" was a coded reference to the State Department's increasingly open support for the communist PSUM and the fascist National Action Party (PAN), the Nazi-communist alliance that is out to destroy Mexico's republican institutions and the PRI party.

As we reported last week, George High, the head of the Mexican desk at the State Department told *EIR*: "I think it would be very interesting to see what comes after the PRI. . . . Elements of the PRI are pro-Soviet. . . . I'm for democracy, not just for one party, so I think it is important to have other parties; the PAN is another party; I even think it's fine to have the PSUM."

It is scarcely a coincidence that the surfacing of the M-19 in Mexico occurs just weeks after President de la Madrid returned from a highly successful organizing tour throughout Ibero-America, which established the beginnings of a common market for the continent and a debtors' cartel. De la Madrid also reached an agreement with Venezuelan President Jaime Lusinchi for a joint war on drugs and terrorism.

From the standpoint of the oligarchs who pull the strings of the terrorists, Mexico is getting out of line, and has to be stopped.

The terrorist activation also occurs just two weeks before de la Madrid goes to Washington to meet with President Reagan to try to gain the President's support for the efforts of the Contadora group to solve the Central America crisis and for a solution to the debt crisis.

### Who benefits from the Vatican reform?

*The Pope has turned over temporal powers in Vatican City to Secretary of State Casaroli, while promoting his own supporters elsewhere.*

On April 9, it was made public that Pope John Paul II had decided to carry out a reform in the government of the Catholic Church accompanied by a significant change in the leadership of the Roman Curia, the papal bureaucracy. The extent of reshuffling and the decision to entrust the civil government of Vatican City to the Secretary of State, Cardinal Agostino Casaroli, raised several questions, many of which only time will answer.

Though the Apostolic Constitution "Regimini Ecclesiae," which came into force in 1968, had established the principle of appointments of limited duration (not more than five years for the Prefects of the Congregations), the actual choices were unexpected. According to the newspaper of the Holy See, *Osservatore Romano*, the decision underlines the pastoral mission and internationalization of the Church's government.

Let's examine the changes decided on by the Pope. In a handwritten document, he renounced the practical exercise of his powers in the civil government of Vatican City, entrusting them to the secretary of state. The document states: "We have decided to confer on you, as our secretary of state, a high and special mandate to represent us in the civil government of the state of the Vatican City and to exercise, in our behalf—always by reporting to us, especially in cases of particular importance—the powers and the responsibilities concerning our tem-

poral sovereignty over the state."

Cardinal Casaroli, who, as *EIR* has documented, is the author of a deal with Moscow that envisions the Catholic Church "surviving" in a world dominated by the Soviet Empire, has thus gained more power in the administration of the Vatican state. But on the other hand, he has lost the presidency of the commission that governs the Vatican state (formally subordinated to, but in reality independent of, the new Casaroli office) and the presidency of the APSA (the Administration of the Patrimony of the Holy See).

Casaroli's former position as head of the Pontifical Commission for the state of Vatican City was entrusted to Cardinal Sebastiano Baggio, who leaves the Congregation for the Bishops; Baggio's position there goes to African Cardinal Bernardin Gantin. Thus Cardinal Baggio loses the powerful Congregation for the Bishops (which decides on the promotion of bishops) but gains a position of high responsibility in the government of the state. His nomination reduces significantly the power of the controversial Monsignor Paul Marcinkus, who had been the president pro tem of the commission. It is widely believed that Marcinkus has lost any chance to be nominated cardinal.

The nomination of Cardinal Gantin is of the utmost importance, and could give the pope control over the nomination of bishops worldwide. It appears that this choice was decided

personally by John Paul II. Another African has been appointed to the Vatican: Nigerian Bishop Francis Arinze, who will preside over the Secretariat for Non-Christians. Monsignor Arize is known for his efforts to contain Islamic fanaticism in Africa.

More surprising was the nomination of the cardinal of Marseille, Roger Etchegaray, to the presidency of the *Iustitia et Pax* and *Cor Umum* commissions. The cardinal, known for his frequent changes of mind, was perhaps rewarded for his support of the recent statement by the French bishops on the necessity of military defense—a document opposite in its spirit to the "nuclear freeze" pastoral letter of the U.S. bishops.

Speculation is particularly rife over the news that Monsignor Achille Silvestrini, Casaroli's right-hand man, was not named to the presidency of a congregation. Among the most credible hypotheses advanced is that he is waiting to be named bishop of some important diocese such as Bologna or Genoa, as a springboard to becoming a cardinal. Silvestrini is probably preparing to take Casaroli's place who will have to step down in five years.

Among the most interesting reactions to this Vatican shift is from the Jesuits, who do not seem to like the new nominations, in particular that of the archbishop of Dublin, Monsignor Ryan, as prefect pro tem of the Congregation for the Evangelization of the Peoples. The Jesuits have themselves been trying for years to gain full control of the Church missions.

Socialist political scientist Gianni Baget Bozzo was more enthusiastic. "A Church that is no longer Italian, perhaps not even Eurocentric: this is the new possibility," he wrote. "We send our congratulations to Cardinal Casaroli. He has not only crushed Marcinkus; he has won, all along the line, on the issue of the *Ostpolitik*."



## The captive of the Soviet KGB

*Who ultimately pulls Papandreou's strings—a topic of speculation since 1963—gets an unexpected answer.*

**T**he campaign strategy which Greek Prime Minister Andreas Papandreou selected, after much party infighting, for the June 17 Europarliament elections, was “made in Moscow.” And not in accordance with the wishes of Greek President Constantin Caramanlis, who had implored Papandreou to keep the domestic peace.

“Tranquility” or “strategy of tension” were the choices before the Greek electorate, according to President Caramanlis. He spent the early months of this year entreating, cajoling, and threatening all parliamentary parties to avoid harsh polemics, avoid fanning the ugly passions of the still vividly remembered civil war—for the sake of his program of “tranquility.”

The revival of a strategy of tension and of the old civil war passions, President Caramanlis feared, would tear the country apart and by 1985's general election might shatter the fragile democratic system which he personally had so painstakingly created since 1974.

Mr. Caramanlis is haunted by the recurring nightmare that his life's work may be ruined in the time span between June 17, 1984, the date of the Europarliament elections, and Oct. 10, 1985, the date of the Greek general elections. As of the beginning of April, Prime Minister Papandreou had turned the president's nightmare into a reality.

Mr. Papandreou had given the president solemn promises earlier in the year to keep his party's campaign

rhetoric within circumspect limits of decorum. Later, however, he proceeded with an inflammatory campaign which has already set Greece and its population on a path similar to that embarked upon by the Lebanese people 10 years ago.

Papandreou made the decision to break his promise to President Caramanlis and follow his present course some time during the latter part of March, after much controversy, factional warfare, and infighting inside his ruling party, the Qaddafi-financed PASOK.

Papandreou and PASOK were confronted with a cascading decline of popularity at the opinion polls, a succession of election disasters in virtually all of this year's municipal and other local elections, and a highly visible swelling of the ranks of the traditionalist-conservative opposition party, the New Democracy Party.

Papandreou was confronted with the following choices:

1) Accept the PASOK Marxist core's proposal to run the June 17 elections on fear-mongering slogans of the presumed “fascist revival threat” from the New Democracy Party, and thus revive and spread the old civil war passions, or 2) acquiesce in yet another electoral defeat by keeping his promise to President Caramanlis of maintaining domestic peace.

After a series of bitter personal confrontations and uproar in the PASOK party ranks, Papandreou, at the

end of March, decided to adopt the strategy of tension, up to and including the complete institutional destabilization of his country. In essence, Andreas Papandreou is threatening President Caramanlis: “Either I stay in power, or Greece goes the way of Lebanon.”

This is Andreas Papandreou's Ni-costratus complex, his underlying insatiable thirst for personal power, above any other consideration. Those PASOK power brokers, such as Tsochatzopoulos, Gemmimatas, and certain others to be named at a future time, who forced Andreas Papandreou into this course of action, have among their ranks long-standing Soviet KGB agents.

The KGB's current operating plan for destabilization and civil war in Greece is pivoted to a large extent, at least during this phase, around Andreas Papandreou's pathological power complex. It is significant that this same personality flaw of Andreas Papandreou was the main reason for which Henry A. Kissinger during the 1969-73 period had selected Mr. Papandreou for the role he was to play in Greek politics from 1974 onward.

The KGB's and Henry Kissinger's perspective for Greece over the next year is to wreak havoc.

In mid-May 1984, the PASOK party congress will take place, whose purpose and agenda will be to lay the groundwork for a polarization leading up to a civil war confrontation. Beginning with the June 17 elections in the European Parliament, a continuous and growing series of political confrontations is scheduled to be provoked for the intended purpose of so aggravating the political atmosphere that the October 1985 general election may be conducted with bullets, rather than with ballots.

Thus Andreas Papandreou has launched the Lebanization of Greece.

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# International Intelligence

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## ***New Lebanese government boosts Soviet influence***

The dismemberment of the nation of Lebanon proceeded the week of April 23 with the creation of a new government under figure-head President Amin Gemayel with al-Amal Shi'ite militia leader Nabil Berri as Deputy Prime Minister in Charge of Economic Affairs and Druze militia warlord Walid Jumblatt as Deputy Prime Minister in Charge of Military Affairs. The appointments were reported by both Beirut and Damascus.

The appointment of Hitler-devotee Jumblatt will give the Nazi-communist International increased control over terrorist capabilities inside Lebanon.

Berri and Jumblatt arrived April 23 in Damascus for consultations with the Syrian leadership.

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## ***Andreotti signs anti-beam accord with Moscow***

During his three-day visit to Moscow the week of April 23, Italian Foreign Minister Giulio Andreotti signed a joint statement with the Soviet leadership opposing the U.S. bid to acquire a space-based laser defense system. This is the first time that a ranking official from a NATO country has joined the Russians to officially reject the U.S. program.

The declaration reads in part: "The two parties agree on the necessity that the [Stockholm] conference on disarmament faces in a concrete way the analysis of the problem of the prevention of an armaments race in space."

The declaration also stated that "the Soviet Union and Italy are in favor of a sovereign and independent Lebanon"—a statement of extraordinary cynicism, in view of ongoing Soviet-Syrian efforts to destroy that country.

Before the agreement was signed, Soviet Foreign Minister Andrei Gromyko

greeted Andreotti with the following "toast": "Remember Pompei, which was reduced to ashes by a volcano. How many Vesuvii does a nuclear bomb represent?" Despite Gromyko's threat, Andreotti assured reporters afterward that the Soviets are willing to negotiate with the West.

Gromyko also insisted that the common enemy of both Europe and the Soviet Union is the United States, portraying Western Europe as victims "who have been pressured into becoming the accomplices of Washington."

Andreotti's response? A bland statement that "the Soviets want from us [Europeans] a certain independence of judgment [vis-à-vis the United States]."

The first Western foreign minister to visit Moscow since the stationing of American Euromissiles in Europe began, Andreotti also signed three important commercial, economic, and cultural agreements for a total amount of about \$3 billion. West German Foreign Minister Hans-Dietrich Genscher and British Foreign Secretary Geoffrey Howe, both important spokesmen of the "decoupling" faction in Europe, will be traveling to Moscow shortly.

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## ***Israeli leaders at odds over foreign policy***

Shimon Peres, head of Israel's opposition Labour Party, and his party's prospective candidate for prime minister in the July national elections, told UPI April 23 that he wanted to open up peace negotiations with Egypt, Jordan, and Lebanon "without prior conditions. . . . We would like to talk and to settle and to do it as soon as possible."

Were he elected prime minister, Peres added, he would call on the United States "to try and coordinate a policy for the future" for the Middle East region. The "Reagan Plan" conception of Palestinian self-government on the occupied West Bank, in association with Jordan, Peres added, would "provide a basis for negotiations."

Former Israeli Defense Minister Ezer

Weizman, on the other hand, told the *Jerusalem Post* April 24 that the foreign-policy emphasis of his newly formed Yahad Party will be "an opening to the Communist countries."

Weizman is a hardcore member of the British intelligence-connected faction of Yigal Yadin and Ariel Sharon. The *Post* reports that his Yahad Party is receiving large sums of money from Meshulam Riklis, the American-based mafia figure who is a top Sharon bankroller.

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## ***Soviets involved in Temple Mount plot?***

An Israeli expert on Soviet global strategy discussed with *EIR* April 25 the "Temple Mount" gameplan for igniting religious wars in the Middle East. Zionist-cabbalist fanatics have proclaimed that they will blow up the Muslim Dome of the Rock and al-Aksa shrines on the Temple Mount in Jerusalem to "rebuild the Temple of Solomon."

"I am completely persuaded that this thing is in part a Soviet job," the analyst said. "The Soviets are looking for crazy people in hot areas around the world, whatever groups they may belong to, to stir up trouble. It's like the way they support Nazi groups in Germany to stir up something there."

"It is not to be excluded," he said, that the Soviets are backing Jewish Defense League-Kach terrorist Rabbi Meir Kahane, a leading provocateur in the Jerusalem Temple Mount scenario. He suggested that other support for the Jerusalem Temple Mount fanatics would come from elements of the Israeli mafia and the Soviet Jewish emigré mafia formerly centered in Odessa.

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## ***German Social Dem says East-West ties 'normal'***

General (ret.) Christian Krause, chief military adviser to the Friedrich Ebert Foundation, a West German Social Democratic think

## Briefly

● **WARSAW PACT** foreign ministers met April 19-20 in Budapest and issued a communiqué stressing the "sharp increase in the danger of nuclear war."

● **DMITRII USTINOV**, the Soviet defense minister, has been awarded the highest Order of Lenin for representing "continuity" over a period of years in the country's ability to mobilize for war.

● **VIKTOR CHEBRIKOV**, head of the Soviet KGB with the rank of Army General, has been awarded a Marshal's Star, a high honor and mark of special prestige.

● **A VERY ACTIVE** figure on the Syrian scene is the Soviet-backed head of military intelligence Ali Duba, a man *EIR* has exposed as a top deployer of the Abu Nidal terrorist group. Ali Duba was in Rome in April.

● **GENERAL FLORIAN SIWICKI**, head of a Polish military delegation to Moscow, met with Soviet Minister of Defense Dmitrii Ustinov April 17 and was awarded an "Order of Lenin" by Soviet party chief Konstantin Chernenko.

● **THE SANTA CROCE** University in Florence is holding a week-long special international seminar on "The Apocalypse," featuring "St. John's Conception of Jerusalem" and "The Evolution of the Holy City of Jerusalem in Apocalyptic thinking."

● **DIKRAN KEVORKYAN**, secretary-general of the Armenian Patriarchate Consultative Board in Istanbul, told an Ankara press conference April 19 that "the politicization of all world churches and Armenian churches has fanned the fire of Armenian terrorism." Kevorkyan spoke following a two-day symposium on Armenian terrorism organized by Ankara University and attended by Turkish, American, and European experts.

tank, wrote in the April 23 issue of *Der Spiegel* magazine that "relations between East and West are relatively normal, even if they are not free of tensions." Therefore, General Krause said, NATO must reform its strategy or it will collapse for lack of credibility.

The strategy recommended by Krause, a proponent of decoupling Western European and U.S. defense, would be to eliminate the "political evaluation of NATO that the Warsaw Pact has already decided to invade Western Europe, and is only waiting for a favorable opportunity to carry out this decision." According to Krause, neither the Soviet Union nor the Warsaw Pact as a whole has either the capability or intent to invade Western Europe.

Krause is best known for his December 1982 study of European security in which he argued that "if Europe wants to take responsibility for its own defense, it will largely have to do without U.S. help to defend Europe. That means that U.S. armed forces in Europe would have to be replaced to the extent possible."

### **Barbados prime minister worried by *EIR* exposé**

Prime Minister Tom Adams of the Caribbean island nation of Barbados is feeling the heat from *EIR*'s exposé of the KGB links to St. George's Medical School in Grenada. Adams took to the floor of Parliament April 19 to defend himself against charges that he was jeopardizing national security by allowing the medical school to relocate to Barbados.

The *EIR* findings that provoked Adams's ire were published in a 1983 pamphlet, "The Facts about Walter Mondale, Grenada, and the KGB," which detailed the medical school's support for the communist takeover in Grenada, its links to both British Intelligence and the KGB, its attempted sabotage of the United States' Grenada rescue mission, its ties to the drug lobby and to the members of the Carter-Mondale administra-

tion who covered up the truth about the 1979 mass suicide in Jonestown, Guyana.

Adams's defense consisted of attacking Lyndon LaRouche, the National Democratic Policy Committee, and *EIR*, as "extreme right-wing organizations," "fascist in ideology," that engage in "scandal-mongering." To demonstrate that *EIR* was "trash, fit only for the waste basket," the Barbadian Prime Minister read a passage from an *EIR* article which accused Henry Kissinger's partner, Lord Carrington, of being an agent of Soviet influence and tied to the drug lobby.

*EIR*'s findings are being widely quoted by Barbadian educators, journalists, doctors, and Members of Parliament who are opposed to the school's bid to move to Barbados from Grenada. "I did my own independent investigation, and I found that every fact you published is correct," said one opponent of the school. Another, asked if he had seen the pamphlet, replied: "Everybody in Barbados has one of those."

### **Club of Life fights euthanasia in Germany**

The Club of Life issued a criminal complaint April 26 against Professor Dr. Julius Hackethal and Henning Atrott, head of the German Society for Dying with Dignity (DGHS). Hackethal killed one of his patients, a woman who suffered from skin cancer, during April by providing her a deadly dose of cyanide.

Atrott has admitted to close collaboration with Hackethal in the woman's death. Both had persuaded the victim to agree to take cyanide because they wanted to create a "test case" to legalize the practice of euthanasia in Germany.

Club of Life spokesmen in the Federal Republic of Germany stated in their complaint that Hackethal and Atrott had clearly violated German criminal law. Moreover, this murder is a direct violation of the West German constitution, which, as a result of the horrors of the Third Reich, places a very high value on the life of the individual.

# Armand Hammer grabs role in Reagan policy

by Richard Cohen in Washington, D.C.

Sources close to one of President Ronald Reagan's most powerful and trusted confidants report that a series of secret meetings of high-level Reagan intimates has taken place. The purpose is to address the strategic disaster implied in the course of action being dictated to the President by his closest aides, White House Chief of Staff James Baker III and Deputy Chief of Staff Michael Deaver.

While the Reagan intimates agree that something must be done to swerve the President from the misguided and dangerous road carved out for Reagan, these sources report that the alarmed Reagan loyalists have not been able to agree on a concerted plan of action. Failure to intervene forcefully around a new U.S. "grand strategy"—as repeatedly hammered at by *EIR* founder and Democratic presidential candidate Lyndon H. LaRouche during a series of nationally televised political broadcasts—has already allowed Deaver and Baker to open the administration's door to Soviet agent of influence Henry A. Kissinger.

Continuation of this paralysis among patriotic elements is leading to something even worse.

## The China trip

Washington intelligence sources report that Armand Hammer, the chairman of Occidental Petroleum, is now, with the crucial help of Michael Deaver (the man who first recommended that Kissinger be named chairman of the President's Bipartisan Commission on Central America), inserting himself into the midst of presidential decision-making.

The sources say that several weeks ago Hammer connived to get himself seated next to the President at a Ford Theater gala in Washington. Reportedly, Hammer was able

to talk to the President extensively and further connive to have himself invited to at least two of the presidential banquets in Peking. Hammer has burrowed his way deeper into Reagan's China trip by arranging to announce the consummation of his firm Occidental Petroleum's deal with Peking for the construction of a major railroad from coal-rich Shanxi Province to the coast during the Reagan visit.

According to these sources, Hammer will use this occasion to air to the President a global arrangement promoted by Kissinger and Kissinger's business partner Lord Peter Carington, the incoming secretary-general of NATO, for a new Yalta Agreement with Moscow.

The Hammer plan, which originates in Moscow, will argue for a redivision of the world in which the United States would recognize Moscow's security needs and increased influence within the Eurasian landmass, including Western Europe (particularly Germany), Northern Africa, the Middle East, South Asia, and a major chunk of Southeast Asia. The United States would, according to the scheme, obtain uncontested dominance in the Western Hemisphere, Africa south of the Sahara, and the crucial Pacific Basin.

## Armand Hammer, Soviet agent

The plan being peddled by Hammer is something Moscow would have no long-term intention of honoring. However, if it were even considered by the United States, the scheme would all but guarantee an intensification of "Finlandized" neutralism among U.S. allies in Europe, the Middle East, and East Asia, and a snowballing series of humiliations of the United States and the Reagan presidency.

Sources closest to the President know very well that Ham-

mer is a Soviet agent and has been all his life. Indeed, as *EIR* and other publications have detailed, Hammer's father was a confidant of Lenin and, as one of the founders of the Communist Party U.S.A., was one of the early controllers of CP chief Jay Lovestone.

As a young man, Hammer left the United States when his father fled after being charged with maintaining illegal collaboration with the Soviet Union. He joined his father and the rest of the family in relocating to Moscow, where the Hammers lived until the early 1930s, operating out of the famed "Brown House"—a channel for Soviet-directed spies and agents in Western Europe and the United States.

One of Hammer's early activities for Soviet intelligence was to fence items from the so-called "Romanov Treasure," an activity which both garnered needed foreign exchange for Moscow and provided Hammer with contacts among Western elites. From this position, Hammer was directed toward what would be a major feature of his future missions for Soviet intelligence: the penetration of the White House as a "back channel" to Moscow and a vehicle for Moscow's influence.

While President Franklin Roosevelt was reported to mistrust Hammer and indeed to intensely dislike him, Hammer's persistence and conniving brought him into White House affairs. From Truman through Carter, he continued this routine, reaching the height of influence during the Carter period, when he had almost unlimited access to the White House.

During Carter's tenure, Hammer played a central role through his controlling position in a major Florida bank (which itself was the principal bankroller of the infamous Charter Oil Company) in setting up the Carter administration's and Carter family's outrageous financial relationship with Libya. Hammer is an intimate of Qaddafi; his petroleum company—which played until recently the dominant role in Libya's oil business and through which the Soviet Union arranged a ground-breaking 1970s deal allowing a Libyan-financed Fiat auto plant to operate on Soviet territory—was the major player in the so-called "Billygate" scandal, a scandal whose actual content—a Soviet-Libyan plot to penetrate the White House and the Carter family—has by no means been fully revealed.

In addition to his "New Yalta" machinations in Peking, Hammer has also been reported by Washington intelligence sources to have been in the middle of a Soviet-backed scheme to force a collapse of the Western financial system before the November 1984 elections.

According to the sources, Hammer has offered to guarantee several big Ibero-American debtors credit and access to imports, plus Soviet-backed local Communist Party help, if they were to default on the unpayable debt. So far there have been no takers, but these sources say that Soviet President Konstantin Chernenko has been a promoter of a general default on Eastern European debt as a means of collapsing the Western monetary system.

The default plan would serve Soviet interests by triggering a banking crash without providing any competent reor-

ganization arrangement. And rumors about the plan also serve to create the impression that all proposals for a debt moratorium are Soviet-instigated.

Thus Hammer has been a crucial Soviet instrument on the most important strategic flanks of current Soviet operations until recently, when he was banned from interference in Reagan administration national security affairs, and snubbed by the National Security Council.

But Hammer had been secretly cultivating Michael Deaver, much as he did the Carters. Deaver, privately described by one leading White House adviser as a man "who has the ambitions of a gas-station attendant," has traditionally been awed by Establishment credentials and wealth, and has become notorious for introducing operatives of the Rockefeller entourage into the Reagan camp. According to White House sources, Hammer's hold on Deaver was first established when Hammer convinced Deaver to take a high-paying job at Occidental after he leaves the administration. Reportedly, among Deaver's responsibilities will be handling part of Occidental's China operations.

### **'Beyond containment'**

While the Hammer variant of the "New Yalta Agreement" has no guarantee of acceptance (the Soviets have no long-term interest in the construction of a U.S.-centered Pacific Community, and the Chinese certainly have no interest in becoming the only front-line state facing the Soviet Union), the influence of Kissinger and his accomplices on U.S. policy and doctrine, particularly since mid-1982, has driven the United States toward de facto acceptance of this insane "New Yalta" scheme.

Recently, National Security Adviser Robert MacFarlane, speaking in Annapolis, Maryland, outlined a new U.S. strategic doctrine on which the press reported little at the time. Identifying the new doctrine, which MacFarlane claims went into effect in mid-1982 (just about the time of Soviet agent of influence Kissinger's surge into the Reagan administration), as "beyond containment," MacFarlane stated that this doctrine of "credible deterrence" and "global competition" with Moscow is aimed at confronting a new and menacing factor in the global strategic equation—the Soviet capability and will to project force well beyond its peripheries.

In short, Moscow has broken out from its wall of containment during the late 1970s and now must primarily be combatted in areas closer to the United States. MacFarlane singled out U.S. actions in Central America as an example of the doctrine in action. In addition, White House sources report that the administration is counting recent successes in southern Africa, including the opening of relations with Mozambique, the moves toward a Namibia settlement, and the weakened Cuban capacity to maintain demoralized troops in Africa, as well as the Grenada success in the Caribbean, as case studies in the policy at work.

MacFarlane specified the appropriate means toward the goal of confronting long-range Soviet initiatives as nothing

more than what has been U.S. policy since 1969—the “Nixon Doctrine.” Accordingly, the United States will use economic leverage plus tactical air and naval forces, combined with the ground forces of locals (e.g., the Nicaraguan Contras), to contest Soviet moves.

Under this doctrine of “beyond containment,” U.S. actions to confront Soviet military and related actions on the Soviet periphery are to be more circumspect, less provocative, and of a lower order of priority than in areas of Soviet long-range power projection, such as Central America.

This is best described as the “knee-jerk” doctrine pioneered by Zbigniew Brzezinski: react to the Soviets when and where they move, ignoring the overall strategic constellation and doing nothing about the Soviets’ growing military superiority: a prescription for disaster. As Lyndon LaRouche writes in a document titled “Why the Reagan Administration Fails Consistently in Making U.S. Foreign Policy” (*New Solidarity*, April 17, 1984), “It works like this. Take an area of the world in which the U.S.A. has or formerly had political influence. Stir up trouble in that region, and make Soviet or Soviet-asset presence among the troublemakers conspicuous enough to provoke knee-jerk ‘anti-communist’ covert operations or outright military action. Whether the U.S.A. wins or loses the insurgency battle in that part of the world, the United States has totally or partially destroyed its influence in that part of the world, and has helped to ruin the very area which U.S. forces were assigned to ‘rescue from a communist-insurgency threat.’”

“The political effects, inside the United States, of the prolonged application of Flexible Response doctrine to Vietnam, mean that the United States has lost the political capacity to deploy counterinsurgency force on an effective scale, in any case, so that U.S. counterinsurgency assuredly makes a mess of the affected region, but has virtually no chance of succeeding. . . .”

### Acceptance of Soviet aggression

Thus Kissinger and his operatives have gradually eased the White House into tenuous acquiescence to key segments of the Hammer plan. On April 20, the Soviets moved to escalate an already full-blown crisis around Berlin. In coordination with their recent massive North Sea naval maneuvers, Moscow launched land maneuvers around Berlin and moved to harass commercial flights to the surrounded city. Day by day the intensity of the harassment increased, leading to an April 20 attempted shootdown of a U.S. helicopter from artillery based in Czechoslovakia.

This full-blown crisis, including calculated Soviet actions that already outstrip Khrushchev’s 1958-61 Berlin Crisis, led U.S. military forces in Europe, according to intelligence sources, to heighten the level of alert. However, in a matter of hours, orders from Washington brought the alert status down. In the deteriorating German situation, Soviet military moves now escalating daily are overtly aimed at terrifying West Germany and the rest of Europe into neutral-

ism. The recent U.S. reactions can only encourage this process.

Within days of the April 20 helicopter incident, the Pentagon officially announced new Soviet military moves within the zone of the Soviet periphery. On April 24 the Soviets completed the massing of high-altitude bombers on the Soviet border with Afghanistan. Several days later, a massive carpet bombing of that nation began. According to intelligence sources, real pressure will quickly build on the weak regime of Pakistan’s Zia ul-Haq as more refugees pour into that country. Indeed, the Pentagon reported that the target of the bombing operation might well be Pakistan, while noting that the bombers themselves could reach Pakistan and the Persian Gulf, thus putting pressure on both areas.

After the Pentagon press conference, the administration has said little on this Soviet military operation. At that April 24 event, the Pentagon also warned of recent Soviet maneuvers in the South China Sea, where for the first time Moscow conducted marine amphibious landings outside of the Soviet Union, in Vietnam. The demonstrations of force occurred while Vietnamese troops were making incursions into Thailand.

Pentagon sources believe that this increased Soviet-supported military force directed at Southeast Asia has, through the new maneuvers, evidenced a new threat to the island nations of Indonesia and the Philippines. U.S. response was developed in a reticent agreement to sell Thailand F-16A fighter planes if Thailand still desires to buy them, and this only after months of U.S. resistance to the original Thai request.

In short, Washington—particularly following its humiliating withdrawal from Lebanon—has steadily followed the disastrous course defined in the MacFarlane-announced doctrine.

### The Weinberger group’s problem

Opponents of this scheme, led by Secretary of Defense Caspar Weinberger, agree that the expenditure of U.S. force in Central America would be foolish and that Soviet policy uses long-range power projection largely as a means of diverting U.S. attention and energy away from serious Soviet moves on their extended periphery.

Indeed, while the United States responded impotently to this recent series of Soviet military actions, Weinberger-centered forces elaborated policies such as the extension of the President’s Strategic Defense Initiative (defensive beam-weapons development program) to Europe and an Asia policy based on the priority of U.S.-Japanese relations.

However, these forces have been unable to develop a U.S. “grand strategy” which seeks not the negative policy of “victory denial” but identification of what “victory” means for the United States. In short, if there is no positive idea of the purpose of the United States in changing the world now, the President may soon find himself the puppet of Soviet agent Armand Hammer.

# Mondale's KGB-approved attack on 'Star Wars' beam defense

by Susan Kokinda

Democratic presidential candidate Walter Mondale, in a speech in Cleveland, Ohio, April 24, vowed to do everything in his power to prevent the United States from acquiring a space-based beam-weapon shield that could protect this country from nuclear attack. "The clock is ticking," Mondale declared. "In less than 200 days, if Mr. Reagan is reelected, the arms race on Earth will be extended to the skies. If you help me get nominated, I can make the 1984 election a choice between 'Star Wars' and a space freeze. As President, I will do everything in my power to lead us to a safer world."

No wonder that the Soviet government newspaper *Izvestia* endorsed Mondale on Feb. 12, attributing his alleged "growth in popularity to his recent political pronouncements condemning the militarist course of the present American administration"!

Mondale's decision to make "Star Wars" the central topic of his election bid reflects the growing heat on him from the campaign of Democratic challenger Lyndon LaRouche, who is regularly described in the Soviet press as an "assassin" or a "troglydite" because of his indispensable role in formulating the administration's beam-weapon defense policy. The LaRouche Campaign has raised \$1.6 million from Democratic and other voters who favor the beam policy and despise Mondale. During the five days before Mondale arrived in Ohio to campaign, LaRouche had bombarded the state with radio and television broadcasts supporting the Strategic Defense Initiative.

Over 60 radio stations aired statements by LaRouche campaign spokesmen which, among other things, reported on a new poll published in *Defense Daily*. It showed that 75% of the U.S. population favors the plan for beam-weapon defense, and only 17% opposes it.

## Whose 'bedtime story'?

In his speech to students at Case Western Reserve University in Cleveland, Mondale continued: "When Mr. Reagan explains 'Star Wars,' it is as comforting as listening to a bedtime story. There was an evil empire that threatened us with terrible weapons. But then one day, our side discovered a magic shield. When we stretched it out across the country, no missiles could penetrate it. From that day on, we stopped worrying about nuclear war and lived happily every after."

Mondale elaborated a series of Moscow-authored argu-

ments against the Strategic Defense Initiative (SDI): it is, he claimed, based on "flawed scientific premises," since the Soviets could easily develop countermeasures, and beam weapons would "kill" the ABM treaty. Mondale embraced the Scowcroft Commission's recent warning that development of beam weapons would violate Henry Kissinger's antiballistic-missile (ABM) treaty—a treaty, he neglected to mention, that is being torn up by the Soviets.

Mondale's alternative to ballistic-missile defense is to trust the Soviets, who are 10 years ahead of the United States in beam-weapon research and have already deployed space-based anti-satellite (ASAT) weapons. His five points to keep the heavens safe for Soviet ICBMs are:

"First, a temporary moratorium on testing antisatellite weapons.

"Second, negotiations to get a verifiable ban on those weapons.

"Third, a reaffirmation of our commitment to the ABM treaty.

"Fourth, a temporary moratorium on testing anti-satellite weapons.

"Fifth, building on that moratorium, negotiations for a verifiable treaty blocking weaponry in the heavens."

## Liberals join the charge

As Mondale gave the marching orders, battalions of liberals in Washington joined the assault against the SDI and Defense Secretary Caspar Weinberger, the administration's most staunch advocate of the program. Weinberger has been targeted by a KGB-authored smear campaign, run through the *Washington "Watergate" Post*, whose intent is to drive him from office. The *Post* reported April 20 that the Justice Department and the FBI are investigating the Bechtel Corporation's alleged bribery of South Korean officials between 1978 and 1980—a period when Weinberger was a top officer and counsel for the company.

On the same day that Mondale was speaking in Cleveland, the congressional Office of Technology Assessment (OTA) released a document titled "Directed Energy Missile Defense in Space," authored by Ashton B. Carter, a contributor to a recent Brookings Institution tract against beam weapons. The OTA report concluded that "the prospect that emerging 'Star Wars' technologies, when further developed,

will provide a perfect or near-perfect defense system, literally removing from the hands of the Soviet Union the ability to do socially mortal damage to the United States with nuclear weapons, is so remote that it should not serve as the basis of public expectation or national policy about ballistic missile defense (BMD)."

Since a 100% perfect defense is impossible, the document claims, and since "the wisdom of deploying less-than-perfect ballistic missile defenses remains controversial," the United States should give up on a serious effort.

Mondale's allies in the Congress have escalated their own assault on the U.S. program. At April 25 hearings before the Senate Foreign Relations Committee's subcommittee on arms control, convened by the ardently anti-beam-weapon Sen. Larry Pressler (R-S.D.), former Democratic presidential contender Sen. John Glenn (D-Ohio) charged: "The President has misled the people of this country," into believing that the SDI would work and "oversold it for political reasons. . . . The whole thing rests on specific technologies that haven't yet been invented." Foreign Relations Committee chairman Sen. Charles Percy (R-Ill.), one of the most vociferous supporters of the ABM treaty, announced that he found the SDI "disturbing," because the Soviets would inevitably be able to overwhelm any defensive system.

Senators Paul Tsongas (D-Mass.) and Joseph Biden (D-Del.) then engaged in a colloquy with the President's science adviser Dr. George Keyworth, and Dr. Robert Cooper from the Pentagon, over how the President would be able to activate the beam-weapon defense system fast enough if he were in the shower! Tsongas concluded that the President's aides would have to be "in the next shower." When Keyworth and Cooper refused to dignify this line of questioning by allowing it to continue, Biden exploded: "You have convinced me I don't want this program in the hands of a man like you."

The first congressional action in the area of space weapons is likely to come within the next several weeks, when Pressler's Senate Joint Resolution 129, banning the testing and deployment of ASATs, is expected to come to a floor vote. Senate Majority Leader Howard Baker (R-Tenn.), who recently helped orchestrate the Nicaragua covert aid debacle on the floor of the Senate, has reportedly promised Pressler that his resolution will be put on the Senate calendar. Both Pressler and Mondale see banning the deployment of ASATs as a necessary first step toward preventing the development of a space-based beam-weapon defense system.

### **Pentagon tries to hold its ground**

Secretary of Defense Weinberger and his allies are waging a rear-guard action to protect the beam-weapon program from this onslaught. In his first appearance before a congressional committee, newly appointed SDI director Lt. Gen. James Abrahamson delivered testimony establishing the scope and intent of the SDI, testimony which was clearly worked out with Weinberger to counteract some of the damage done by previous, closet SDI opponents from the Pentagon. How-

ever, Abrahamson and Weinberger are still working within the confines of the agreement established between President Reagan and Henry Kissinger to limit the beam-weapon program to research, not deployment. In his April 24 testimony before the Senate Armed Service Committee's subcommittee on Strategic and Theater Nuclear Forces, Abrahamson repeated, "remember, this is only a research program," several dozen times during his two hours of testimony. When asked point-blank by Sen. Carl Levin (D-Mich.) if he agreed with the Scowcroft Commission's characterization of the deployment of beam weapons as "extremely" risky, Abrahamson replied that he did.

But within those confines, Abrahamson established several singular points. He stressed that "the purpose of the Strategic Defense Initiative (SDI) is to defend people *and* military forces. Accomplishment of both missions is essential to the ultimate goal, which is to provide security for the people of the United States and our allies. . . . I want to make a special point of the fact that our research is focusing on defenses against ballistic missiles of all ranges, including tactical- and theater-range systems as well as ICBMs and SLBMs. As Secretary Weinberger has indicated, our concept of an 'effective' defense is one which protects our Allies as well as the United States."

Abrahamson's insistence that Europe is to be included in the SDI immediately brought Sam Nunn, the ranking Democrat on the Senate Armed Services Committee, into the fray. Nunn, who has an undeserved reputation for being pro-defense, is one of the leading congressional proponents of the decoupling of Western Europe from the United States, arguing that U.S. troops should be withdrawn from Europe, which should defend itself with conventional forces. Nunn hit the ceiling when Abrahamson proposed the extension of the SDI to Europe, and charged that Abrahamson's version suggested "goals far beyond any [previous administration] witnesses." Nunn sputtered that "now you are talking about defending our allies, defending population centers, abolishing all offensive weapons. . . . I think the Soviets are operating off of a much smaller goal. We need to pin our program down."

Abrahamson insisted that the SDI had "people protection" as its goal and that it went hand in hand with an arms-control strategy aimed at reducing offensive weapons: "We do not believe that the SDI is the beginning of 'another enormously expensive arms race.' Effective defensive systems could assist us in achieving the arms-control goals of reduced ballistic-missile forces and enhanced stability. If defensive systems with sufficient effectiveness to enable the United States and the Soviet Union to decrease their dependence on ballistic-missile systems prove feasible, the security of both nations could be significantly enhanced at reduced levels of offensive arms." Abrahamson likened this kind of arms control, in contrast to the last 20 years of arms control, to the white line down the middle of the highway: "it is in the vital interests of both sides to stay on their own side."



# LaRouche wins round in vote fraud fight

by Mary Jane Freeman

The LaRouche Campaign, Lyndon LaRouche's presidential campaign, has scored an initial victory in its legal offensive to expose and jail the perpetrators of a massive election-fraud operation against the voters of Pennsylvania in that state's Democratic presidential primary. On April 25 the Philadelphia County Board of Elections meeting conceded discrepancies in the vote for LaRouche stemming from the April 10 primary.

The discrepancies were raised in five Petitions to Recanvass the Votes filed by The LaRouche Campaign April 23. The Election Commissioners' granting of the petitions triggers a Pennsylvania law which requires a test of the mechanisms of the voting machines, and the test was slated for the City's voting machine warehouse April 28.

Candidate LaRouche, after a high-profile media campaign mobilizing voters against "Soviet agent-of-influence Henry Kissinger" and the "KGB Democrats" Hart, Mondale, and Jackson, received 12-15% of the statewide Democratic vote. Outside the strongholds of the AFL-CIO/Mondale machine in urban centers, five congressional candidates who ran on Lyndon LaRouche's program won an official 30-46% of the vote. The only "claim to fame" of these candidates, all of them formerly political unknowns, was their vocal support for the LaRouche presidency and platform.

But thanks to a "fix" carried out by the Manatt-Mondale political machine and Lane Kirkland's AFL-CIO, the LaRouche vote was not officially tallied. In a statement distributed statewide, LaRouche denounced the fraudulent returns, stating, "I count your vote, even if crooked state officials don't."

## Banana republic balloting

A glimpse into the actions of the "crooked state officials" LaRouche was denouncing is given by the challenges his campaign committee, The LaRouche Campaign, has filed. The petitions for a recanvass document more affidavits from voters who cast their ballot for LaRouche than votes registered on voting machines and "official" tallies, and give evidence of widespread machine malfunctioning that prevented LaRouche from receiving more than a one-digit vote on any machine. Challenges were filed for Ward 1, Divisions 1 and 2; Ward 30, Division 9; Ward 39, Division 22; and Ward 48, Division 21, alleging that "error . . . not apparent on the face

of the returns" has been committed. In Ward 30, Division 9, where two LaRouche candidates for Democratic committee voted and poll-watched, the unofficial tally—fraudulent in itself—was read as "2." Yet, the over-zealous fraud experts decided that even two votes were too much, and the official return sheet showed zero votes for LaRouche.

In Ward 1, Division 1, the petition showed a discrepancy between the returns sheet and the voting machines returns, which gave Walter Mondale an additional 27 votes, Hart 5 extra votes, and congressional candidates over 60 extra votes. Election officials claimed the "additional votes" could be accounted for by absentee ballots, yet, only 35 absentee ballots had been applied for in the division, somehow 65 absentee ballots were cast in the congressional race! James Tayoun, ward leader there, was credited with 30 of those.

Another type of fraud was shown in Ward 1, Division 2, where the voter sign-in list recorded 471 persons entering the polls. Yet the numbers on the public counters of the machines recorded only 448 voters. Apparently the voters lost their way to the machines.

## History of corruption

A Superseding Indictment filed in 1978 by the Department of Justice against Ransom F. Shoup II, of the R. F. Shoup voting machine corporation, shows that the Philadelphia County Commissioners of Elections and its chair Margaret Tartaglione are not unfamiliar with such irregularities. The indictment, stemming from a criminal grand jury investigation, resulted in Shoup's conviction on charges of obstruction of justice after he had agreed to cooperate with a Justice Department investigation into possible "violations of federal criminal codes in connection with Philadelphia County voting machine breakdowns during the November 1978 general election," but ultimately offered a censored report to the Justice Department. Along with Shoup, chief Tartaglione "was a logical suspect in the investigation."

Tartaglione became a government witness, thereby avoiding indictment and conviction. Shoup, whose machines are still used today in Philadelphia, was also charged with conspiracy to defraud the United States along with co-defendant Edward Goldsmith. They had met with Marge Tartaglione to censor the report on the breakdowns Shoup was to give to Justice. Given the tip-of-the-iceberg discrepancies the LaRouche campaign found after the April 10 primary, the question must be asked: Was a deal cut between the Carter administration Justice Department and Tartaglione, such that she as a "logical witness" of the investigation ended up a government witness?

When the LaRouche challenges were filed, the veteran elections commissioner, Tartaglione, dropped her normal "street tough" act and hid in her office to avoid accepting the papers.

All the petitioners live in the notorious South Philly area of the city, where vote fraud is so common that election officials assert that nothing out of the ordinary occurred here.

# League of Women Voters: the vanguard for Brave New World politics

by Kathleen Klenetsky

The name "League of Women Voters" conjures up images of upper-middle-class ladies getting together over afternoon tea for discussions of civics. But since its inception, this supposedly nonpartisan organization has functioned as a "ladies' auxiliary" to the Council on Foreign Relations (CFR), the Trilateral Commission, and other elite institutions, helping to drum up support for the Eastern Establishment's policy agenda. Its funding comes from AT&T, IBM, Warner Communications, the Aspen Institute, W. R. Grace, and the Ford and Rockefeller Foundations. Its leaders are consistently drawn from the upper echelons of the Establishment.

The League doesn't limit itself to "studying" issues. As a national board member recently emphasized, "We're not interested in just producing reports. We want to change public policy and shape public opinion."

## A disarmament lobby

Over its 63-year history, the League has actively lobbied for the following policies:

- **Appeasement:** The League has always promoted "disarmament" schemes; it recently jumped on board the nuclear-freeze movement.

- **World government:** In the post-war period, the League played a pivotal role in marshaling public support for the United Nations, the IMF, and other bodies designed as a world government in embryo.

- **Genocide:** The League has consistently boosted environmentalism and population control. It recently threw its efforts behind the campaign to institutionalize the Carter-Mondale administration's *Global 2000 Report* and has spearheaded efforts to slash U.S. energy consumption and living standards.

- **Sabotaging the Constitution:** The League has been a key force in the conspiracy to destroy U.S. political institutions. It was instrumental in establishing the Federal Election Commission; promoting the Carter-Mondale administration's national vote-fraud scheme, the Universal Voter Registration bill; and battling to abolish the Electoral College.

And the League has fought to keep the political scene clear of potent opposition to its policies. During the 1984 presidential elections, the League's nonpartisan pose was exposed as a fraud when it excluded Democratic presidential candidate Lyndon H. LaRouche from the current primary debates, shocking even the cynics of the press corps.

The League justified its decision by claiming that LaRouche is not a "significant" candidate—even though his campaign has raised \$1.5 million, qualified for federal matching funds, and paid for several half-hour national television spots.

The League would have mounted any argument to keep LaRouche out of the debates, knowing he would use them to expose to the American population the utter folly of the League's policies. This is particularly true in the area of national security. LaRouche's pre-eminent campaign theme is the need for the United States to launch an emergency defense mobilization, centered on the rapid development of directed-energy-beam systems, to counter the Soviet threat.

It was the League which, in 1982, inaugurated a far-reaching program on national security, which drew on the expertise of people like Gordon Adams of the Center on Budget and Policy Priorities, a bitter opponent of strengthening U.S. defense capabilities.

In December 1983, the League issued a statement endorsing the nuclear freeze and a comprehensive test ban treaty, and opposing the development of space-weapons technology and the deployment of anti-satellite weapons. The League is now preparing a large-scale campaign to "educate" the public on these policies.

## Anglo-Saxon racists

The League of Women Voters didn't become corrupt—it was born that way, sired by the Anglo-American elite and midwived by the British Fabian Society. Established in 1920, the League came out of a feminist movement imbued with an Anglo-Saxon racist outlook and dominated by raving cultists. The League's spiritual godmother, Elizabeth Cady Stanton, for example, was an avowed theosophist with an avid lifelong

interest in phrenology and spiritualism. Bankrolled by Mrs. Borden Harriman, Mrs. Oliver Hazard Perry Belmont, and the Vanderbilts, the League adopted an agenda topped by conservation, birth control, and immigration restriction, in order to radically cut the numbers of "racially inferior" Americans. The League is as committed today to this neo-Malthusian outlook as it was in its infancy.

According to Laureen Andrews, head of the international relations division at the group's national headquarters, the League strongly supports the genocidal policies of the Brandt Commission and Global 2000. Andrews stated that the *Global 2000 Report*—which advocated eliminating 2 billion people by the year 2000—"came at a pivotal time. We definitely encourage our members to look at the *Global 2000 Report* and national headquarters sent out summaries of the report to our state leaders."

The national League, said Andrews, "emphasizes [Global 2000] as a good vehicle for learning about these issues, which we ourselves have been emphasizing since the early 1970s." Andrews proudly noted that the national League had co-founded the Global Tomorrow Coalition, which, she said, is "dedicated to promoting the concerns of Global 2000" and "doing all the footwork" to make sure they "are systematized in U.S. policy."

Indeed, in its 1982-84 "Impact on Issues," the League states that its members support "U.S. efforts to assist other nations in their population planning programs."

The League had been one of the first "civic organizations" to jump on the population-control bandwagon. In 1972, it issued a publication entitled "More: The Interfaces Between Population, Economic Growth and the Environment," which argued that global population growth must be radically curbed. Parading as another "objective" League study, the report declared: "The economic growth of the future will have to be different from the past. The time for population stabilization will surely come." It also attacked "the old assumption that children are good for the nation," and maintained that "a no-growth, steady-state society may be the only answer."

### **Agitation against nuclear energy**

This neo-Malthusianism permeates the League's positions on energy and the environment: that the United States "must make a significant and progressive reduction in its energy growth."

The League eagerly lent support to the Carter administration's campaign to slash energy consumption. Under a grant from the Department of Energy (the League's former national president, Ruth Clusen, was then employed as assistant secretary of energy for conservation), the League initiated a nationwide "grass-roots" program with topics ranging from "How to Insulate Your Home" to "Problems of Nuclear Waste Storage." Sources for the program included Amory Lovins's "Soft Energy Paths."

Thus, it is not surprising to find the League leading local

fight against nuclear-power plant construction and the like. The League works closely with such groups as the Environmental Defense Fund and Friends of the Earth. In April 1983, for instance, the League joined with the National Association of Solar Contractors to sue President Reagan to release \$21.85 million for the Solar Energy and Conservation Bank.

### **How the League came to run the debates**

By virtue of its sponsorship of the presidential debates, the League of Women Voters has become a major arbiter of the presidential election. It achieved this position through the active intercession of the Aspen Institute, the Twentieth Century Fund, and the Federal Election Commission.

Ever since the Kennedy-Nixon debates in 1960, the League had been pressing for institutionalized presidential debates, but was faced with the problem of federal regulations requiring "equal time" for TV appearances of candidates running for the same office.

This problem was remedied with the help of the Aspen Institute's Douglass Cater. First, Cater wrote a report for the Federal Communications Commission (FCC) recommending that it re-interpret the Communications Act of 1934 so that presidential debates could be televised as "on-the-spot coverage of bona-fide news events," without the danger of "minor" candidates suing the networks for equal time. He further recommended that the debates be sponsored by a "non-profit, nonpartisan citizen group." This "Aspen ruling" was adopted by the FCC, and the League went on to sponsor the 1976 debates.

Second, in 1979, Cater headed a Twentieth Century Fund task force on presidential debates, which urged that the League of Women Voters be designated as the sponsor of the 1980 debates, and author of the criteria under which candidates would be allowed to participate. Third, shortly thereafter, Cater turned up on the public advisory committee which helped the League run the debates.

For its part, the FEC rewrote its regulations so that "non-partisan" groups like the League could accept donations from unions and corporations to fund the debates.

The biggest underwriters for the 1980 League-sponsored debates included the Atlantic Richfield Foundation and the Radio Corporation of America (RCA). The chairman of Atlantic Richfield (Arco) is Robert O. Anderson, a leading member of the Aspen Institute. The chairman of RCA is Thornton Bradshaw, a crony of Anderson, director of Arco, and vice-chairman of the Aspen Institute (see *EIR*, Feb. 28).

Bradshaw's RCA, in turn, owns the National Broadcasting Company (NBC), which has recently run two prime-time television broadcasts smearing Democratic presidential candidate Lyndon LaRouche. In 1980, the League's presidential debates project director was Lee Hanna, an executive at NBC. This year, Hanna is serving on the League's public advisory committee.

So much for the League's nonpartisanship.

# U.S. anthropologists help to foment insurgencies in Central America

by Susan Kokinda

"It is a human rights violation when you destroy a tree," declared Sheldon Davis, head of the Anthropology Resource Center, to a gathering of environmentalists in Washington, D.C. on March 31. "Nation-states argue that the benefits of large infrastructure projects will uplift everyone by fomenting economic and industrial growth. However, it is the people at the periphery, the majority of the people, that suffer the cost. . . ."

The Anthropology Resource Center (ARC), a Harvard University-based organization, dispatches anthropologists throughout the underdeveloped nations to organize "indigenous peoples' movements." Davis was addressing the Ninth Annual Conference on Rivers, devoted to mapping out strategies against water infrastructure projects.

## Battle against infrastructure projects

The conference speakers took credit for building support for left-wing insurgencies which are undermining many Third World nations. The ARC's Davis described how battles against government-sponsored dams in nations such as El Salvador and the Philippines have fed into the guerrilla movements in those countries.

In El Salvador, Davis said, the government and the World Bank embarked upon the Serón Grande water development project, which necessitated the relocation of 10,000 to 15,000 squatters. Yet the government gave compensation for relocation only to the large landowners.

By 1975, the Jesuits had moved into the area of unrest and began to organize the peasants against the state-planned hydroelectric facility. In 1977 a priest was assassinated during an outbreak of protests and by July of that year, the army moved into and "massacred" protesting peasants. Davis boasted that "since then, the peasants joined with the guerrilla movements, which had had very little support among the peasants up to that point."

Davis described a similar phenomenon in the Philippines,

where various backward and "apolitical" tribes were gradually drawn into support for the Maoist New People's Army around the fight against the projected Chico Dam Project. Davis's Anthropological Resource Center, Cultural Survival, and Friends of the Earth are sponsoring such projects in many countries, including Panama, Brazil, Guatemala, Tasmania, and Malaysia.

The Natural Resources Defense Council's Bruce Rich, who decorates his office walls with posters of the Nazi-led Green Party of Germany, recently worked with the KGB-linked Institute for Policy Studies in stopping a "breadbasket" project in Peru by organizing Indians into opposition. In Peru, the Sendero Luminoso terrorist group, a product of Nazi-communist anthropologists' networks, has been operating on a parallel track by blowing up the electrical generating structures of the country and murdering opponents of their policies. This is the Thirty Years War strategy for depopulating the non-white nations of the world.

## New coalitions and World Bank strategy

Davis elaborated a detailed strategy for linking up with human-rights organization such as Bertrand Russell's Amnesty International, which just concluded "a year on rural violence" against peasant and indigenous peoples, and with groups such as the est-cult-linked Hunger Project (on which Bourne's wife Mary King sits) and the fundamentalist-interfaced Bread for the World.

"We have to develop alternatives to these elitist models of development, where the command structure is in national institutions," Davis expounded at the conference. "We have fascism in the Third World. If you've been flooded out by a project, you know it's fascism. We know the fascist ideology, it is development with a military government backing it up. This is ethnocide."

Workshops focused on protecting "indigenous peoples" from economic and cultural progress, on stopping the World

Bank from funding capital-intensive projects, and on “small-scale alternatives” to sanitation, such as digging holes in the ground. The latter topic was presented by Dr. Peter Bourne, the Carter White House adviser thrown out for peddling drugs. Last year, Bourne was caught red-handed by this news service advising the Moscow-backed government in Grenada.

Other speakers included Bruce Rich of the Natural Resources Defense Council, who works with the terrorist-infested Green Party of West Germany; Brent Blackwelder of the Environmental Policy Center; and Fred Smith of the “free-enterprise advocating” Council for Competitive Economics. Guiding this emerging coalition from the top are such groups as Cultural Survival, which boasts Queen Margarethe of Denmark as an honorary board member, and the World Wildlife Fund, run by Britain’s Prince Philip and Prince Bernhard of the Netherlands, who was a Nazi SS officer during World War II. In 1982, *EIR* documented the Nazi International control of the anthropologists’ networks which indoctrinate terrorists around the world and foment “indigenous” insurgencies. (See *EIR*, March 6, 1984.)

Throughout the presentations, the effect of the international debt crisis in halting the development programs of Third World countries was pointed to with relief. Peter Bourne, representing Global Water—a private international effort committed to steering the Third World away from “Western-style” development projects—pointed out that “the debt crisis has had a profound psychological effect in the Third World. Many of these nations now think ‘we got sucked in by buying technology that we can’t maintain.’ You don’t need a pre-existing, capital-intensive water system to provide sanitation for a Third World country. That is very inappropriate and wastes water. Low-cost, local sanitation efforts are much more appropriate.”

Other speakers sought to officially mandate that multilateral lending institutions must protect the environment and habits of indigenous peoples. The World Bank, whose “small-is-beautiful” policies became notorious during the reign of Robert Strange McNamara as president of the institution, still occasionally finances cement factories and roads—chiefly to facilitate the export of drugs and cash crops. The spokesmen at the water conference found such projects too capital-intensive.

Over the past six months, the Natural Resources Defense Council, the Anthropology Research Center, and other elements of this coalition have submitted testimony to congressional committees, urging that the United States pressure the World Bank into officially transforming its guidelines in this way—less as a pressure point against the World Bank than as a way to draw the U.S. Congress further into committing itself to policies of enforced backwardness and mass murder for the Southern Hemisphere. Sen. Charles Mathias (R-Md.), a top Senate proponent of the Carter administration’s depopulation blueprint, the Global 2000 Report, and Sen. Robert Kasten (R-Wisc.), a fiscal conservative, have both publicly expressed interest in the proposals.

## The right to backwardness

*From the testimony of Bruce Rich before the Senate Foreign Relations Subcommittee on International Economic Policy, March 27, 1984, on behalf of the Natural Resources Defense Council, Sierra Club, Friends of the Earth, Izaak Walton League of America, National Audubon Society, Environmental Defense Fund, and Environmental Policy Institute:*

We believe in the proposition that “sustainable development and wise conservation are not only mutually reinforcing, but absolutely inseparable goals.” Thus, continued evidence of systematic absence of effective measures to implement this principle in the [World] Bank in the future will lead us to have serious doubts about that institution’s long-term effectiveness and create pressures within our constituencies to seriously question the value of U.S. financial support for IDA and the IBRD [the World Bank and its funding facility]. . . .

We think it is equally essential that the Congress express its concern that inadequate measures by the World Bank to deal with ecological deterioration . . . will tragically undermine IDA’s mission. . . . Proposed World Bank priorities suggested by the above coalition: Population and family planning; small-scale forestry. . . ; conservation of wetlands, estuaries, mangrove swamps, coral reefs, etc.; conservation of pristine natural areas in national parks and other protected areas to prevent the loss of genetic diversity; investment in alternative energy such as solar and geothermal projects.

*Excerpts from March 7, 1984, letter to A. W. Clausen, president of the World Bank, from the Natural Resources Defense Council, National Wildlife Federation, and Environmental Policy Center:*

We are very pleased to have had the opportunity to meet with you. . . . We were pleased to be able to report back to our members your statement that the Bank and its staff need to focus more on natural resource management issues. . . . We were encouraged by your acknowledgement that more attention needs to be given to natural resources and environmental management in the Bank’s policy documents. . . .

*From Global Reporter, Summer 1983, Special Section on Hydroelectrics and Native Peoples entitled “Saving Rivers, Saving Lives”:*

“The effects of the dam are fairly plain. They will destroy the lifestyle of Indian people. They will kill us when they kill the environment, because we are a part of it. But to the ones who build it, it’s legal and it makes a lot of money.” With these words, Clifford Freeman, vice-president of the Indian Association of Alberta, brought home an important point to the 8th Annual National Conference on Rivers: that human rights and environmental issues are inseparable.

# Elephants and Donkeys

by Kathleen Klenetsky

## The man Ronald Reagan used to be

President Reagan's recent personality transformation, first brought to public attention by Democratic presidential candidate Lyndon H. LaRouche, is causing increasing concern to his political supporters. Stalwart Reagan-aunts say they are "confused, angry and bewildered" by the President's obvious pandering to the Eastern Establishment, epitomized by Henry Kissinger's ascendancy in the administration.

"If you had told me six months ago that Kissinger, the guy Reagan campaigned against in 1976, could be the next Secretary of State, I would have said you were nuts," one Reagan loyalist told *EIR*. "I'm flabbergasted by what's going on. The Reagan I knew and supported has nothing in common with the Reagan sitting in the White House right now."

The first Reagan he's talking about was the Reagan who won support from American voters by attacking Henry Kissinger. Reagan made Henry Kissinger's sabotage of U.S. foreign and defense policy the major issue of the 1976 presidential campaign. He attacked Kissinger for allowing the Soviets to gain military superiority over the United States, for plotting to "sell out" the United States by handing over the Panama Canal, and for trying to institutionalize U.S. strategic inferiority.

American voters were so receptive to Reagan's remarks that President Ford and Dr. K. were constantly forced on the defensive. Even Jimmy Carter picked up on some of Reagan's charges.

The high point of Reagan's anti-Kissinger crusade came on March 31, 1976, when the candidate bought a half-hour national TV spot to air his charges. In the broadcast, Reagan said: "Kissinger is quoted as saying that he thinks of the U.S. as Athens and the Soviet Union as Sparta [and] 'the day of the U.S. is past and today is the day of the Soviet Union.'" Reagan also quoted Kissinger as stating, "My job as Secretary of State is to negotiate the most acceptable second-best position available." Reagan attacked Kissinger protégé Helmut Sonnenfeldt for advocating a policy that "the captive nations should give up any claim of national sovereignty and simply become a part of the Soviet Union." He blasted Gerry Ford for being a man "who places his faith in the Washington establishment" and for signing the Helsinki accord, which, Reagan said, "put an American stamp of approval on Russia's enslavement of the captive nations."

The speech caused a furor. On April 1, the State Department issued a 10-page point-by-point rebuttal of Reagan's charges, a highly unusual move that reflected Kissinger's extreme vulnerability on the issues Reagan had raised. Kissinger urgently denied that he had ever used the Sparta-Athens analogy or had said that the United States would always be "number two," and he ordered State Department counselor Lawrence S. Eagleburger to release a statement claiming that these quotes in particular were "pure invention and totally irresponsible."

But on April 2, former Chief of Naval Operations Adm. Elmo Zumwalt confirmed to reporters that he was the source for the quotes. They are accurate, said Zumwalt, and they came

from conversations he had had with Kissinger in the early 1970s. Zumwalt reported on these discussions more fully in his book, *On Watch*.

On the same day, Reagan was asked by reporters if Kissinger were the primary target of his campaign. The candidate replied: "I've used him as an example of what I think is wrong with [U.S. foreign] policy, but I think the President of the United States is responsible for foreign policy, and he seems to be upholding the positions taken by the Secretary of State."

On April 3, Rep. William Steiger (R-Wis.), a Ford booster, told the *New York Times*: "If you wanted to find an issue that brought together the Reaganites, it would be Kissinger and the whole issue of détente."

Steiger was absolutely on target, and Reagan—who has succeeded Richard Nixon and Gerry Ford as Kissinger's pet President—is paying the same political price Ford did in 1976 by keeping Dr. K. in power.

## Jackson targeted by JDL assassins?

Israeli intelligence-linked sources are warning that Jesse Jackson could be targeted for assassination by Meir Kahane's Jewish Defense League fanatics.

Kahane arrived in New York April 26 to kick off a four-week tour of the United States. *EIR* has been informed that he intends to instigate a wave of terrorist provocations against Islamic networks in the United States. The key target will be Louis Farrakhan of the Nation of Islam, the Jackson campaign bigwig who has gained wide notoriety for his attacks on Jews and defense of Adolf Hitler.

The scenario now unfolding has all the earmarks of a bloody "chaos and confusion" situation in which a hit on Jackson looms as a possibility. Walter Mondale would stand to reap the greatest political benefit from a Jackson assassination.

## Henry's counterattack: has it backfired?

Since the middle of April, Henry Kissinger's attempts to neutralize the influence of *EIR* founder Lyndon LaRouche's March 26 nationwide television address, "Henry A. Kissinger, Soviet Agent of Influence," have resulted in a new round of publicity for LaRouche's devastating exposé.

As reported here two weeks ago, the Kissinger counterattack began with a column placed by his bosom comrade, ex-CIA liberal Tom Braden, in the *Washington Times*. The column, titled, "Newest in Nuts," attempts to ridicule the LaRouche documentary as the product of a lunatic.

At the same time, the left-wing Jesuits who run the support movement for Central America's guerrillas organized a violent demonstration outside San Francisco's Commonwealth Club on the occasion of Kissinger's April 16 appearance there.

One apparent purpose of the Jesuit demonstration was to discredit the opposition to Kissinger, the leading light of the Jesuits' Georgetown University, as crazy leftists. The illusion created by the demonstration, in which 150 rock- and marble-throwing dupes of the Jesuits were arrested, was challenged by Evelyn Lantz, a LaRouche Democrat running for Congress. As Henry rose to address the club, Lantz announced, "LaRouche says you are a Soviet agent of influence, you're a Bor [Kissinger's reported code name as an alleged Soviet agent in post-war Germany]; you're trying to get the United States thrown out of Central America and Europe, just like you handed Vietnam and the Mideast to

the Soviets." As she was escorted out, she continued: "You're trying to decouple Europe from the United States—you're a Soviet agent!"

Kissinger attempted to recoup the situation by quipping, "Few people can unify the American people like I can. I have a great constituency of nuts on the left and an equal constituency of nuts on the right." He proceeded to confirm LaRouche's charge against him by announcing, in the face of the greatest Soviet military onslaught since World War II—in the North Sea, the Berlin Corridor, Afghanistan, and Southeast Asia—that the Soviets are on the verge of entering new arms-control negotiations. "Objective factors," he declaimed, "compel the Soviet leadership to reach an accommodation with the United States."

## Tom upbraided

Next, the *Washington Times* began covering reactions to the ill-advised Braden, "Newest in Nuts" column. On April 18, the *Times* published a letter of response from LaRouche himself under the heading, "Is Henry Kissinger a Soviet 'Agent of Influence'?" After summarizing the content of his historic television address as a report on the role of Kissinger in implementing policies negotiated by the late Lord Bertrand Russell and Russell's accomplices with Nikita Khrushchev, LaRouche pointed out that Braden, as a "high-ranking" official under CIA Director Allen Dulles "during the period that Mr. Russell's intimate dealings with Mr. Khrushchev were being conducted" could not have been ignorant of the facts "unless Mr. Braden has suffered astonishing memory lapses."

The next day the *Times* published a letter from Michael Pelizzari of Maryland, where LaRouche is competing in the May 8 Democratic presidential primary, titled, "A Vote for LaRouche." Pelizzari reports that the Braden column convinced him to ac-

tively support LaRouche's candidacy because "I have yet to see an independent, reasoned article about Mr. LaRouche's policy proposals. All I see are personal attacks and ridicule of his theories. . . . Until I read some convincing objections against these policies, Mr. LaRouche will get my vote, and my campaign contributions."

## Crybaby won't play any more

On April 19, the *Times* also carried an article titled "Kissinger's Data Held Misconstrued" on statements by Kissinger mouthpiece William Walsh of Georgetown University, a member of the Kissinger Commission on Central America. According to the article, Walsh complained that "various independent news media reports" have distorted "the American public's perception of the findings of the Kissinger Commission." As a result, Walsh whined, "Kissinger will not accept any future assignments because of harassment and threats he faces during public appearances."

Callers to the White House "comment line" demanding that President Reagan oust Kissinger from policy control have begun to receive a new response: "Relax, Dr. Kissinger's only post was as the head of the Central America Commission, and his work is done."

Sources in Washington say Kissinger's "threat" to retire from public life should not be taken as a signal for mass public celebration. Henry is simply using this threat to pressure the Reagan administration to "do something" about LaRouche. Kissinger's crowd points out that this year the Trilateral Commission and the International Monetary Fund have both refused press access to LaRouche publications, following the example of the eminent Dr. K., who last October told an *EIR* correspondent, "You may be accredited to the State Department, but you are not accredited to me."

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# National News

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## LaRouche Dems challenge Ohio chairman

At a press conference in Columbus, Ohio on April 24, Mel Klenetsky, national campaign director for The LaRouche Campaign, challenged Ohio Democratic Party chairman James Ruvolo to either debate him or cease and desist from spreading the lies that LaRouche is "anti-Semitic, racist, and not a bona fide Democrat."

Flanked by four of the LaRouche slate of congressional candidates, Klenetsky told reporters that "these smear tactics are against the only Democratic candidate whose campaign is fighting racism and anti-Semitism nationally and internationally."

Klenetsky reported that he had just received confirmation from LaRouche campaign headquarters that Ruvolo was acting on the orders of the Democratic National Committee to spread the story that LaRouche Democrats are "not real Democrats." He denounced Ruvolo's "prediction" that LaRouche's congressional slate is "insignificant" and "will get less than 10% of the vote" in the May 8 primary election, as a cover for vote fraud his apparatus is planning against LaRouche.

LaRouche Democrats received on average 30-35% of the votes in many congressional races in the April 10 primary in the neighboring state of Pennsylvania. The Pennsylvania vote for LaRouche himself was apparently kept down to 1% statewide through massive fraud operations; Ruvolo's statements seem to indicate that such extensive fraud may not be possible Ohio.

Congressional candidates Carol Winters (Toledo-9th C.D.), Don Scott (Piqua-7th C.D.), Peter Schuller (Oxford-8th C.D.), and Larry Benshoter (5th C.D.) addressed the press on the substantive issues of the campaign.

The Springfield, Ohio daily *Sun* ran an editorial on April 23 castigating the Ohio Democratic Party machine for refusing to meet the challenge posed by the LaRouche candidates "out in the open." The LaRouche candidates may be far out promoting beam

weapons and attacking Henry Kissinger, said the editors, but there is nothing "shadowy" or sinister about them. They are campaigning, the purpose of a primary election, and the Democratic Party should respond in a fitting manner.

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## Charge Johns Hopkins with 'genocide'

Supporters of Democratic presidential candidate Lyndon H. LaRouche, Jr. held a lively rally in front of Johns Hopkins Hospital in Baltimore on April 26. More than 100 people gathered across the street from the hospital to denounce the genocide practiced around the world by JHIPEGO, Johns Hopkins Program for International Education in Gynecology and Obstetrics. At one point, 40 to 50 community residents joined the rally, including several Hopkins employees.

JHIPEGO representatives have stated that the program's explicit purpose is to sterilize 25% of the world's fertile women within the next 10 years. The representatives have said that they have already used money provided by federal government grants to sterilize millions.

Speaking from atop a giant flatbed truck draped with a banner proclaiming "Stop Genocide at Hopkins," Maryland campaign manager for LaRouche and congressional candidate in the 3rd C.D. Debra Freeman told the crowd: "We have been asked by friends in Africa to stop this hideous program. Africa is an underpopulated continent. . . . JHIPEGO is the front end of the IMF program which is murdering millions of Africans."

Former borough president of Manhattan Hulan Jack told the crowd: "This is America; we don't tolerate genocide here. I came here from the West Indies when I was very young, and could move forward in the United States because of the structure of this democracy." National Democratic Policy Committee chairman Warren Hamerman pledged to back LaRouche's commitment to shut the Hopkins program down.

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## U.S. peace movement starts violent operations

Eight members of the Pershing Plowshares broke into the Martin-Marietta assembly plant in Orlando, Florida—the final assembly point for Pershing missiles—early April 22 and poured blood on electronic equipment kits marked for shipment to Germany.

The eight were led by Sister Anne Montgomery and several members of Jonah House, a Jesuit command center for the peace movement run by Fathers Philip and Daniel Berrigan. Sister Montgomery and Philip Berrigan were part of the Plowshare Eight, who were arrested for throwing blood on nuclear warheads in King of Prussia, Pennsylvania several years ago.

The same day, two people were arrested for breaking into the Williams Plant in Walled Lake, Michigan, where they also poured blood on equipment. Williams makes engines for the Pershing missiles.

Daniel Berrigan, Daniel Ellsberg of the Livermore Action Group, David McReynolds of the War Resisters League, and a representative of Mobilization for Survival attended the Libyan-sponsored and -financed meeting on the island of Malta on March 15-18, which discussed increasing direct action against U.S. targets of the peace movement.

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## U.S. scientists use Nazi-doctor data

The most recent in a series of reports designed to establish the respectability of genocide appeared in the *Bellevue Journal*, a daily newspaper in Bellevue, Washington, and is being publicized across the country on the UPI wires.

The *Bellevue Journal* reports that medical researchers working on treatments for hyperthermia are using data from Nazi experiments in which Jews and other prisoners



in concentration camps were killed and mutilated during World War II.

In the Nazi experiments, men were held in tanks of cold water for two to five hours and sometimes deliberately frozen to death. Nazi doctors measured rectal temperatures, blood and urine samples, heartbeat, and breathing as the victims died.

The researchers claim to be using the data—which were denounced at the Nuremberg tribunal as not only criminal, but a scientific fraud—to determine survival times in cold water. Dr. John C. Hayward, a Canadian researcher, noted that he had decided against prefacing use of Nazi data with moral qualifiers, such words as “inhumane.” “I’ve rationalized it a little bit,” said Hayward, “but not to use it [the data] would be equally bad. I’m trying to make something constructive out of it.”

Dr. Leo Alexander, who recently denounced Colorado Governor Lamm’s euthanasia advocacy and who analyzed Nazi experiments while in the Army Medical Corps, said the experiments were unnecessary because earlier studies using animals demonstrated the same results.

Dr. Ronald Banner of the Jewish Ethical Medical Study Group in Philadelphia said, “I’m not against citing them, but I’m chagrined that someone would refer to those experiments without mentioning something about the way the information was gained. It shows a lack of conscience.”

## Soviets violate SALT, dare U.S. to respond

The Soviets have provocatively escalated their blocking of U.S. monitoring of ICBM tests, a violation of the letter of the SALT II treaty, immediately after such blocking was reported to Congress by the administration and military experts in mid-April.

The April issue of *Air Force* magazine reported that while the Soviets have been illegally encoding the telemetry signals by which tests of new ICBMs can be monitored for their characteristics, they have also now

begun jamming the U.S. radars which attempt to compensate for this.

The radars involved are the “Cobra Dane” phased-array radar on Alaska’s Shemya Island, the “Cobra Judy” shipborne phased-array radar, and the “Cobra Ball” KC-135 radar aircraft which operate out of Shemya island. These radars not only monitor Soviet ICBM tests but provide information on Soviet ballistic missile defense programs.

The Soviets are known to be violating SALT II in substance by testing and developing more than one new ICBM, in addition to numerous other violations. The encryption of telemetry compounds the violation by seeking to block discover of it.

## Poll shows Americans support beams

A poll conducted by the Committee on the Present Danger found that 63% of 1,000 Americans sampled oppose any unilateral halt in U.S. nuclear weapons production that would leave the Soviets free to continue production. An initial 81% who supported a joint freeze at present level dropped precipitously to 51% when pollsters stated that the Soviets now have an advantage in nuclear fire power.

The poll also found that 75% agreed with the plans for a beam-weapon defense proposed by President Reagan on March 23, 1983. Only 17% were opposed. The poll found that a majority of Americans want the program to proceed regardless of what “progress” might be made in negotiating arms-control agreements with the Soviet Union.

The pollsters report that the overwhelming majority (70%) of Americans believe that the Soviet Union is violating all existing arms-control treaties and is trying to expand its territory and influence. Seventy-one percent further believe that the Soviet Union could not be trusted to honor a “nuclear freeze” agreement of the type proposed by the arms-control lobby.

## Briefly

● **GENERAL PAUL GORMAN**, notorious for his claim that Mexico is a security threat to the United States, is the principal proponent of a U.S. troop buildup in Central America. Other advocates of the buildup include Gen. Wallace T. Nutting, commander of the Readiness Command based in Tampa, Fla.; Lieut. Gen. Robert L. Schweitzer, a former Reagan security aide who is now chairman of the Inter-American Defense Board; Robert C. McFarlane, National Security Adviser; William J. Casey, director of the CIA; Fred C. Iklé, Undersecretary of Defense for Policy; and Gen. (ret.) Vernon A. Walters of the State Department.

● **ELLIOT GREENSPAN**, Democratic candidate for U.S. Senate for New Jersey, announced that LaRouche supporters submitted nominating petitions April 26 for a slate of close to 250 candidates for public and party offices in that state.

● **THE GREENSBURG**, Pennsylvania *Tribune Review* reported April 15: “During the pre-primary days, staffers for NBC network news offered local Pennsylvania reporters \$200 to ask Lyndon LaRouche Jr., the rabid right-wing Democratic candidate for president, pointed questions about his campaign finances. Reportedly, they got few takers.”

● **DOMINIQUE DE MENIL**, the Schlumberger family scion who is a top mentor of gnostic-cult terrorist operations through the Rothko Chapel in Houston, has been identified in the French daily *Libération* as a practicing member of the Sufi-mystical “dervish” (as in “whirling dervish”) cult. The dervishes provide many of the controllers of Muslim Brotherhood terrorist organizations.

● **CLEVELAND’S** Fairfax and Central areas have a higher infant mortality rate than half the countries in the world, at 21.7 per 1,000. Industrial nations’ infant-mortality rates range overall from 7 per 1,000 in Japan to 12 per 1,000 in the United States and Great Britain.

## Editorial

# Mondale, the KGB, and Global 2000

Poor old Fritz Mondale. Just when the media in the primary states are being saturated with rival Democratic presidential candidate Lyndon LaRouche's charges that Mondale is "KGB-approved," he put his foot in his mouth twice in one week, coming out with the same policies as the notorious Soviet secret intelligence agency's mouthpiece, *Literaturnaya Gazeta*. Some of you will recall that *LitGaz* last August declared the new U.S. strategic doctrine of Mutually Assured Survival based on beam-weapons defense a "*casus belli*," and a little later denounced a pro-beam-weapons conference in Rome, where LaRouche was the featured speaker, as a coven of "troglodytes."

On April 24, Mondale delivered an anti-beam tirade that could have been ghostwritten by *LitGaz*. The deeper issues were revealed in a speech Jimmy Carter's former Vice-President made on April 18 in Cincinnati. The speech happened to coincide with an article published the same day in *Litturnaya Gazeta*. Mondale and the KGB scribblers both took up the subject of world population: Shockingly, but not surprisingly, both rejected the Judeo-Christian tradition of morality which mandates us to overcome "scarcity of resources" with technological advances.

The April 18 feature in the KGB's *Literaturnaya Gazeta* titled "Are There Limits to Growth?" concluded: Yes. Soviet author Dr. Gromov, from the prestigious Institute of the World Economy and International Relations, reprinted an article by Lindsay Grant, one of the authors of the *Global 2000 Report to the President* issued by the Carter-Mondale administration in 1979. That report was a policy statement for genocide against billions, primarily in the Third World, by the liberal Eastern Establishment crowd now backing Mondale. Said Gromov: "Especially correct is Grant's insistence on the methodological weakness of the defenders of the 'Horn of Plenty' theory, in particular, their misunderstanding of the nature of exponential growth. . . ."

For his part, Mondale in Cincinnati declared: "By the year 2000 there will likely be 2 billion more of us

on this crowded planet. Ninety percent of the newcomers will be born in desperate poverty. . . . Air pollution may turn the earth's atmosphere into a steam chamber, water and land pollution and rapid deforestation of the earth may well drive thousands of plant and animal species into extinction."

Mondale, of course, promised to transform these bleak prospects, turning the year 2000 into a happy time. True to a campaign form which is not so candid as the Russians', he did not talk of his *Global 2000* genocide program to accomplish this. But Mondale is speaking repeatedly of the "year 2000"—code-language signaling reference to the *Global 2000 Report*, which was his policy as a U.S. senator, as Vice-President, and today.

Mondale is not the only "Democrat" going public with policy prescriptions whose content is worse than Nazi. Gary Hart's Colorado campaign manager, Governor Lamm, when he made his notorious reference to old people's "duty to die and get out of the way," was not only advancing Nazi euthanasia policies in a manner fully consistent with *Global 2000*, but signaling that the oligarchy in the West wishes to make this policy as open and routine as possible.

This has everything to do with why the "peace-loving" Soviet leadership and the "peace-loving" Mr. Mondale are hysterically committed to blocking Mutually Assured Survival, the more so now that even the opponents of beam weapons admit that implementation is perfectly feasible in the short term. They know that a U.S. "wartime"-type mobilization of the economy around beam technologies will spark even greater technological optimism than the space program did, unleashing the potential for a prosperous, growing world population which the threat of thermonuclear terror has blocked for a generation.

In that sense, the fight for beam defense is the fight for Judeo-Christian civilization, and the fact that leading candidates of a major U.S. party are on the wrong side should mobilize every patriot in defense of that tradition.

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