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Executive Intelligence Review, Dept. MC-1, 304 West 58th Street, 5th floor, New York, N.Y. 10019 (212) 247-8820.

Founder and Contributing Editor:

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Editor-in-chief: *Criton Zoakos*

Editor: *Nora Hamerman*

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# EIR

## From the Managing Editor

This week's Special Report, prepared by research specialist L. Talionis under the direction of *EIR* founder Lyndon H. LaRouche, Jr., who wrote the introduction, provides an anatomy of the Western side of the "arms control" conspiracy. Its leaders have been individuals like Bertrand Russell, who advocated a pre-emptive nuclear strike against the Soviet Union, and Leo Szilard, who proposed "tension-releasing" limited nuclear wars at intervals to reduce world population. The heirs of these pacific fellows, as we describe in this week's National section, are now vulnerable to ouster from their control posts within the nation's political parties and legislative bodies. That message is *EIR*'s commemoration of the sixtieth birthday of the most conspicuous among them, Dr. Henry Kissinger.

As for the Eastern side of the matter, next week we launch the first installment in a drive to assemble intelligence on what is known as the "Third Rome" policy, according to which the Soviet Union, that is, "Holy Mother Russia," is to become the arbiter of world empire—a conception which has little to do with Marxism or communism, but everything to do with the Eastern Orthodox Churches and their maintenance of the evil outlook and aspirations of the Persian Empire.

"There is only one way to deal with such a beast," writes Lyndon LaRouche in a document to be published next week: "to offer it peace and Russian survival from a standpoint of overwhelming raw [U.S.] power and manifest determination to use that power if necessary. As long as we refuse to present Moscow such a clear set of alternatives of this exact type, Andropov will alternately hiss and smile—like a cobra—until he strikes. . . . The crux of the matter is a 1939-43-style mobilization of the economy of the United States, emphasizing the explosion of the civilian economy resulting from spillover of directed-beam and similar technologies from military to civilian applications. The success of this depends on reviving high-technology capital investment in developing nations as well as Western Europe. The inherent superiority, moral as well as material, of a system of technologically progressive sovereign nation-states, over an 'empire,' affords us all the material and human potential required to assemble overwhelming defense against imperial designs."

*Susan Johnson*

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## Post-Williamsburg prospects for the world economy

by David Goldman

Henry Kissinger's old summit format, revived for possibly the last time starting May 28 at the Williamsburg restoration, requires a script written well in advance. Despite the much-publicized "informal" agenda, what will take place when the leaders of the seven major industrial nations meet was well known in advance, according to an analysis issued by *EIR*'s editors early in the week of the summit.

President Reagan's major blunder—as forecast by Secretaries Shultz and Regan in preliminary briefings—would be to tell his colleagues that the American recovery will, at its own pace, solve the world's major economic problems. The major banking institutions will immediately flood the press and congressional hearings with arguments that no conceivable pace of recovery will deal with the world debt crisis.

Ironically, the unkindest cut will come from the adviser to George Shultz whose projections informed Shultz's original Feb. 16 argument (before the Senate Foreign Relations Committee) that the recovery would solve the debt crisis: Morgan Bank's Rimmer de Vries. Before an elite Swiss audience, de Vries issued a preview April 29 of a new Morgan study arguing that the so-called recovery will provide no remedy for the world debt situation.

Whatever de Vries and his colleagues say, the salient event is the ongoing confrontation between Brazil, the world's biggest debtor, and the two major international institutions, the International Monetary Fund (IMF) and the Bank for International Settlements (BIS). Brazilian Finance Minister Ernane Galvêas informed a May 20 press conference in New York that Brazil would be 30 days late in making the \$400 million repayment due at the beginning of June of a bridge loan from the BIS. Galvêas explained that, despite Brazil's sincerest intentions, it would not pay the BIS because the IMF was withholding for 30 days the \$400 million which it

was scheduled to lend Brazil May 31.

Galvêas made his announcement the day after Fritz Leutwiler, the president of both the Swiss National Bank and the BIS, thundered at a Brussels forum that the BIS would not permit any roll-over of Brazil's debts to it.

The Brazilians, however, could celebrate their default on the despised BIS. Galvêas briefed the reporters that the terms of the BIS agreement hold that Brazil has to pay it only on receiving IMF drawdowns. "If the BIS wants to get its money earlier, let them collect from Mr. de Larosière and *not* from Brazil," Galvêas emphatically concluded as the reporters broke into laughter.

Around the end of June, President Reagan must decide whether to re-appoint a Fed chairman whom the White House (correctly) views as a conspirator with the domestic and foreign opponents of increased American defense spending. He will almost certainly appoint, instead, someone who is loyal to the administration's most important single objective—restored American defense capability; this will most probably be the Californian vice-chairman of the Fed, Preston Martin. A nasty crisis on the long-term side of the federal bond markets is already in preparation upon Volcker's anticipated departure from the chairmanship. This prepared "perceptions crisis" coincides with the emergence of fundamental pressures upon the federal bond market, of which an unmistakable warning was the Treasury's announcement that it registered a \$3 billion deficit during April, the peak month for tax collections. The backing-up in both short-term and long-term interest rates during May appears to be a foretaste of a much worse situation towards the end of the second quarter.

### What the President will do correctly

Despite the pre-planned blunder over basic economic policy, President Reagan's stance will be guided by his most

important recent policy initiative: the March 23 announcement of a plan to develop defensive directed-energy beam weapons. As *EIR* has shown in numerous studies, the beam weapons military doctrine includes the elements of a "science driver" for economic recovery.

This is a central point of debate within the administration. One senior official, the director of planning for the National Security Council, Dr. Norman Bailey, emphasized the economic benefits of the policy as comparable to the 1939-44 period in a May 17 speech in Brussels (see excerpts, page 7). Secretary of State Shultz, briefing reporters on the summit May 24, insisted that the "recovery" is in no way dependent on military spending; Shultz, in any event, has opposed the beam-weapons program on what he considers to be military and diplomatic grounds.

Shultz and his advisers at Morgan Guaranty Trust are the domestic supporters of demands from abroad—principally from Britain—that the United States reduce its budget deficit in order to further world recovery. In practice, this means reducing the defense budget. Since the BIS annual meeting of June 1981, this has been the principal theme of the international organizations' demands upon the United States; Volcker's collaboration with these demands is the principal reason he has little chance of re-appointment.

French President François Mitterrand's pre-summit call for a "new Bretton Woods conference" included the unfortunate allegation that the rest of the world is paying for the American budget deficit (through high American interest rates and capital flows into the United States).

According to authoritative administration sources, the principal advocate of such concessions, Undersecretary of State for Economic Affairs W. Allen Wallis, has failed to win administration approval for a memorandum he issued the third week in May arguing that the United States should permit the IMF to conduct a study of the need for a new international monetary conference. Wallis, a longtime friend of George Shultz, heads the American summit preparation (or "Sherpa") team; his memorandum was leaked to the *New York Times* and *Washington Post* May 18. In penance, Wallis was hauled before the Washington press corps May 25 to explain that the memorandum many of them had heard of represented no agreement of any sort, but merely reflected topics which various people were interested in discussing.

Demands that the United States modify its economic, and especially its defense budget, posture, have taken the form of proposals to manage the exchange rate system on a model more closely resembling the old "Bretton Woods" system of fixed exchange rates. This simply means, in the formulations offered May 17 by Henry Kissinger, Rep. Jack Kemp, and others, that America should submit to controls over its defense and other spending on the pretext that such issues influence the exchange rate of the dollar.

This the administration will refuse to do. Senior British officials are already expressing alarm that the United States will appear to be conciliatory without being conciliatory.

Even if a study of a new monetary conference is agreed at Williamsburg as a last, consensus-saving concession, this will merely be a means to bury such British and related objections.

At the same time, the intervention of Japanese Prime Minister Nakasone, who is considering presenting a proposal for a "Global Infrastructure Fund" to provide the economic basis of a solution to the world depression, may strike important chords in the U.S. administration.

One senior U.S. official said that the Japanese will propose a "Global Infrastructure Fund" to put hundreds of billions of dollars into "Great Projects" in the developing sector, as a means of beating the world depression through rising productivity. Some Reagan administration officials are taking a reluctant interest in the Japanese position, given the danger of world monetary collapse. "I hope that Nakasone brings up the debt issue in a big way," said one. "It will make the President listen."

## Beam weapons

The implicit subject of the summit will be President Reagan's March 23 change in military doctrine to "Mutually Assured Survival," emphasizing defensive anti-missile weapons based on relativistic physics. The administration is entering the summit in full awareness that, despite the actions of Kissinger, Britain's Lord Carrington, and others, the European nations have no option but to support the United States in this program. That fact has produced a wave of upset among senior British officials and their friends in place in other European governments, who complain that the United States is dealing unilaterally.

A potential policy rupture over international monetary issues between the United States and European nations at Williamsburg "merely reflects a natural drift apart" and "a growing tendency towards European neutralism," according to a source close to Bank of England top management.

In response to reports that the heads of government would agree to study an international monetary conference, the source predicted that the governments would nonetheless fail to offer any solution to the explosive international debt problem. "Agreement on a study of a monetary conference is amusing. Studies are a way of diffusing an issue. The administration can be apparently conciliatory by agreeing to it without giving up anything at all. If you really want to run it into the fan, do a study on it," he concluded.

However, the basic issue in all this was "the U.S. attitude towards the Europeans," he added. With no agreement on this subject, "the United States and Europe will continue to drift apart. Europe will become more neutral, more of an economic backwater. I see a natural drift in the opposite direction." Referring to the speech delivered at the American Bankers Association conference in Brussels by Norman Bailey, in which Bailey told the Europeans that they had no choice but to support President Reagan's beam-defense program, the Bank of England official exclaimed, "Bailey can't

get away with what he is demanding. This sort of thing can't be imposed on Europe."

### Carrington's threats

The underlying threat that Britain raises—European neutralism as the penalty for failure to accept IMF demands concerning American deficits—was the subject of a diplomatic, but tense, exchange between Britain's former Prime Minister Lord Carrington and NSC official Bailey at the May 17 Brussels conference. This counterposition was not lost on the *Neue Zürcher Zeitung*, the leading Swiss daily (and Europe's most important Freemasonic newspaper), whose account ran as follows:

"Lord Carrington, who discussed global tensions and antagonisms in practically all their manifestations, spoke, with a view to the European-American alliance, of the continual requirement for explanation and understanding; and in the context of this requirement only could the Atlantic Alliance be elaborated, not last in the presumption that only on this path could solutions to problems be found. . . .

"The relations between the superpowers and their allies had a key significance in the field of world tensions, according to Lord Carrington. From the standpoint of the West, it is of special significance to convince the new, i.e., the younger generation of the rightness of the West's cause. . . .

"From the standpoint of National Security Council Director for Planning Norman Bailey . . . the goal of the Soviet Union is to undermine the will of the West to maintain the necessary defense posture, and this with the goal of reducing pressure on itself. In Bailey's judgment, the Soviet Union can reach its goal of maintaining its present military supremacy only in the case that the West permits its efforts to restore the balance to fall through. The new Soviet leadership, in Bailey's portrayal, is the most intelligent since Lenin; it has not only a pronounced feeling for the psychological status of the West, but also an equally keen awareness of the limitations of Moscow's own resources. Moscow will nonetheless continue to give absolute priority to military expenditures. Bailey predicts, in conclusion, that the Soviet Union will restrict its activities in the international field to two priority areas, namely the Mideast, where the economic basis of the West may be buried most easily, and the Caribbean, where the security interests of the United States may be threatened most immediately and at the lowest cost.

"In Bailey's analysis of world tensions, the shift in the world economic center of gravity to the Pacific also figures. Meanwhile, the military-political center of gravity remains, as before, between the Mississippi and the Urals. In conclusion, Bailey indicated that the economic factor in international relations must, at least before the end of the decade, play a key role. A new, deeper, and worse recession than the present one might lead to widespread political and social unrest, to coups and revolutions, if not indeed to regional conflicts. And the American concluded with the statement that the now apparent recovery might be brought down easily

by the world debt crisis."

### Europeans support U.S. defense policy

Bailey's reference to the shift in the economic center of gravity translates into a blunt message to Carrington and his friends: if Japan and the United States manage to settle their differences, it does not matter what the European allies think. They will shut up and take orders, so long as the United States proceeds on a fundamentally correct path toward the development of an anti-missile technology which guarantees Europe's security as well.

This tone of address to the Europeans offends British

## NSC planning director: 'Technological revolution can restore prosperity'

*The following are excerpts from the speech delivered by Norman Bailey, Director of Planning of the National Security Council in Washington, D.C., to the International Monetary Conference in Brussels May 17.*

The future is an embryo in the womb of the present. . . . I will confine my remarks to only three of many embryos presently awaiting maturity.

The first of these is the evolution of Soviet policies and strategies. In my view, the Soviet Union currently has its most intelligent and subtle leadership since Lenin. Mr. Andropov has a well-developed sense of the psychology and state of mind of the Western world (mostly gleaned from extensive discussions with his son, who travels widely, and not from Scotch whiskey and rock recordings as has been breathlessly reported by certain media). He also has an acute understanding of the resource limitations of the Soviet Union and the consequent necessity to get the biggest bang for the buck, or rumble for the ruble, if you like. Finally, and for the first time in Soviet history, his power bases are in the secret police and the armed forces, not in the Communist Party. . . .

As a result of these factors, Soviet policy will be directed to sapping the will of the Western countries to adopt and pay for the necessary defense buildup, in order to take the pressure off themselves to match this buildup. Maintenance of their existing margin of superiority is the goal, of course, and that can only be done if the Western alliance abandons its efforts to redress the balance. It will maintain absolute priority of military expenditure, as required, of course, but direct use of Soviet military forces will be avoided if possible, both



sensibilities, but has already won support in West Germany and France. According to well-informed West German officials, the administration's efforts to "clarify" the March 23 shift in military doctrine has won at least the Kohl government to Reagan's perspective.

The Reagan administration's problem is that unless it can rapidly carry through the promise opened by the March 23 presidential address, the result will be chaos in all the major OECD economies, perhaps triggered by major Ibero-American defaults. In such chaos Carrington's perspective may prevail. That makes Japanese Prime Minister Nakasone's role in this process especially interesting: he has important

cards to play in both the developing sector (see article, page 8) and in Washington.

Nonetheless, on the fundamental strategic issues, President Reagan holds all the important cards, and has no reason to accept any limitations on his range of action. The danger the United States faces on the eve of the summit is not so much that its enemies will lure it into dangerous plans that will limit American sovereignty. It is that the collapse of the world banking system following, for example, a Brazilian default, will throw America's relations with its NATO allies into chaos before the United States can elaborate a competent program to deal with the crisis.

because it is very expensive and also because the professional military man, contrary to myth, is by nature cautious. It will also prioritize its foreign operations much more carefully than in the past, abandoning or lessening activities in areas of peripheral importance, and presenting these tactical withdrawals as important concessions which should be responded to by the West. I have no doubt that first priorities will be the Middle East and the Caribbean Basin—the Middle East because there it can most easily threaten the economic underpinnings of Western Europe and to a lesser extent Japan, and the Caribbean Basin because there it can most directly threaten the security interests of the United States at a very low cost, using its local proxies—countries, guerrilla movements, and terrorist groups. . . .

Internally, Andropov will try to apply some of the Hungarian economic reforms while applying a very repressive political and social policy.

The second topic I want to touch upon briefly today is the fact that the economic center of gravity of the world is rapidly shifting to the Pacific Basin. . . . The Pacific Basin is a huge, poorly defended, and fabulously rich prize, and it is obvious that it would be to our benefit to continue to fill the military vacuum in close cooperation with the Japanese. If this is not done, it will represent an open invitation to future international conflict. . . .

The final topic I wish to analyze is the primacy of economic factors in international relations which will probably last at least to the end of this decade. The collapse of the international monetary system between 1968 and 1972, due to a conscious decision on the part of the Johnson administration at that time to finance the Vietnam War and the Great Society programs through debasement of the world's trading and investment currency, has led to a decade and more of stagflation, decapitalization, growing insolvency, destruction of the capital markets, low rates of savings and capital formation, and violently fluctuating exchange and interest rates in most of the Western world. Cyclical downturns occurring during this period of decreasing strength of resistance have been as a result increasingly severe and dangerous, and

if the present recovery from the recession of 1980-82 remains a consumption-led recovery with little upturn on the investment and export side, resistance to the next downturn, probably around 1986, will be even weaker and less effective than before.

From the security standpoint, we must recognize that another even more severe recession or even worse, a depression, following on a weak recovery, would undoubtedly result in widespread social and political unrest, revolutions, coups, local wars, and perhaps even region-wide conflicts.

To this we must add the present international financial crisis, which could abort the recovery much earlier if not successfully handled.

the excellent analysis of Mr. Wolfensohn, which I commend to your careful attention, particularly when he points out that not just rescheduling but restructuring will be required and suggests what this restructuring might involve.

There is nothing new in all this, of course—it has happened over and over again since the industrial revolution. As one generation's technological innovations yield lower rates of return, capital is frozen and vested interests dig in; stagnation leads to collapse, unrest, and war. Then, as in 1939-43 in the United States, by main force the grip of the vested interests is broken, resources are forcibly channelled into the new technologies under the whip of the national security threat, and the new era of prosperity begins.

But unlike natural laws, social laws are not immutable. Necessary adjustments *can* be made without intervening social collapse and war. This is why the President's initiative to divert resources to the development of defensive technologies is so important. What could be a more important national security objective than freeing the Western world from the overhanging threat of nuclear conflict in a *realistic* and technologically and economically productive way.

No—social laws are not immutable. What makes them seem so is the cumulative crushing weight of little minds of weak will and no vision. What is required and what we must have is a positive vision of attainable goals, and the will to attain them.

# Gandhi: North must respond to Non-Aligned

by Susan Maitra in New Delhi

Prime Minister Indira Gandhi revealed towards the end of May that she has received only "lukewarm" responses from leaders of the industrialized countries to proposals made by the Non-Aligned movement to solve the world economic crisis by promoting rapid economic development in the Third World. Speaking to journalists from Yugoslavia, Mrs. Gandhi said that she has "had some answers, but you know some people have points of view which are very set, and it depends on the others whether they feel strong enough to be able to push things in what we consider to be a better direction."

For the past several months, Mrs. Gandhi has been working to convince the industrialized countries to seriously consider the proposals drafted by the Non-Aligned movement at its March summit meeting in New Delhi. A strong effort has been made to place those proposals for ending the world depression on the agenda of the Williamsburg summit of the seven largest OECD countries, scheduled from May 28 to May 30.

Mrs. Gandhi, in her capacity as chairman of the Non-Aligned, has written to the leaders of the industrialized countries on several occasions since the March Non-Aligned summit, urging them to: 1) send high-level delegations to the June meeting of the United Nations Conference on Trade and Development (UNCTAD), where important economic issues will be discussed; 2) attend the U.N. General Assembly session in September, where major economic and political issues could be dealt with at the highest level; and 3) study the economic proposals issued by the New Delhi Non-Aligned summit, especially the proposal to convene an "International Conference on Money and Finance for Development," with the aim of establishing a new international monetary system to finance world industrialization.

Mrs. Gandhi said that it would not be possible to "prophesy" about the outcome of international meetings like the Williamsburg summit. "Even when they serve some good," she said, "say in Ottawa for instance, we felt that they have made a little advance, but nothing was done. The North-South dialogue thus remains where it was."

Mrs. Gandhi also stated that, in her view, the Non-Aligned movement must tackle two main problems. The political problem concerns war and peace, and the need to prevent nuclear conflict—indeed, all wars. The economic problem,

she said, involves the need for cooperation and development, and a restructuring of the global system. There is an urgent need for global negotiations, she said, even though some Western countries are allergic to this terminology. Observing that even some developed countries such as France now believe that the institutions set up at Bretton Woods had not been of much use, it is time, she said, to think again about these institutions, and to have an economic system which can meet the needs of the present day.

## Best response from Tokyo

Thus far, the most favorable response to Mrs. Gandhi's appeals has come from Japan, where Prime Minister Yasuhiro Nakasone told India's finance minister the third week in May that he would personally raise at the Williamsburg summit many of the Non-Aligned's concerns about the world depression. It has been repeatedly rumored that Nakasone will propose the creation of a "Global Infrastructure Fund" for North-South investment.

Finance Minister Pranab Mukherjee's three-day visit to Tokyo starting May 18 has deepened relations between Tokyo and New Delhi. The visit had long been planned to cover various mostly bilateral economic issues, including India's concern about Japan's attitude toward its \$2 billion loan request to the Asian Development Bank (of which Japan is currently president), as well as the upcoming Aid-India Consortium meeting. But, at Mrs. Gandhi's initiative, a new dialogue was opened with Nakasone on the Non-Aligned economic proposals.

During his 30-minute meeting (reportedly twice the scheduled length), Mukherjee told the Indian press, Nakasone was "positive and specific" in his response to the message sent to him by Mrs. Gandhi. According to the Indian government's report of the meeting, Nakasone said that he shared India's concern regarding the state of the world economy and the problems of the developing countries, and paid special tribute to the leadership provided by Mrs. Gandhi in her capacity as chairman of the Non-Aligned. "I myself have come to the conclusion that, like the human body, so with the world economy, there must be circulation in order to survive," Nakasone told Mukherjee. "The dialogue between North and South must start. There can not be any prosperity for the North if there is no prosperity in the South." Nakasone's views were echoed by Foreign Minister Shintaro Abe, according to official reports from New Delhi.

Nakasone also assured Mukherjee that Mrs. Gandhi's suggestion for a meeting of heads of state at the United Nations in September is being studied carefully by the finance and foreign ministries in Tokyo. Nakasone said that he wants to hear the views of other leaders before making a decision.

According to Indian and Japanese wire services, Mukherjee also asked for Nakasone's support of the Non-Aligned proposal for an international conference on development finance, and he reportedly emphasized the necessity of such a conference to the four other Japanese cabinet members with

whom he spoke during the visit.

The day after his meeting with Mukherjee, Nakasone delivered a speech to the National Press Club of Japan, followed by a press conference on economic issues. He called for thorough revision of "traditional thinking and policies in regard to economic management. . . . Japan's task," he said, "is to review the international systems, such as the International Monetary Fund and GATT . . . and to contribute actively to the formation of an international order that will allow new economic development." He also underscored the necessity for a solution to the problem of the indebtedness of developing countries.

"Japan's first task in international economic management is to place the strongest emphasis on contributing to the peace and prosperity of all human beings through economic and cultural cooperation. In particular, Japan should place strategic emphasis on promoting economic cooperation with neighboring developing countries in their self-reliant efforts, thereby bringing about expanded economic exchange."

These concerns, Nakasone told Mukherjee, were raised to him by the leaders of Southeast Asian countries, with whom he met during a recent tour of that region. "In view of recent experiences, there is an especially urgent need to re-establish stable frameworks in the areas of trade, currency, finance, and energy," Nakasone said. He also referred to the "bitter experience" of failing to coordinate international policies and finally inviting the scourge of war. "Today," he said, "we can't entirely discount the danger of Japan again traveling a road to international isolation if it fails to respond appropriately in the economic area."

### Science and technology cooperation

In talks with Ministry of International Trade and Industry minister Yamanaka, Mukherjee discussed ways to expand the volume of bilateral trade and modify certain trade financing procedures onerous to India. Yamanaka is understood to have agreed in principle to increase the quotas of items under Japan's generalized system of preferences, which covered 17 percent of India's 1982-83 exports of about \$1.8 billion to Japan. India's trade balance with Japan, where iron ore and various agricultural products such as tea are exported, has deteriorated in recent years; a Japanese business delegation to India is now under discussion.

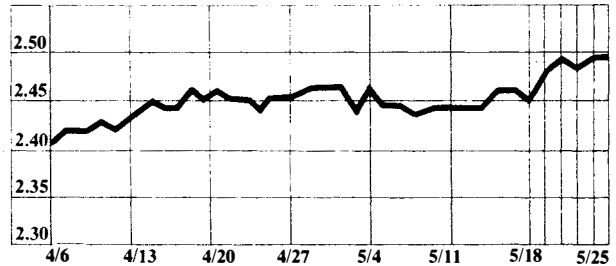
The Japanese and Indians also discussed ways to "institutionalize" scientific and technological cooperation between the two countries, which has increased greatly in the last few years. Yamanaka has asked for a study of certain potential areas of technological collaboration; India has already expressed interest in Japanese collaboration in electronics, and development of non-conventional forms of energy production.

"There are good prospects for better Indo-Japan cooperation," Mukherjee told the press before departing for New Delhi. He said that he had detected a "new awareness of India in Japan."

## Currency Rates

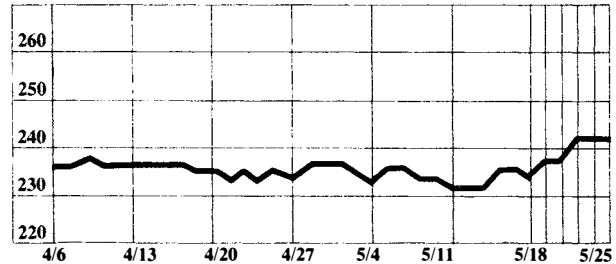
### The dollar in deutschemarks

New York late afternoon fixing



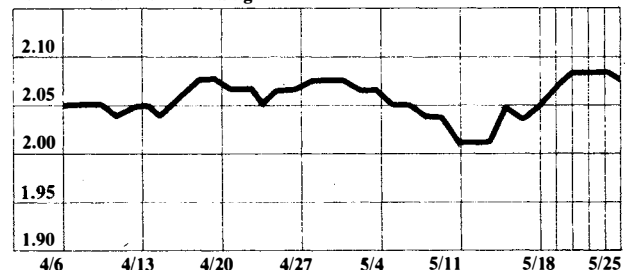
### The dollar in yen

New York late afternoon fixing



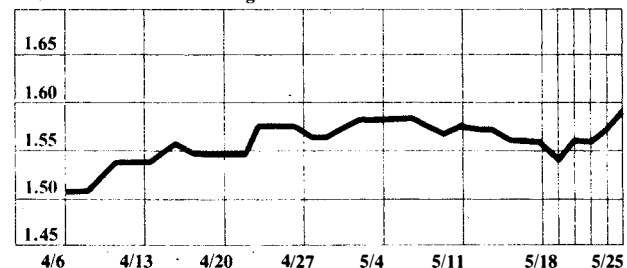
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



# Delors policy spells trouble for France

by Dana Sloan

France has been dragged into a downward spiral of destabilization since the end of March, following the pattern painfully familiar to Third World nations. President François Mitterrand has gained powerful enemies ever since he began to break with the "post-industrial society" ideologues who, from special presidential adviser Jacques Attali to Socialist Party leaders like Jean-Paul Quiles, had expected to control his economic policy. However, in a classic case of the "Third World syndrome," Mitterrand himself opened the door to the wolf, in the form of International Monetary Fund dictates.

Back on March 22, as the French franc was being battered on the foreign exchange markets, European heads of state met and, under the impulse of the Bank for International Settlements, the IMF, and their West German enforcers induced Mitterrand to begin slicing away at his own throat. In exchange for a mild rather than drastic devaluation of the French franc, Mitterrand was to give the IMF's man in the cabinet, Jacques Delors, dictatorial powers over economic policy. Once this had been accomplished, the *Financial Times* of London duly issued an editorial calling off the speculators. That respite only lasted a few weeks, as was intended, and now the franc is heading toward a fourth devaluation.

Any Western figure who is at this point advising Mitterrand to continue along the path of the "fiscal austerity" advocated by the IMF and allied institutions, deserves to be put on the payroll of Yuri Andropov's KGB. For the fiscal austerity approach is the surest path to France's destruction economically, politically, and as a world power. Austerity is dismantling the French nuclear program, whose continued growth even during the past years of crisis has kept the economy afloat. Austerity means that France, currently America's closest ally in Western Europe on military policy, will be undone.

## 'The Mexico treatment'

Spokesmen for the IMF and BIS have candidly told *EIR* that their intention is to "give France the Mexico treatment." At the IMF, an officer on the French case declared that, in the near term, the IMF would not demand that France go all the way with IMF conditionalities, but that the Euro-

pean Community (EC) would take charge of the conditionalities on its behalf.

On May 17, the French government was granted an EC loan of \$3.6 billion, reimbursable over a six-year period. The EC's stated condition was that the French government continue to implement the policies of Delors, who since the post-March 22 cabinet reshuffling has combined the functions of economic, finance, and budget minister. German Finance Minister Gerhard Stoltenberg, whose actions are guided by Friedmanite assets of the oligarchic Mont Pelerin Society, declared upon the announcement of the loan that its purpose is, like the proverbial carrot, to make Delors' policy "succeed."

The EC loan must be added to \$4.6 billion already borrowed during the first four months of the year, bringing France's gross foreign indebtedness to the unheard-of sum of \$50 billion. None of those loans has done more than buy a little time between devaluations. The franc is collapsing daily to new record lows, so that a figure of 8 francs to the dollar is not an impossibility.

## Nuclear energy and overall policy

As the EC loan was being negotiated, a committee on long-term energy planning submitted its recommendations to the French government, and called for the nuclear program to be scaled down, building only one nuclear reactor per year to supply France's dwindling energy supplies. The proposal, if approved by the government, would mean collapsing France's most advanced industry, which at this point is the last prop for the economy. Alsthom Atlantique, which produces the turbines used in nuclear plants, has already announced over 3,000 layoffs; its top management has said publicly that anything less than orders for three nuclear plants per year means the end of the industry.

Reflecting the divergent currents cohabitating uneasily in the government, Energy Minister Michel Auroux told the press that "energy production overcapacity is more of an asset than a handicap, and nuclear technology is an advantage that France should exploit." On the same day, Minister of Environmental Affairs Huguette Bouchardeau praised the commission's report. What is instructive is that Bouchardeau—whose son François directs the Longo Mai terrorist training camp network (see *EIR*, May 10)—was newly brought into the Mitterrand government in the reshuffling that was dictated by the IMF.

The IMF program, by that or any other name, has provided the cannon fodder for France's political destabilizers, in the form of students, shopkeepers, and farmers all enraged by the economic crisis and all easily manipulable. The policy appropriate under these circumstances is the same policy now under intense discussion in Ibero-America: to promote a debtors' cartel, and replace the era of IMF-dominated financial policy with institutions dedicated to generating credit for the high-technology industrial recovery demanded by Western military security requirements.

# IMF cuts U.S. sales in Latin America

by Renée Sigerson and Mark Sonnenblick

Thanks to the International Monetary Fund's austerity "adjustment programs," U.S. exports to the eleven major countries of Latin America have fallen by 37 percent from last year's depressed levels. And, as countries are forced into ever-greater import reductions and their suppliers find their receivables uncollectable, the prospects are far from encouraging.

The destruction of what was once the "natural market" for U.S. exporters has hurt balance sheets and caused unemployment in the United States. The Brazilian finance minister estimates each \$1 billion in lost exports means 24,000 lost jobs in the United States.

Furthermore, each country has been ordered by the IMF and the banks to achieve a trade surplus by means of trade war policies which pump out their products into the world's remaining markets at prices far below the real cost of production; this harms them as well as the American industry they undersell. A Chicago-based exporter of high-technology capital goods confided to *EIR* that its sales to Latin America have fallen 65 percent from last year's first four months; a chemical and fertilizer producer claims its sales are down "only 18 percent."

Some big companies are simply giving up their top markets. Caterpillar says, "When your receivables in a country reach a certain level, you cease acting like an industry and you begin to act like a bank."

American multinationals operating in Latin America are slowly waking up to the painful reality of their mistake in letting the banks run debt renegotiations with their customers. Unpublicized roundtables have taken place in Coral Gables, Florida, where over a hundred multinationals have their Latin American headquarters. At a secret May 20 meeting in New York among the Coral Gables crew, Mexican Finance Minister Jesús Silva Herzog, and the major banks, the industrialists "delivered the message" to the banks that "they have to come through with cash" to cover trade arrears, and not leave industrial suppliers hanging for up to eight years.

The accompanying tables are the still-unpublished official accounts from the U.S. Department of Commerce on trade between the U.S.A. and the eleven largest economies

in Ibero-America through the first quarter of 1983. These figures shed light on how the Ibero-American countries are allegedly achieving the trade surpluses the IMF is demanding: with the exception of Chile, these surpluses are arising strictly from a brutal slashing of their imports. Their exports to the United States—despite the oft-heralded "recovery"—show a nominal growth rate of 3 percent, less than inflation.

The Mexican Finance Ministry reports that Mexico's imports for the quarter were \$1.476 billion, down a whopping 70 percent from the \$5.059 billion in the same period last year. The decline in U.S. exports to Mexico will presumably turn out to be even larger than the 42 percent reported here, given the fact that the U.S.A. normally provides two-thirds of Mexico's imports.

The presidents of Mexico and Brazil sent an "urgent message" to the United States at the end of their April 26-29 summit, in which they explained how "the accelerated development of the countries of the South" through "the reform of the international monetary system" would solve the world economic crisis. "Under conditions in which the developed countries have ample idle capacity in many sectors, the import demand of the developing countries offers them an enormous potential to reactivate their economies on a non-inflationary basis," they declared. The message was blacked out of every U.S. publication except *EIR*.

## U.S.-Latin American trade

### U.S. exports to Latin America

(millions of U.S. dollars)

Country	1st quarter, 1982, (\$)	1st quarter, 1983, (\$)	Percent change, (%)
Latin America			
Integration			
Association* . . . . .	7420.8	4677.7	-37
Mexico . . . . .	3618.8	2085.6	-42
Venezuela . . . . .	1247.0	854.8	-31
Brazil . . . . .	856.4	575.7	-32
Argentina . . . . .	458.1	251.0	-45
Chile . . . . .	234.6	156.0	-33
Peru . . . . .	267.8	184.1	-31

### U.S. imports from Latin America

(millions of U.S. dollars)

Latin America			
Integration			
Association* . . . . .	7480.9	7722.3	3
Mexico . . . . .	3728.4	3861.5	4
Venezuela . . . . .	1319.4	1245.1	-6
Brazil . . . . .	1108.3	1197.2	8
Argentina . . . . .	354.4	200.9	-43
Chile . . . . .	150.4	253.4	68
Peru . . . . .	255.7	285.4	12

\* The Latin American Integration Association includes the countries listed on this chart, plus Colombia, Ecuador, Bolivia, Paraguay, and Uruguay.

# U.S. industry: the 1983 trends and the requirements for a beam-weapons economy

by Leif Johnson

Those sectors of the U.S. economy that are most important for long-term productivity growth have been flat since last November, according to the latest government industrial production statistics. While the output of consumer goods inched up from a late-1982 trough, mining, primary metals, electrical power generation, and capital goods consumed by the capital goods industries remained level or declined between November 1982 and April 1983.

To demonstrate the inadequacy—nay, “wrong-directedness”—of the so-called recovery, we have compared the current direction of the economy, sector by sector, with the requirements projected by *EIR* to realize President Reagan’s plan for a beam weapon anti-ballistic missile defense system. The President’s program is an excellent “yard stick” against which to measure current economic trends. It demands, for its implementation, a gear up of the most technologically advanced sectors of the economy. These are also the sectors with the capability to radically upgrade productivity and provide the greatest “payback” to the entire economy.

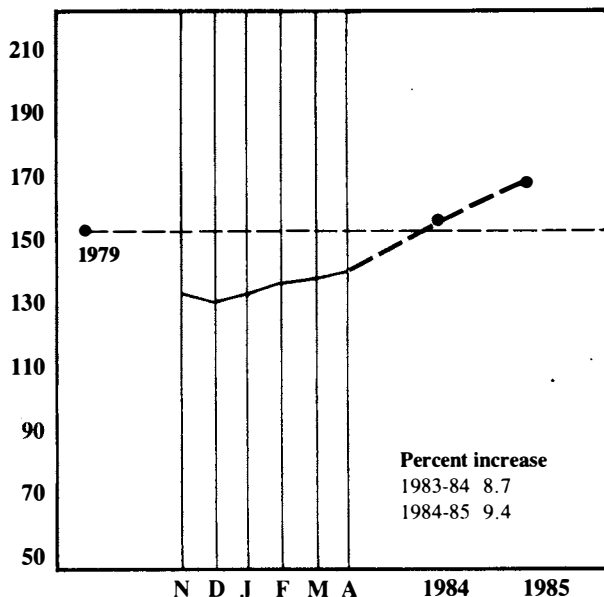
By focusing our attention on the economic requirements of national security we have a real meaning for the often used

term “recovery.” The tasks assigned to the industrial base of the nation, in this case by military necessity broadly conceived, define recovery. Thus, recovery must be more than simply recapturing some past level of production. It must be the path for achieving ultimate goals in the shortest time available and the basis for subsequent augmentations of output and productivity.

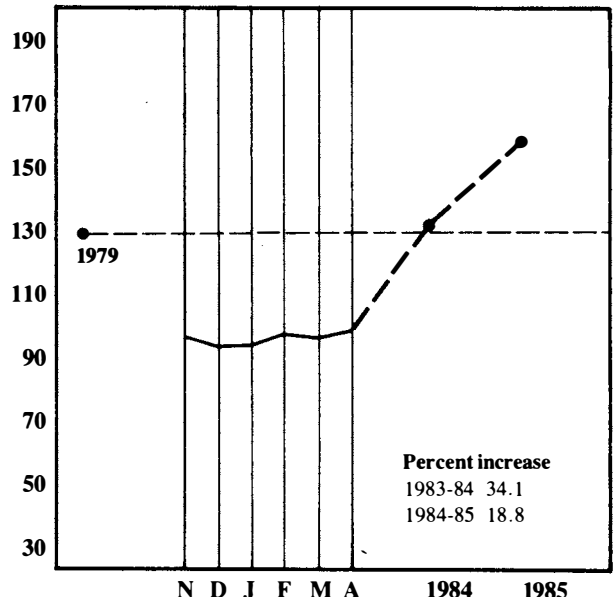
This definition allows us to transcend the numbing ritual of seeking to divine economic trends in each reported monthly figure for retail sales, opinions of purchasing managers, auto production, unemployment, money supply figures, leading indicators, financial market “signals,” and the endless commentaries on such figures. Instead, we direct our attention to what necessity demands of our economy and how well we have achieved such requirements. For most businessmen, workers, and bankers, this notion of recovery can replace the miserable anxiety of waiting for “what will happen next” with the healthy situation of developing industries and their work forces and participating in the common purpose of the future of the country.

The accompanying graphs compare the output levels re-

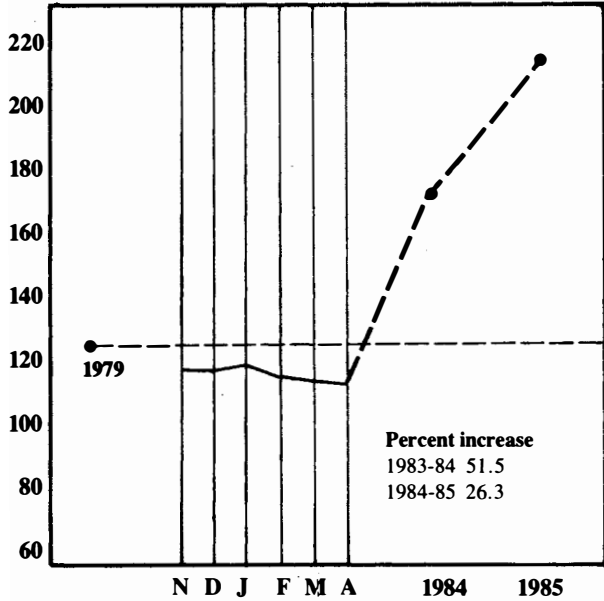
**FRB all manufacturing**



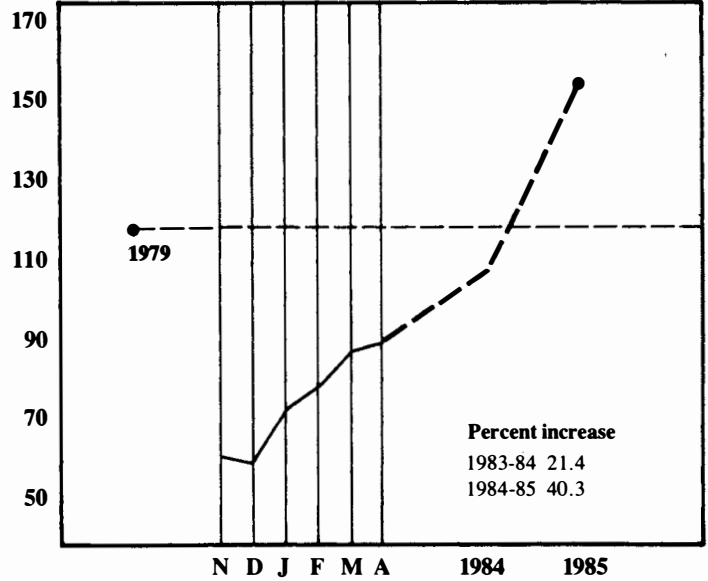
**FRB manufacturing equipment**



**FRB mining**



**FRB primary metals**



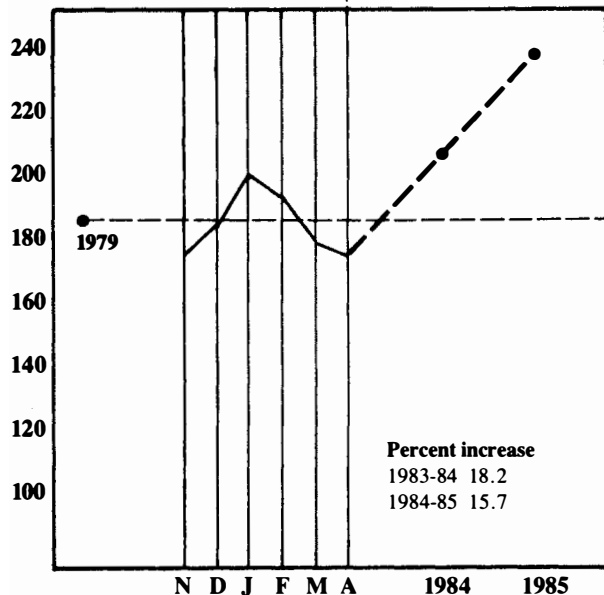
quired in the eight industrial sectors for the beam weapons defense program, as projected by the *EIR*'s LaRouche-Riemann model, with the actual direction of these sectors. The results are dramatic. The *EIR* study indicated that the economy's core industrial sectors must break through the 1979 levels (the last year of approximately normal economic output) by early 1984 and then continue on a strongly upward trajectory. Subsequent annual increases will have to be even larger than the first two years; however, the 1984-85 rise in output is the foundation upon which the later years' gains must be based. The first year (1984) is the period in which we restore the economy to 1979 levels in preparation for a

genuine recovery.

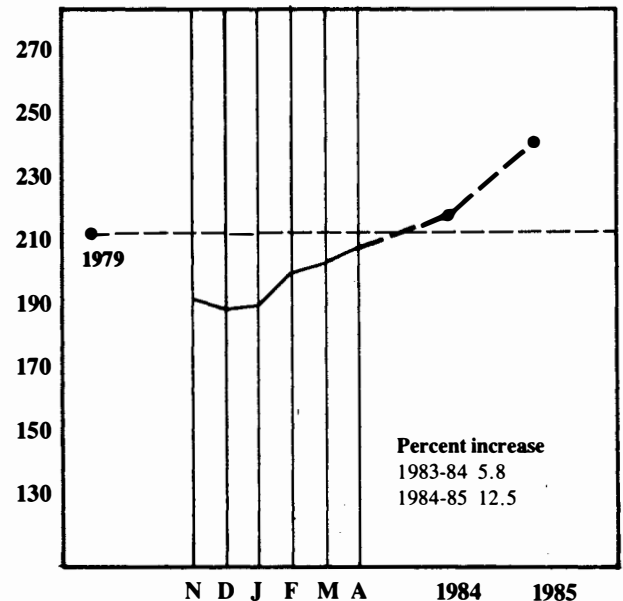
By contrast, almost the entire increase in the government's industrial production index between last November and April came in consumer durables, construction supplies used for residential construction, and industrial materials consumed in auto and home furnishings production.

In the accompanying graphs, the actual data points are from the Federal Reserve Board's index of industrial production. The projections for 1984 and 1985 are for the eight industrial categories used in the *EIR*'s 10-year military production forecast. These categories are based on, but not strictly comparable to, the Fed's industrial production categories;

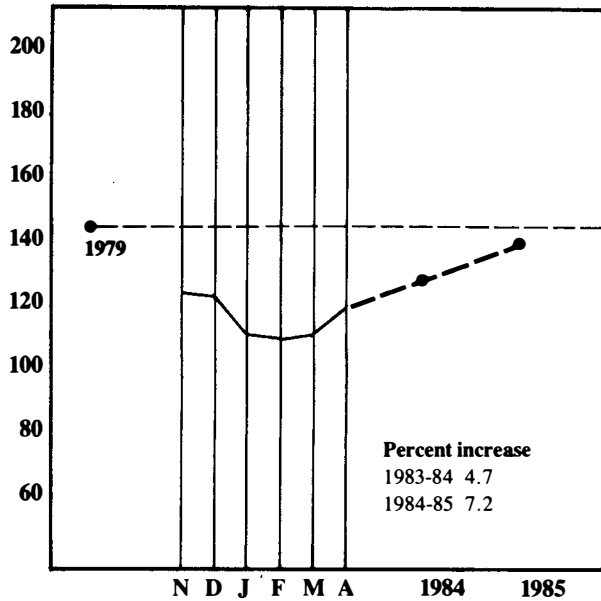
**FRB electric power**



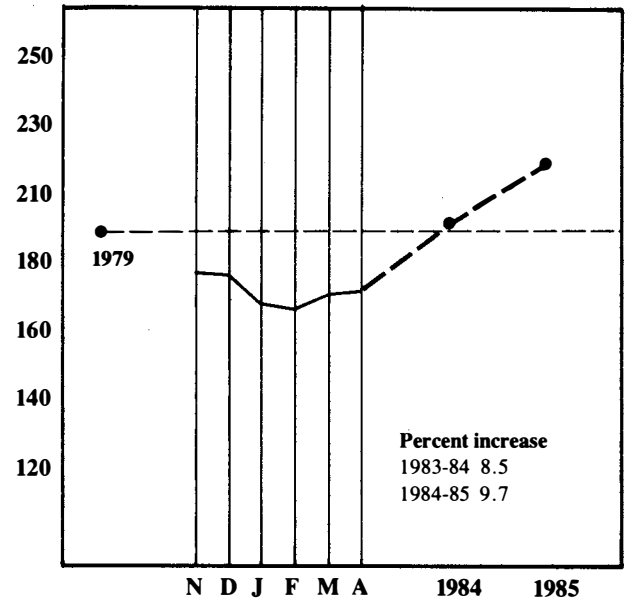
**FRB chemicals**



**FRB petroleum products**



**FRB commercial, transport, farm equipment**



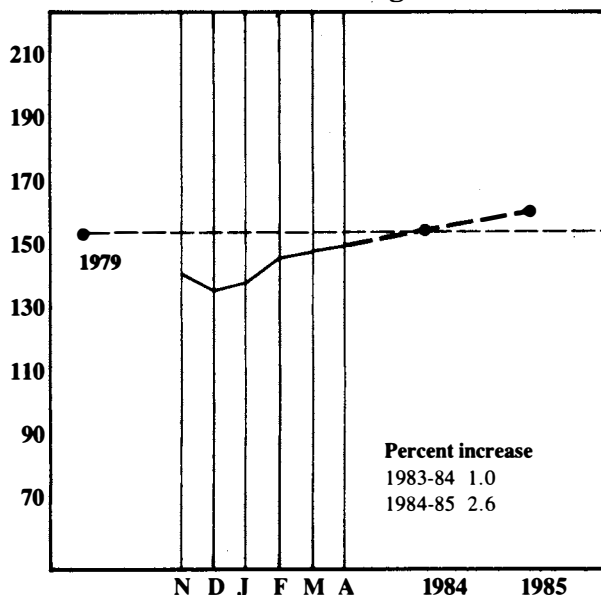
however, they are sufficiently alike to permit comparison.

The reason we have created industrial categories different from those of the Federal Reserve Board's industrial production index is a significant one. The Federal Reserve Board index ignores how various branches of industrial output are ultimately consumed. Machinery is machinery whether it is used to produce lasers to be installed on the most advanced machine tools or whether it is used to build casino gaming tables, video games, or non-essential luxury goods. *EIR's* model distinguishes between capital equipment used to produce other capital equipment, such as machine tools, and capital goods used to produce consumer goods. Thus, the

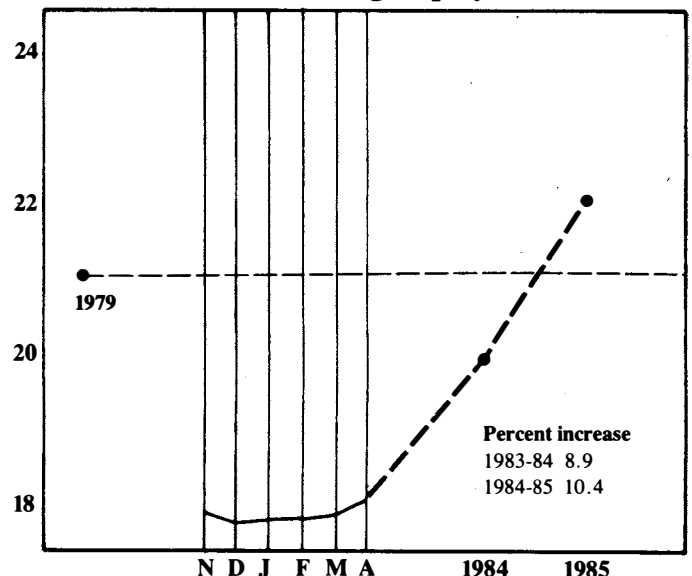
two sectors, capital to capital goods and capital to consumer goods, used by *EIR* are not found in the FRB industrial production index. In this we have achieved a superior way of conceptualizing the workings of the U.S. economy.

In the first two years of the beam weapons program, consumer goods output maintains a slow increase. Since the work force will be expanding, there may be minor shortages of consumer goods. The other graph that may raise questions is the slow growth in oil product consumption. This is largely due to a fairly inelastic demand for oil and the assumption that the nation will not be fighting a war, which would demand a large increase in oil production.

**FRB consumer goods**



**Manufacturing employment**





## U.S. exports collapse

*With China and the U.S.S.R. buying far less grain this year, the United States should refinance the blended credit program.*

American farm exports are dropping for the second straight year. The USDA reported May 9 that volume of exports for March was down 8 percent from the March 1982 level, and cumulative agricultural export volume during the first six months of fiscal 1983 (October to March) was 79 million tons, down 7 percent from the same period a year earlier.

The value of the exports dropped 17 percent to \$18.1 billion. USDA is predicting that this year's exports will not reach \$36 billion—quite a drop from the \$43 billion of 1981.

The agriculture sector's trade surplus was reduced 24 percent, from \$2.4 billion to \$1.8 billion in this same period, and the U.S. share of the world wheat market has dropped from 48 percent to 40 percent, although two-thirds of U.S. agricultural exports is wheat.

Most nations have cut back on imports and are decreasing consumption by such measures as reducing their cattle herds. France has been able to cut imports due to increases in domestic production, and the Soviet Union has stabilized its domestic grain supply in recent years. India is one of the very few nations increasing imports, which it has had to double due to bad weather. The USDA is hoping that the 4 million metric tons India will import this year will be purchased from the United States.

U.S. exports have declined so sharply in the past year because it has sold almost nothing to either the Soviet Union or the Chinese in that period. Although the President an-

nounced in March that he was willing to make another long-term agreement with the Soviets, reliable sources report that the Soviet delegation to the United States in March claimed that they could not negotiate because the administration was not creating the climate for trade.

The United States has been using protectionist measures to limit imports from both these nations, including the January quotas on Chinese textiles, which have had a very aversive effect on Chinese trade.

The Soviets imported 6.8 million metric tons from the United States in 1982, out of their total grain imports of 19.5 million metric tons. This year they have taken a mere 3 million metric tons from the United States out of a total 21 million metric tons of imports. Of China's import total of 13 million metric tons, only 4.6 is from the United States. Last year they bought 8.4 million metric tons.

Although the United States is being undersold by other exporting countries, neither the administration nor the U.S. grain companies are encouraging easy trade terms.

The EC, Canada, and Argentina are giving preferential treatment to grain purchasers. Canada, though it does not make its prices public, offers favorable credit terms, and Argentina has picked up the China market by offering to sell grain at a 20 percent discount. The EC also has waived the \$6-per-ton transportation levy in its trade deals with China.

Yet the United States, rather than expanding its relatively successful

blended credit program, is trying to make an international case before the GATT out of the fact that the EC can give China such preferential treatment because of subsidized exports.

The administration, in an attempt to satisfy the clamor by farmers and exporters alike, put the blended credit program into effect last October. Blended credit was the nearest thing to a subsidized credit program the U.S. has had since the 1960s. The program combines federal guarantees to the private sector for loans made to nations importing U.S. agricultural products, with interest-free direct credits to those nations from the Commodity Credit Corporation, in a four-to-one proportion. CCC credits worth \$4.8 billion were authorized for this fiscal year.

The funds for the interest-free credit were already exhausted by May 13, indicating the need for such a program. Unfortunately, this may bring to an end the only initiative the United States has made to increase exports. There is still \$130 million available to guarantee private-sector credits.

USDA estimates that it has sold \$7-\$8 million worth of farm commodities under the blended credit program, and possibly \$5 billion of that was for sales that would not have been made without subsidized credit. The administration is now waiting on the Office of Management and Budget to agree to raise the CCC credit ceiling; the USDA does not know when this will occur.

Countries now seeking credit guarantees include Nigeria and Venezuela. A USDA Economic Research Service spokesman commented that the blended credit program has helped North African and Middle East countries still rated "creditworthy" to import more than they could have without the credit.

# Business Briefs

## **Fiscal Policy**

### **Howe mutters about the U.S. budget**

British treasury Chancellor Sir Geoffrey Howe, in a press briefing May 25, dragged out once more the hoary fallacy that the U.S. budget deficit is the cause of the world's economic problems.

Howe stated that there will be no world recovery until there is a "demonstration by U.S. authorities" that the Reagan administration is willing to cut the U.S. budget. This is a not-so-indirect attack by the ostensibly hawkish Thatcher government on the U.S. defense budget, and President Reagan's beam weapons program in particular.

Geoffrey Howe also announced that in any case there will be no recovery at all in the productive sectors of the Western economies, nor any reduction in the 32 million unemployed in the OECD area. "It is going to be a long time before the world returns to the growth which was regarded as automatic in the 1950s," he stated; there will be mass unemployment for "the long haul." He called for the Williamsburg summit to propose new labor policies for the age of unemployment such as work sharing, community jobs projects, and "new attitudes toward leisure."

And Howe confirmed that the free-enterprise British Tories support supranational interference by the IMF; he demanded implementation of the 1982 Versailles summit agreement giving the IMF the power of "surveillance" over the U.S. economy.

## **Banking**

### **Citibank: 'Newtonian world demands sacrifice'**

Hans Angermüller, the proposed new chairman for Citibank, the United States' largest commercial bank, told a German businessmen's group in late April that the most severe austerity—which he may have recognized to be the equivalent of looting unleashed by Nazi Finance Minister Hjalmar Schacht against Europe in World War II—is now necessary for the Third World.

Angermüller added that this policy will soon be carried out on the same scale in the

industrialized sector of the world economy. Excerpts from the speech, titled "The Opportunity at Williamsburg," follow:

"The key to the future is adjustment—frankly, a euphemism for such words as 'austerity' or 'discipline' or 'sacrifice.' No matter which one you use, all of them connote pain, not only for the Third World, but also, as I will elaborate, for the industrialized world. . . . It is questionable whether . . . traditional sources of funds will continue to be available to Third World economies to the extent that they were in the past. . . .

"It would be my guess that the traditional sources of funds to offset current account deficits will amount to half or less what they normally would be in less critical times. . . . This therefore leaves the non-OPEC developing countries little alternative but to reduce the deficits through their own internal means—however politically painful these means may be. . . .

"The medicine, assuming the patient is fundamentally strong and survives, consists quite simply of internal measures designed to force Third World populations to produce more and consume less. . . . The net result, assuming no tearing up of the domestic political and social fabric, is that export earnings increase, import expenses fall, reserves go up, and probably in due course, as confidence is restored, direct investment increases.

"In a Newtonian world, where neither matter nor energy can be eliminated or created, all of these measures must be at the expense of some other system and that system is the industrialized world."

## **Transportation**

### **Deregulation damage to U.S. trucking**

The Regular Common Carrier Conference, a trade association for the U.S. trucking industry, has found that trucking deregulation has caused the majority of woes troubling the industry.

Comparing the profitability of the industry in 1977, before the 1978 deregulation, and 1981, the study finds that the industry's net profit margin slipped from 3.72 percent to 1.05 percent; the net return on total capital fell from 13.18 percent to 5.77 percent; and

the return on equity dropped from 17.12 percent to 5.02 percent.

The study concludes that, "Any additional pressures upon the industry would be inconsistent with the need to strengthen the nation's transportation infrastructure in the face of rising defense concerns."

## **Domestic Credit**

### **U.S. money supply debate a fraud**

Why has the U.S. money supply, as measured by the monetary aggregate M1, grown by more than \$20 billion since January, at a double-digit annual rate? Will the Federal Reserve clamp down on this monetary growth and provoke an interest rate rise?

According to a regional Federal Reserve official, the M1 growth is due to Federal Reserve Bank actions. "The Fed was a net seller of securities" since March, the official noted, but "even if the New York desk is intervening, it is acting less than the growth of funds." The current rate of M1 growth is a delayed registering of much higher rates of reserve growth in the period December to March, when the Fed was taking a lenient stance, the official claims. Reserve growth during that period, the Federal Reserve source emphasized, was not due to the massive shifting of funds which has occurred in recent months as a result of banking deregulation.

If the Fed were to tighten any time soon, the paltry symptoms of "recovery" would disappear. Federal agency mortgage lending, which has been rising sharply in recent months, and has been a substantial source of the "recovery" blip in the economy, would grind to a halt as rates would rise. New banking and corporate failures would immediately break out, as the breathing room for debt refinancing would be exhausted.

The financial pundits of Wall Street are not yet ready to squelch the "recovery" blip, because of the political effect this would have in Washington. Thus, the standard "opinion" among the interest-rate gurus on Wall Street following the May meeting of the Federal Open Market Committee is that the Fed will not alter its lenient policy at least through mid-July, at which point there will be a reassessment.

# Briefly

● **AUGUSTO GOMEZ** Villanueva, Mexico's ambassador to Nicaragua and one of the most powerful leaders of the Echeverrista forces in Mexico, publicly called for the formation of a debtors' cartel for the first time May 25. He also gave his total support to the efforts of SELA, headed by Carlos Alzamora, to forge unity in the continent on debt and trade issues.

● **FRANK DROZAK**, president of the Seafarers International Union, attacked the "free market" destruction of the U.S. merchant marine in a late May statement. "The federal government has always recognized that the shipping industry needs some protection from the self-destructive impulses of the free market. . . . Our government has recognized, ever since the first maritime laws in the 18th century, that a national-flag merchant fleet is essential to a first-rate power." Drozak attacked the U.S. State Department for their particular efforts to weaken the U.S. merchant marine, which he attributed to "free trade beliefs."

● **EL DIA**, a Mexican daily, printed its first editorial insisting that development and sovereignty come before debt payment on May 25. *El Dia* noted that the foreign financial community was presenting the Third World "with the choice of sinking into tremendous internal conflicts. . . or failing to pay the foreign debt." In such a situation, "everything can be asked of the nations, except their acquiescence in a dark future of hunger and war."

● **TREASURY SECRETARY** Donald Regan told a Williamsburg press conference May 24 that "a call for an immediate [Bretton Woods] conference would be premature. . . . Preparation for the original Bretton Woods conference took three years. . . . Maybe by the end of that three years, things will have straightened out and there won't be any need to tamper with our international monetary system at all."

## International Trade

### George Shultz pushes 'Super-GATT' plan

U.S. Secretary of State George Shultz told the Foreign Policy Association of New York on May 26 that giving more powers to the General Agreement on Tariffs and Trade (GATT) to enforce policies of "free trade" is the only pathway for world economic recovery.

Shultz's statement, absurdly described in a State Department background briefing the same day as a grand new initiative for U.S. policy towards the Third World, is the latest of a series of endorsements for creation of a "Super-GATT" which would operate by "linkage" to the enforcement powers of the International Monetary Fund. Other proponents include former Secretary of State Henry Kissinger and the "Project 1980s" study team of the New York Council on Foreign Relations.

Excerpts from Shultz's statement follow:

"There used to be a naive assumption that economic advance brought political stability almost automatically. . . . We have seen—particularly in the Iranian case—how too rapid modernization imposed from the top down can create such social dislocations and tensions that the result is political upheaval. . . .

"The developing countries that have grown fastest over the last decade have been those that opened themselves up to international trade and investment. . . . A positive North-South dialogue should now aim at the rapid restoration of economic growth. . . . A strategy for restoring growth in the developing countries will require sustained, concerted action by the international community [and] difficult readjustment and discipline in domestic policies.

"World trade is the key to this process. . . . The GATT, and its evolving rules on liberalization of non-tariff trade measures, are the key to our ability to maintain the free trading system so that it can be an engine of the coming recovery."

As *EIR* documented last issue, expanding GATT's powers in this way would reduce most of the Third World to a colonialist looting ground for raw materials extraction and for bailing out the international monetary system.

## Comecon

### Polish party newspaper raises debtors' cartel

The official newspaper of the Polish United Workers' Party published a lengthy article May 19 on "Latin America—A common front of debtors?" The article describes how the economic and financial crisis in Ibero-America gave rise to the idea of a "debtors' common front."

The article stressed that the most important outcome of the Brazil-Mexican summit was the barter arrangement—trading Mexican oil for Brazilian steel and other industrial goods—arranged by the two presidents. The possibility of "trade without currency" between "two of the most indebted countries in the world" is of great interest for debt-ridden Poland.

The article discusses the CEPAL (the Economic Committee for Latin America of the U.N.) assessment that the situation of Latin America is the worst since the Great Depression, and quotes from the Non-Aligned summit resolution and the Group of 77 Buenos Aires conference.

"This [catastrophic situation in Chile, Argentina, Uruguay] did not happen by chance, because the governments of these countries . . . followed a economic policy inspired by the theories of monetarism. . . . This policy, under the pretext of curing the economy, had in fact the effect of making the wheel of history go backwards in the above mentioned countries. . . .

"They were supposed to specialize in the export of agricultural and mineral products, and to import finished industrial goods, giving up their own production, thus coming back to the industrial division of labor of the colonial era. But the strategists of neo-colonialism had not foreseen . . . that the whole Third World would find itself facing insolvency.

The Third World, Andros wrote, wants more and cheaper credits, a "new economic order in international relations." Further, "in Latin America, the idea of a debtors' front arose to jointly negotiate the conditions of debt repayment. This idea was put forth by the president of Ecuador, supported by the president of Venezuela, met with an enthusiastic echo in the Latin American Economic System."

## How Kissinger tricked President Nixon on Soviet beam weapons

by Lyndon H. LaRouche, Jr.

The researcher, L. Talionis, who authored the following report, was commissioned by me to conduct a study of Henry Kissinger's part in shaping U.S. arms-control policy during the 1960s and early 1970s. Therefore, his researches, and the following report, examine the development of the nuclear deterrence and arms-control policies of the United States from the standpoint of the assignment.

The evidence is conclusive: Kissinger conducted himself *treasonously*, not once, but persistently. However, since the evidence does not prove either a) that the United States was at war with the U.S.S.R. during the indicated period, or b) that Kissinger was explicitly an agent of the U.S.S.R., nor c) that the Pugwash Conference circles were provably agents of the U.S.S.R., the evidence does not permit us to describe Kissinger's proven misconduct in public office as *treason*. As the trial of Aaron Burr reminds us: Burr had continued to be an agent of the British government since the period of the 1776-83 war with Britain, but since the prosecutors did not walk that evidence into the courtroom, the U.S. Constitution's strict definitions prevented Justice Marshall from defining Burr's violent crimes against the United States as *treason per se*.

On the matter of *treason*, the court must render a "scotch verdict." On the matter of that charge, the evidence submitted thus far permits Kissinger to walk free from the courtroom, the target of hateful scorn of widows and orphans.

Reading the following report by L. Talionis, many readers will agree Kissinger is not the actual "Iago" behind the treasonous acts against the United States: Kissinger is merely a prominent and witting accomplice of a man more profoundly evil than Adolf Hitler, the wickedest man of the 20th century, Bertrand Lord Russell. As Talionis's report documents, unless we pinpoint the fact that the Anglo-Soviet "back-channel" plotting through the Pugwash Conference—until President Reagan's March 23, 1983 announcement of a new U.S. strategic doctrine reversed directions of developments—we do not see the master in whose interest Kissinger has been working against the United States to the present day.

Talionis has pinpointed the key documentation which proves the connection

between Bertrand Russell's and Kissinger's activities. It begins with Russell's item in the October 1946 *Bulletin of the Atomic Scientists*, and continues through the activities of an organization known as the *World Association of Parliamentarians for World Government* (WAPWG) through 1955. WAPWG, Talionis documents, was what he describes as the "fulcrum" used to establish the Pugwash Conference. It was through "back channel" negotiations conducted through the Pugwash Conference, that the British and Soviet agencies involved roped influential U. S. accomplices into complicity. That complicity was the channel through which the U. S. government, under Johnson, Nixon, Ford, and Carter, was consistently duped into tolerating the Pugwash policies of both Robert S. McNamara and Henry A. Kissinger. It was not until the adoption of a new U. S. strategic doctrine, during January-March 1983, that Soviet General Secretary Yuri Andropov screamed in rage, as he witnessed Pugwash policies—and the assured, future Soviet defeat of the United States—being swept aside.

Kissinger must be swept out of politics, but his personal importance must not be exaggerated. His evil is only that of the Queen of Hearts: "Off with his head!" Henry screamed in the matters of Chile's Salvador Allende, Pakistan's President Bhutto, Spain's Carrero Blanco, Italy's Aldo Moro, and many others. Kissinger could not even conduct his assignment to wreck the Middle East policies of President Reagan, recently, without taking the occasion to plunge into a West Bank "land scam" against both Arab sellers and Jewish buyers. He is a petty-minded, bloated little man, with the snake-eyed morals of a ghetto-neighborhood hoodlum. He is the "Mel Weinberg" of international politics. His pitiable efforts to exhibit his sheep-dipping at the Harvard University campus never went deeper than veneer. He has the concentration span of the homicidal mercenary that he is: he lacks the concentration span to manufacture or assimilate an evil as broad and deep as the centuries-spanning concoctions of a truly Satanic figure like Bertrand Russell.

Until one views the doctrines associated with Pugwash's nuclear deterrence policies from the vantage-point of their origin within the WAPWG, and from the mouths of Bertrand Russell and mass-murderer Sir Charles Darwin (the grandson of the famous Malthusian of *The Origin of Species*), the true

purpose and practical implications of the MAD doctrine junked by President Reagan are not grasped.

Witness poor, duped Leo Szilard and his address "How To Live With the Bomb—and Survive," at the Quebec Pugwash Conference of 1958, later published in a 1966 issue of the *Bulletin of the Atomic Scientists*. Consider the proposals for peace which Szilard listed as essential parts of the nuclear deterrence scenario: 1) A "metastable" tension of mutual deterrence as a peacekeeping mechanism. 2) *Limited nuclear war*, to relieve the tension periodically, including permitting the U.S.S.R. to make a possible, occasional attack destroying a selected U.S. city. 3) A "New Yalta" redrawing of the political map of the world, as recently insisted upon by Kissinger's business partner, Lord Peter Carrington of Britain. 4) Local conflicts in the Middle East, including petroleum wars and general destruction of the Middle East.

It must be emphasized, that this plan for nuclear deterrence and strategic arms-control negotiations was already being worked out in discussions with Soviet representatives beginning with Nikita Khrushchev's consolidations of power, back during the middle and second half of the 1950s. This began over six years before McNamara and his harem of "whiz kids" introduced such doctrines, and more than a decade before Henry A. Kissinger became National Security Advisor. The Soviet leadership has been fully witting, on the inside of forcing nuclear deterrence and "détente" on the U. S. government and NATO since 1957!

When Henry Kissinger said, during the period before President John F. Kennedy ordered McGeorge Bundy to fire Kissinger from the administration, or under Nixon, Ford, and Carter: "Mr. President you've got to outflank the Soviets by . . . right now!" was it the Soviet leadership which was being "outwitted"?

To understand what was behind the world-government drive of Bertrand Russell as his WAPWG and Pugwash accomplices, beginning 1946, we must consider what Russell and his circle inside the British Secret Intelligence Service (SIS) knew about the inside of the Soviet Union, already at that time.

During 1943, in the setting of the defection of Vlasov's army to the Nazis, Josef Stalin went in to St. Basil's cathedral in Moscow, to strike a pact with the Patriarch of the Russian



*Bertrand Russell with Cyrus Eaton (r.) and Mrs. Eaton at the 3rd Pugwash Conference in 1958.*

Orthodox Church. Several understandings were reached, including the adoption of the slogan, "Great Patriotic War," and the policy of describing the war as a struggle of the Great Russian people to defend the blood and soil of the Motherland against the German transgressor. Out of this, over the period into about 1951, the hierarchy of the Russian Orthodox Church became integrated within the command of what became known more recently as the Soviet KGB.

Despite the summary set-back accompanying the abrupt demise of Lavrentii Beria, under Nikita Khushchev, and after, the present-day KGB developed a more sophisticated and comprehensive approach to establishing itself as "the state within the state." Together with this went the growing power within the KGB of the Russian orthodox hierarchy, and coordinated shifts within the triad of power of party, military and KGB.

This transformation interacted with another shift. As late as 1949, in a text written for East bloc intelligence officers, Stalin wrote that Britain, and British SIS, were the chief adversary of Russia, and U.S. power significant as the muscle at the disposal of the British. Russian bitterness against the British dated from no later than the period of Pitt and Bentham, a popular view not discouraged by such experience as the Bolsheviks' opening the secret files of the Okhrana after the October 1917 revolt, nor discouraged by Stalin's experiences of the 1930s and 1940s. Gradually, especially under Khrushchev, there was a marked shift toward hatred against the United States, and a more sympathetic view of the British "lesser evil." It was Khrushchev's consolidation of power which made Anglo-Soviet negotiations through back-channels such as the Pugwash conference possible. The Soviet Union was plotting with its British opposite numbers in such channels as Pugwash, to plan the long-range undermining and destruction of the United States.

The leading British circles intersecting Russell, together with their collaborators in Venice, have understood leading figures of this change rather well. At the close of the war in Europe, the long-term trend toward the Russian Church's virtual takeover of the Soviet state was already foreseeable. Such a takeover signified an insurgency of the kinds of cultural outlooks associated with the Old Believers (*Raskolniki*), and, in particular, of the strange Pan-Slavic cult-doctrine first introduced successfully into Russia beginning 1520, the mystical doctrine that Russia, the heir of Kiev Rus, would establish a new world empire, a New Byzantine Empire shifting the religious center of Istanbul (Constantinople) to Moscow—or, just a short distance outside it. The new Pan-Slavic world-empire would be, according to the mystical cult-doctrine, The Third and Final Roman Empire.

The general outline of such a "world empire" is broadly identical in all crucial features with the design for a world-government, the proposed world-government which Russell demanded, which the WAPWG and associated World Federalists were demanding, and which had been outlined in such influential locations as the doctrine around which Rich-

ard Count von Coudenhove-Kalergi designed the Pan-European Union. This is the key to understanding the common basis in ideological commitments for Russell's plotting with Moscow against the United States during the past, and Lord Peter Carrington's "New Yalta" antics of the present.

Each and all of such assorted World-Federalist cult-doctrines, including the Russian "Third Rome" version, are modelled on the kind of confederation of semi-autonomous ethnic and religious "colonies" typified by the Persian, Roman, and Byzantine empires, and by the old Austro-Hungarian and Ottoman empires, or the British Commonwealth as well. This political design for world-government was formalized during the lifetime of King Philip of Macedon. The design was manufactured by a Middle-Eastern priest-cult dating, on record, from the ruling priests of Ur; the cult is known to the present day as variously, the "Chaldeans," "Magi-Magicians," or "Mobeds." In Greece of the classical period, they were known as the "Phoenicians," whose center of world-power, until Alexander the Great destroyed it, was Hiram Abiff's Tyre. The documents, letters from Rhodes to Tyre's puppet, Philip of Macedon, containing the specifications for such a world-empire, survive. Those letters describe the design as both the "Persian Model" and the "Oligarchical Model."

The details of the model survive chiefly in Greek-language sources from the period, chiefly through writings of the Phoenicians' leading cult-center (and political-intelligence center) in Greece itself, the Cult of Apollo (Lucifer) at Delphi. The agents of that cult were known as the "Peripatetics." The most important of the surviving detailed specifications provided by these Peripatetic agents of Delphi, are the *Politics* and *Nicomachean Ethics* of Philip of Macedon's spy, Aristotle. No one who has failed to study the unexpurgated edition of Aristotle's *Politics* understands how the mind of a Bertrand Russell works. Roman Imperial law was based entirely upon the *Nicomachean Ethics*. The rulers of Byzantium—until the Paleologues—based their statecraft and law explicitly on following the instructions from (chiefly) these two indicated writings of Aristotle.

Together with the "Persian Model" went the concoction of synthetic versions of pseudo-Christianity and pseudo-Judaism called generically Gnosticism or Kabbalism. Gnosticism signifies that these syncretic mixtures of Christian, or Judaic, labels with pagan cults, were designed either by the priests of Tyre and the Chaldeans Kabbalism, or the Egyptian-Roman mystery-religion cult, the priests of the Roman imperial pantheon, the priests of the cult of Isis-Osiris-Horus. The first pseudo-Christian Gnostic cult was that which St. Peter and Philo of Alexandria joined forces to destroy at Rome during the fourth decade A.D., the hermeticist forerunner of Rosicrucianism, synthesized by Simon Magus (Magi = Magician). Beginning with the Emperor Constantine's program for corrupting Christianity from above, Gnosticism proliferated, dominating the state-controlled Church hierarchy under Byzantium, creating a Gnostic tradition within

the Eastern Rite, which spilled over into Western Europe (chiefly) through the Byzantine colonies at Venice and (later) Genoa, and is concentrated today in the monastery at Mount Athos, Greece. It was from Mount Athos that the concoction of the "Third Rome" cult was spread throughout the credulous of Russia during the 16th century.

The Russian version of Gnosticism is grafted onto the old Phrygian cult of Dionysos, the cultural root of endemic Russian nihilism. This cult is based on the worship of the "earth goddess," the "Great Mother," and on the sacredness of her soil and of the blood of the people to whom she has given that soil. Like the Nazi doctrine, and the plan for a Nazi world-empire of a ruling German race, hegemonic over the semi-autonomous regions of each subordinate race, the Russian Gnostic cult is savagely racist—or, in present-day counter-intelligence lexicons, "integrated." Hence, the Soviet love-hate relationship to Islamic fundamentalism and its current practitioners.

Although contrary, "Westernizing," rationalist tendencies and currents, exist within the Soviet population and within the ruling triad of state power, it has been the "Third Rome" impulse which has been insubordinate within Soviet foreign-policy and related matters since Khrushchev. It was sufficiently conspicuous of *EIR*'s intelligence functions, back during 1972, that we published an assessment of détente, characterizing the Soviet thrust of foreign-policy as one which could be described as a "New Constantinople" perspective.

As we have written, describing the resulting situation, in another location, the three-way relationship among the United

States, its British "ally," and Moscow, creates a spectacle in which the United States is given the role of the Queen on a giant, world-wide chess-board. The United States is the White Queen, being played by a two-man team of British and Swiss oligarchies, with a Venetian kibbitzer actually orchestrating the team's play. On the opposing side, is the Andropov-Pimen-Aliev team from the Soviet KGB. In the effort to beat the Russian team, the White team is attempting to trap the Red team by gambitting the White Queen. The Red team is reaching to make a move accepting the gambit.

We are approaching the end-game of Bertrand Russell's WAPWG and Pugwash projects. Both players are determined to destroy the United States; but, which team, White or Red, will check the other's King? Which, White or Red, will seize the prize of a world-federalist government?

This is the essence of Khrushchev's play against President Kennedy, at Vienna, in the Berlin crisis, and in Khrushchev's orchestration of the events of spring, summer, and fall 1962, forcing the President into the Cuba Missile-Crisis. That is Andropov's launching of his replay of the Cuba-Missiles-Crisis tactic from as soon as he occupied his present office. These are only important "plays." To understand the "plays," one must know what game is being played. To understand nuclear deterrence, and the "environmentalist" policy of turning the United States into the impotent wreckage of a "post-industrial society," one must understand the "great game" which was set into motion by Bertrand Russell's item, published in the October 1946 *Bulletin of the Atomic Scientists*.

## Part I: The Pugwash Papers

# Kissinger imperiled U.S. national security: suppressed evidence on Soviet E-beam program

by L. Talionis

As outlined in an extraordinary evidentiary document submitted on April 8 by NDPC Advisory Board Chairman Lyndon Hermyle LaRouche, Jr. to Vice-President Bush and members of the Senate, former National Security Adviser Henry A. Kissinger acted together with Soviet and British government officials during 1960-72, and most specifically during the 1969-72 SALT I negotiations, to suppress factual intelligence in his possession on U.S.S.R. strategic defense commitments of a nature most vital to U.S. national security.

The evidentiary document contains the initial substantive results of a security investigation launched at the request of Mr. LaRouche three weeks before President Reagan's his-

toric repudiation on March 23 of three decades of U.S. "Mutually Assured Destruction" posture, in favor of a beam-weapons-based strategic doctrine of *Mutually Assured Survival*.

According to rapidly accumulating hard evidence brought to light, Henry Kissinger and close allies in the U.S. policy advisory community acted in collusion with Soviet and British political, military, science, and intelligence circles to keep former President Richard M. Nixon in total ignorance of most substantive indications of *firm Soviet commitments to develop strategic defense laser and related directed-beam weapons: systems not only not proscribed by the disastrous*



Leonid Brezhnev and Henry Kissinger in 1974 in Moscow.

“Treaty on the Limitation of Anti-Ballistic Missile Systems” signed in Moscow by Richard Nixon and Leonid Brezhnev on May 26, 1972, *but carefully kept outside that treaty’s textual framework* by Henry Kissinger, Soviet Ambassador to Washington Anatoly Dobrynin, Soviet Chief Negotiator at SALT Vladimir Semenov, and such U.S. SALT negotiators as Gerard C. Smith, Raymond L. Garthoff, Paul Nitze, Wolfgang Panofsky, et al.

Henry Kissinger, as former President Nixon’s Director of the National Security Council, was eminently positioned to have informed the President of the Soviet beam-weapons effort, accumulating evidence of which had been in Kissinger’s possession since not later than 1962. Yet, in arrogant contempt of the oath he swore to uphold the Constitution of the United States upon his naturalization as an American citizen in 1943, Kissinger chose, or was instructed by outside agencies, to withhold such vital evidence. Nor, in his previous 1959-68 top-security attachment as expert adviser to the Weapons Systems Evaluations Group of the Joint Chiefs of Staff, the National Security Council, the Department of State, and to the Arms Control and Disarmament Agency (ACDA), did Kissinger act to alert Presidents Kennedy or Johnson.

In the following, I shall report in some detail such findings as have been carefully examined and validated in now intensified investigations, leaving more recent findings from documents and private discussions, currently subject to verification in North America, Great Britain, and continental Europe, to be reported on at a later date.

## I. Sokolovskii and U.S.S.R. beam-weapons policy

For the overwhelming majority of Western military strategists, who still foolishly cling to the delusion that the U.S.-NATO doctrine of mutual nuclear deterrence (Mutually Assured Destruction—MAD) was ever allowed to figure prominently within the framework of four postwar decades of unrelenting Soviet *war-winning* military-strategic posture for

conditions of general thermonuclear war, a careful reading of Soviet Marshal V. D. Sokolovskii’s superior *Military Strategy*, first published in Moscow in 1962, should serve to dispel such delusions most rapidly.

This outstanding document of general military-strategic policy, the first of its kind to be published in the Soviet Union in more than three and a half decades since Aleksandr A. Svechin’s 1926 *Strategy*, is also the first hard indication available in the U.S. public domain of a firm Soviet commitment to soonest-possible deployment of “total defense” beam-weapons technologies.

In a chapter on “Methods of Conducting Warfare,” in the 1962, 1963, and 1968 editions of Sokolovskii’s text, our attention is drawn to the following two paragraphs:

In our country the problem of eliminating rockets in flight has been successfully solved by Soviet Science and technology. Thus the task of warding off strikes of enemy missiles has become quite possible.

It is interesting to note that the problem of anti-missile defense is far from being solved in the West. The United States has developed the “Nike-Zeus” and “Wizard” systems . . . for the direct encounter between a missile and an antimissile missile. . . . Work is being conducted on the use of space means (anti-rocket “screening” systems).<sup>1</sup>

Following which, the 1962 and 1963 editions jar the reader with this third paragraph:

Possibilities are being studied for the use, against rockets, of a stream of high-speed neutrons as small detonators for the nuclear charge of the rocket, *and the use of electromagnetic energy to destroy the rocket charge in the descent phase of the trajectory or to deflect it from its target. Various radiation, antigravity, and antimatter systems, plasma (ball lightning), etc., are also being studied as a means of destroying rockets. Special attention is devoted to lasers (“death rays”); it is considered that in the future, any missile and satellite can be destroyed with powerful lasers.*<sup>2</sup>

This third, startling paragraph is deleted in its entirety from the third, 1968 edition of *Military Strategy*!

Certainly, neither Henry Kissinger nor any of his fellow travelers in the U.S. advisory community may claim ignorance of the 1962 edition, or of the telltale omissions of the 1968 edition. Within one year of the appearance of the original Soviet, 1962 edition, two English-language editions of *Military Strategy* were published in the United States.<sup>3</sup> One of these, appearing simultaneously in London and New York in 1963, was translated and furnished with an introduction by *Raymond L. Garthoff*—the SALT I delegation’s executive secretary during 1969-72, and its leading expert on Soviet weapons systems!

Nor did Kissinger have to wait for the Stanford Research Institute’s publication in 1975 of Harriet Fast Scott’s meticulously annotated and cross-referenced translation of the third edition of *Military Strategy* in order to discover the



highly significant discrepancies in content between it and the 1962 and 1963 editions. Scott's original translation of the 1968 edition was published the very same year by the Foreign Technology Division of the U.S. Air Force Systems Command.<sup>4</sup> The printing history of the third, 1968 Moscow edition of the Sokolovskii text is, incidentally, a most interesting political intelligence footnote to the period immediately preceding the 1972 ABM Treaty.<sup>5</sup>

### 1968 was a very busy year

It would be a serious error to infer from the Soviet leadership's decision to delete any reference to directed-beam-weapons systems from the much-delayed publication of the third, 1968 Moscow edition—following Leonid Brezhnev's and the Soviet General Staff's consolidation of power during and after the April 1966, XXIII Party Congress—that the U.S.S.R. had abandoned development of an antiballistic-missile beam-weapons defense as unrealistic. That would, of course, be the attempted thumb-nose line of argument with proponents of the "Star Wars" variety of response to President Reagan's March 23 decision to develop such systems, as Henry Kissinger, or George Ball (whose "advisers in Houston tell me beam weapons are unrealistic"), have repeatedly attempted of late.

Anyone seriously entertaining such wishful notions is urgently advised to focus a moment's attention on two parallel developments occurring as the "purified" 1968 edition of *Military Strategy* had begun appearing on the shelves of Moscow's bookstores.

The first of these developments is the publication in Moscow of N. Sobolev's *Lasers and Their Future*, which, complete with a detailed diagram, provides an in-depth description of the function of ABM laser-defense systems:

To destroy an enemy missile, not to let it reach the target, it is sufficient to put its control system out of action. This can be done by burning through the missile shell or rudders by a laser beam. This will cause vibrations in the missile and result in its complete destruction.

. . . Such a system must have a receiving unit for processing the signals incoming from the early warning and target tracking radar stations. . . . The tracking station must aim at the target an optical radar in which a laser serves only for determining the distance to the missile.

Such an optical radar can furnish very precise data on the coordinates of the target, and these data are used to actuate another system employing a high-power laser, designed for destroying the target . . . at the most vulnerable point of the missile during a period of time required for a hole to be burnt through the missile. . . .<sup>6</sup>

"Another possible anti-missile laser defense system," continues Sobolev, is an "orbital space station equipped with

target detecting and tracking radars, as well as with lasers"—and leaves it at that.

The Sobolev text was first published in Moscow in 1968, and was translated into German to appear in 1972 in Leipzig, East Germany. Finally, in 1974, the Russians obligingly published an English-language edition through the Moscow Mir publishing house.

In the autumn of the same year which marked the appearance of the Sokolovskii and Sobolev texts, the U.S.S.R. successfully tested an orbital satellite beam-weapon device, according to the U.S. *Satellite Situation Report* of mid-April 1969.

According to that report, three space vehicles—Cosmos satellites 248, 249, and 252—were launched from the Soviet Tyuratam Space Center between October 19 and November 1, 1968. Once Cosmos 248 had achieved orbit, Cosmos 249 and 252 were launched in pursuit. Some 300 miles above earth, as the two chasing satellites were closing in on the third, they suddenly exploded into fragments, while Cosmos 248 continued its trajectory unharmed. According to the *Satellite Situation Report*, the twin explosions destroying Cosmos 249 and 252 were non-nuclear.<sup>7</sup>

This orbital directed-beam test took place close to four years before ratification of the 1972 ABM Treaty! Again, Kissinger and his associates cannot claim to have been unable to add the hard evidence of this alarming episode to their already existing knowledge of such ongoing Soviet beam-weapons R&D and deployment. Apart from the fact that such official reports were made available to Kissinger's National Security Council as a matter of priority, the *Satellite Situation Report* of the Cosmos incident cited above was also referenced in detail in a campaign booklet, *U.S.S.R. vs. U.S.A.—The ABM and the Changed Strategic Military Balance*, published in May of 1969 by the American Security Council, in an admittedly somewhat weak-kneed effort to sway American public opinion in favor of deploying the modified ABM "Safeguard" system.

### U.S. doctrinal ignorance

It is important to bear in mind, and vital for Western military strategists to understand, that the Sokolovskii Doctrine was from its inception, and firmly remains today, official Soviet military-strategic policy, and unrelentingly so. As such, it was very much subject to the undivided attention of the new Soviet leadership emerging under Leonid Brezhnev during especially the late 1964 to 1970-72 period of power consolidation in the Kremlin. This advanced conception of modern war-winning strategy, shaped under the leadership of Marshal Sokolovskii in collaboration with such leading strategists as Cherednichenko, Gastilovich, Prokhorov, Zavalov, et al., was to a great extent developed in direct opposition to the dangerous MAD overtures made by Nikita Khrushchev and his Deputy Premier Anastas Mikoyan, among others, during and in the years following the XX Party Congress in 1956.

That is not to say that the U.S.S.R. adopted formally the MAD concept of Mutual Deterrence under the Khrushchev regime. But Khrushchev and a number of his fellow anti-Stalinist allies did come very close to adopting crucial aspects of this doctrine, or the Cuban venture would not have been undertaken. It was Khrushchev's failure to adhere to the traditionalist outlook soon to be known as the Sokolovskii Doctrine, culminating in his MAD-tainted, grossly miscalculated, 1962 Cuban brinkmanship venture, which above all toppled him in October of 1964. As Lyndon LaRouche has urgently stressed, former KGB Chief Yuri Andropov is currently attempting to stage a new "Cuban" crisis through the recent Swedish-Norwegian submarine incident and related developments in the North Sea and the Middle East, in an effort to force a MAD-reflecting confrontation with President Reagan from which the President is meant to back down.

It was on the basis of a clear commitment to the Sokolovskii Doctrine that Leonid Brezhnev came to power, carried on the shoulders of the Soviet General Staff. To imagine that Andropov's current geopolitical contortions represent a change from this unwavering commitment "is to show utter ignorance of the Soviet system and Soviet world-outlook," as LaRouche emphasized in a recent article in *EIR* on what the coming U.S.-U.S.S.R. "missile crisis" negotiations look like in the light of President Reagan's new strategic doctrine of Mutually Assured Survival. "The Soviet Union did make significant adjustments in strategic doctrine," states LaRouche. However:

They did not dump Sokolovskii's doctrine; they modified its application to the new political, scientific, and economic trends which erupted clearly in the West beginning with President Johnson's launching of his "Great Society"; we began tearing down the scientific research capabilities of the United States and our allies; we began transforming our nations into the pathetic rubble of "post-industrial society." If the Soviet Union could but wait out our work of destroying ourselves from within, perhaps by the 1990s, the Soviet Union would emerge as the world's single, unchallengeable strategic power by default.<sup>8</sup>

This Soviet "waiting-game strategy," Mr. LaRouche points out, "demanded three critical elements: 1) Preparing militarily for the possibility that we might throw a thermonuclear strategic salvo; 2) Doing nothing to alarm us into dumping MAD and our post-industrial policies; 3) Doing everything possible in the way of arms-control institutions and decoupling Europe from the United States, to ensure that we slipped peacefully past the point of no return. . . ."<sup>9</sup>

This is what Western leaders and strategists must seek to grasp. And the fact, as LaRouche has repeatedly emphasized since President Reagan's invocation of the Mutually Assured Survival doctrine, that:

Now, with the President's declaration of March 23, the world strategic situation has been changed

fundamentally and irreversibly. The new U.S. strategic doctrine is operational, unstoppable, and irreversible.

. . . This means a crisis in Soviet Strategic doctrine. It does not change Sokolovskii. Nor does it resurrect Sokolovskii; Sokolovskii never died. Rather, it unmasks Sokolovskii; it removes the disguise.<sup>10</sup>

The problem is thus not the hardnosed, traditionalist outlook characterizing Soviet war-winning posture for conditions of general thermonuclear war—rejecting, while exploiting fully, mutual deterrence as something the "crazy capitalist lemmings" invented towards their own downfall—but the vitally complete lack of understanding, or even knowledge, among the majority of Western political leaders and military strategists of the conceptual foundation of such a doctrinal outlook. Without that insight, they are not going to grasp the deeper political-economic implications of the President's doctrine of Mutually Assured Survival, and much less know-how to advance it successfully.

The kernel of the problem, as an editor of translations of selected Soviet writings on military thought, published by the U.S. Air Force, is compelled to admit, is that: "In the Western world the concept 'theoretical foundation of military thought' probably would have little meaning. *At best, the subject would hardly warrant a one-hour lecture at a senior war college. There would not likely be a common basis from which the subject could be discussed.*"<sup>11</sup>

It is into this postwar vacuum in U.S. strategic outlook that a number of British and Anglo-Soviet institutions seeking to subvert and destroy our scientific tradition introduce Henry Kissinger.

## II. Pugwash and the subversion of U.S. national security

In July of 1968, 27 scientists, legal experts and policy advisers from a number of Western and East bloc countries gather in the small Danish village of Krogerup north of Copenhagen. The occasion is the **Third Pugwash Symposium** convened to assess "The Implications of Anti-Ballistic Missile Systems".

Among the participants gathered at this private, by-invitation-only meeting are: **J. Rotblat**, Secretary General of the **Pugwash Conferences on Science and World Affairs** and University of London physics professor; **C. Frank Barnaby**, Pugwash executive secretary and subsequently the 1971-81 director of the Stockholm International Peace Research Institute (SIPRI); MIT's **Bernard T. Feld**, chairman since 1963 of the U.S. Committee on Pugwash and one of the most vocal actors in the deception game staged immediately following conclusion of the Moscow ABM Treaty; and **George W. Rathjens** of MIT and the Council of Foreign Relations, former deputy assistant director of ACDA and later special assistant to its director, 1962-65, and Director during 1965-68 of the Weapons Systems Evaluation Division of the Institute for Defense Analyses. Three representatives of the

U.S.S.R. Academy of Sciences were also present. They were **I. V. Milovidov, I. G. Pochitalin, and A. P. Vinogradov.**

In a lengthy keynote speech on the development and characteristics of ABM systems, Frank Barnaby, formerly a physicist with the United Kingdom Atomic Energy Authority, outlines a number of interesting "Methods of ICBM Destruction" other than missile-to-missile systems:

There have been speculations that the Soviet Union is developing some kind of "shield" anti-missile system. *Alternatives to a plasma of charged particles that have been suggested for defence screens include small pellets and gases. The future use of lasers for ABM systems is another possibility* if it becomes feasible to project sufficiently large fluxes of radiation over great distances. Methods of destroying an opponent's offensive missiles during the very early phase of their trajectories, for example during the boost phase, have been suggested.<sup>12</sup>

Two years later, George Rathjens and B. T. Feld will reappear as organizers of the **Tenth Pugwash Symposium** in June, 1970, at "Wingspread," Racine, Wisconsin. The subject: "Impact of New Technologies on the Arms Race." Two other arms control veterans help organize the symposium. One is **Franklin A. Long**, of the Alfred P. Sloan Foundation (together with the Johnson Foundation and the American Academy of Arts and Sciences a sponsor of the meeting) and the Council on Foreign Relations, a 1961-66

member of the President's Science Advisory Committee and assistant director of ACDA during 1962-63 as well as Director of the Arms Control Association 1971-76. The other is **Steven Weinberg** of Harvard and the Council on Foreign Relations, who did postgraduate work under Taoist disciple Niels Bohr at the Copenhagen Institute for Theoretical Physics in 1954-55 and was destroyed as a scientist as a result. He was a consultant to the Institute for Defense Analyses 1960-73, and for ACDA 1970-73.

Among other twilight advisers we find Harvard's **Abram Chayes**, a trainee from the Washington law firm of Covington and Burling, member of the Brookings Institution, 1961-64 adviser to the State Department, and co-editor with Jerome B. Wiesner of *ABM—An Evaluation of the Decision to Deploy an Antiballistic Missile System* (published in 1969), a collection of essays of the "Popular Mechanics" variety pulled together at the request of Sen. Edward Kennedy, who circulated it as part of his crusade against the deployment of an anti-missile defense system for the United States; **George B. Kistiakowsky** of Harvard and the British Royal Society, Special Assistant for Science and Technology to President Eisenhower, and member 1957-63 of the President's Science Advisory Committee; MIT's **Jack P. Ruina**, 1963-65 president of the Institute for Defense Analyses, and Director of the Defense Advanced Research Projects Agency 1962-63; plasma physicist **Bruno Brunelli** of the Italian Laboratory of Gas Ionization; Soviet Pugwash veteran **Vasilii Yemelyanov** of the U.S.S.R. Academy of Sciences'

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Dallas-Ft. Worth.....	June 10	San Francisco.....	June 16
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Houston.....	June 11	New York City.....	June 18
Buffalo, New York.....	June 11	Cleveland.....	June 21
New Haven, Connecticut.....	June 11	Pittsburgh.....	June 22
Seattle.....	June 15	Denver.....	June 24
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Disarmament Commission; and Soviet physicists **Roald Sagdeev** and **Vyacheslav Seychev**, to name but a few.

During the "Wingspread" symposium, Brunelli exchanges views with Sagdeev and Seychev in some detail on the subject of the potential military applications of such pure fusion triggers as high-powered lasers, high-velocity macroscopic particles, and intense relativistic electron beams.<sup>13</sup> Seychev will delve into the subject of magnetohydrodynamic (MHD) systems as a compact source of electrical energy adequate to trigger plasma reactions, and adds:

These special advantages make the MHD generator attractive for military applications. There have been some publications about military applications of MHD generators both for tactical aims and for strategic aims (for jamming radars and other things).<sup>14</sup>

In the "Summary of Discussion" conducted by the three physicists in the published version of this symposium, it is stated in conclusion that "Lasers or electron beams of high enough power to ignite a fusion reaction could conceivably be used as weapons in their own right."<sup>15</sup>

To suggest that the evidence of Soviet R&D and deployment of directed-beam weapons amassed so far here, and discussed repeatedly among officials and consultants of ACDA, was not available, to Henry Kissinger and other presidential advisers in connection with the negotiations leading to the 1972 ABM Treaty, is totally beyond credibility. Just how much beyond credibility, we shall learn shortly.

## Russell

In October 1946, the contemptible Bertrand Russell, father of today's so-called peace movement, wrote an article in the *Bulletin of the Atomic Scientists*<sup>16</sup> advocating the creation of a totalitarian world government "to preserve peace," equipped with absolute powers over international trade and economic policy, and possessing the "monopoly of armed force" to police individual nations deprived of their national sovereignty:

When I speak of an international government, I mean one that really governs, not an amiable façade like the League of Nations or a pretentious sham like the United Nations under its present constitution. An international government . . . must have the only atomic bombs, the only plant for producing them, the only air force, the only battleships, and, generally, whatever is necessary to make it irresistible.

In this world-federalist Fourth-Reich army, Russell insists, "there must be no possibility of the development of national feeling," so each of its members "should be carefully trained in loyalty to the international government." It must also be equipped with a "large army of inspectors who must have the right to enter any factory without notice; any attempt to interfere with them . . . must be treated as a *casus*

*belli*." To Russell,

The monopoly of armed force is the most necessary attribute of the international government, but it will, of course, have to exercise various governmental functions . . . to decide all disputes between different nations, and will have to possess the right to revise treaties. It will have to be bound by its constitution to intervene by force of arms against any nation that refuses to submit to arbitration.

This murderous hominid then calls upon the United States to use its nuclear arsenal to wipe out the Soviet Union before that country developed a nuclear-strike capability of its own (thanks in large part to a group of British SIS scientist-operatives active in the United States and Canada, the Russians soon did). Russell magnanimously offered the U.S.S.R. a reprieve provided they accept his totalitarian world government. "If Russia acquiesce willingly," he writes, "all would be well. If not, it would be necessary to bring pressure to bear, even to the extent of risking war."

All of which, he sanctimoniously insists, in the name of "ending great wars."

The jesuitical duplicity behind this oligarchical lunatic's professed desire to end "great wars" is revolting. What Bertrand Russell wanted to end was modern civilization and its monumental progress through science. Like so many of his British peers, Russell hated both. His only interest in the question of war or not war concerned *the efficacy of war as an instrument of genocide and, through this, the ultimate destruction of science!* But he had become somewhat pessimistic as to whether this could be accomplished on an adequate scale through traditional warfare. Clearly, to his taste, World War II had not succeeded in eliminating a sufficient number of human beings—as he was to admit in 1951 in his deranged work entitled *The Impact of Science on Society*:

War has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?<sup>17</sup>

Since the British geopolitical design of having Russia radioactively obliterated by a ferocious Fortress America—which would, in turn, bleed itself morally and scientifically to death as a result—had failed, a different, longer-term strategy was required. If the Soviet development of a nuclear-strike capability could now be speeded up, it was reasoned, Britain could become the trigger controlling the actions of both superpowers, leading each and the world at large along the brink of nuclear Armageddon. To that end, British spies Klaus Fuchs (a member of the British atomic energy mission to the United States during 1943-46, and a principal participant in the Manhattan Project), Nunn May,

Donald Maclean, et al., assisted in passing on American military secrets, including nuclear-bomb designs, to Moscow.

Hence, by developing a nuclear arsenal of its own, Britain hoped to be able to hold the United States hostage to the continuing threat of a limited British unidentified (submarine-launched) nuclear attack on the U.S.S.R.—unleashing a full-scale Soviet nuclear attack on the United States in return. Leading Labour politician Denis Healy in 1964 identified this piece of insanity to be standing British policy. Then Prime Minister Alec Douglas-Home, he stated, insisted that “you must have atomic weapons in order to be able to trigger off the American Strategic Air Command against the will of the American Government.”<sup>18</sup>

It was intended then, as it still is now, that by committing the “dumb American giant” to a MAD-based offensive arms race with the Soviets, compelling it to allocate growing portions of its economy—i.e., its capital-formation base, its R&D capabilities and its scientists, technicians, and work force—to that effect, other vital areas of the economy, and by implication continued progress in science and technology, would suffer proportionately.

This is why the British became so active beginning in the early 1960s in trying at all cost to kill the deployment of a U.S. antiballistic-missile defense (later assisted in this endeavor by Moscow, for reasons which ought to be entirely obvious in light of what has been reported above). It is why London and Moscow continue vehemently, aided by such Trilateral Commissars as Kissinger, Brzezinski, and Gerard Smith, to oppose President Reagan’s “total defense” doctrine of Mutually Assured Survival. If the President yields to containment in this area of the Trilateral and Scowcroft Commissions variety, continued MAD posturing will shortly send civilization into the abyss of thermonuclear annihilation. If not, with the deployment of a superior, multi-layer beam-defense system rendering nuclear and thermonuclear missiles harmless, MAD ceases to be operational, and with it four decades of British nuclear brinkmanship, as the United States launches a new technological revolution.

## The horror of Pugwash

As an integral part of an all-out subversive attack on the centers of science and education in the United States in particular, London and Moscow will join hands in a special venture developed out of Bertrand Russell’s call on scientists of the world to unite in what will be a bogus campaign against nuclear war. A campaign designed from its inception to guarantee the continued existence of nuclear arms to hold mankind in the grip of nuclear terror: the *Pugwash Conferences on Science and World Affairs*.

With the so-called Russell-Einstein “Appeal for the Abolition of War” of July 1955 (which Russell wrote singlehandedly; along with other scientists, Einstein merely initialed it shortly before his death), a convenient “letter of credentials” was presented to the world. The forum used to launch this venture in its first phase is, predictably, the World Associa-

tion of Parliamentarians for World Government (WAPWG) which, at Russell’s behest, will sponsor an international conference for scientists held in London, August 3-5, 1955. To the “complete surprise” of those attending the event (only a handful are in fact scientists), Moscow, which had bitterly opposed and criticized the WAPWG at every given opportunity in the past, will hurriedly dispatch a four-man delegation—two members of which will become co-founders of the Pugwash front two years later.

With the necessary lines of communication set up, the founding conference is convened July 6-11, 1957 in the small town of Pugwash (owned by Canadian-born American businessman Cyrus Eaton who had converted it into a conference center) in Nova Scotia, Canada. Among the 22 co-founders participating, are: **Paul Doty**, Harvard, former chairman of the American Federation of Scientists; **Eugene Rabinowitch**, co-founder of the radical, anti-nuclear-energy *Bulletin of the Atomic Scientists*, University of Illinois; **Brock Chisholm** of Canada, co-inventor together with the Tavistock Institute and eugenicist Julian Huxley in 1948 of the World Health Organization, co-founder of the 1970 Pugwash division for eugenics and population reduction, World Academy of Art and Science (WAAS); eugenicist and Nobel Laureate **Herman J. Muller** of the University of Texas and of the British Royal Society, former vice-president of the WAAS; **J. Rotblat**, former executive vice-president of the British Atomic Scientists Union, longstanding member of the Pugwash Council and its Executive Committee; Atoms for Peace award-winner and limited-nuclear-war advocate **Leo Szilard** of the University of Chicago.

Participants from the U.S.S.R. are Academicians **D. V. Skobeltsyn**, a pioneer in cosmic-ray research; **A. M. Kuzin**; and **A. V. Topchiyev**. Of these, Kuzin and Topchiyev also participated in the August 1955 conference of the world-federalist WAPWG outfit.

## Nuclear population control

Co-founding Pugwash member and nuclear physicist Leo Szilard will quickly move to set the general tenor of the Pugwash campaign to abolish war. Already the following year, at the 2nd, March 1958, Pugwash Conference held at Quebec’s Lac Beauport, Canada, he will make an impassioned plea in the name of peace for a *Soviet-American nuclear arms race* built up to a level of mutual deterrence acceptable to both powers as an instrument of “metastable” tension! In a paper read at the conference, “How to Live with the Bomb—and Survive,”<sup>19</sup> Szilard insists that this represents “an expedient—even though morally unacceptable—‘deterrent.’” Not in the least perturbed by the total absence of morality in this outlook, he expresses the hope lately peddled by **Kissinger Associates** director Lord Carrington, that “when this long-range rocket stage is reached . . . it is conceivable that America and Russia may be able to go one step further, that they may be able to agree on a revision of the map. . . .”

Compelled to pursue the unhinged logic of MAD, Szilard

outlines a Kissingerian scenario in which the “metastable tension” of MAD must periodically find a “controlled” outlet in the form of “limited nuclear wars.” That is to say, in the case of a regional conflict, “America, in order to live up to her commitments . . . may use small atomic bombs there against troops in combat.” Realizing that a Soviet nuclear response may not “limit” itself to this local event, escalating instead to a general thermonuclear launch, Szilard pleads for a mutual “contract” according to which the Soviet Union could instead respond by

. . . demolishing—if need be—a specified number of cities, which have received adequate warning to permit their orderly evacuation. This would then represent a novel method for “exacting a price” which might be quite appropriate. . . .

As a complementary facet in this lurid approach to nuclear war, Szilard suggests that it might be convenient “to have a catalogue, giving the number of inhabitants for all Russian as well as American cities . . . acknowledged as valid by both nations.”

In reviewing what must be the most homicidal approach to the prevention of war, the reader may well ask what in God’s name is going on here! Charles Darwin’s equally demented grandson, the eugenicist Sir Charles Darwin, provides a chilling indication of the true purpose of Pugwash.

In a paper on “Population Problems”<sup>20</sup> presented at the conference, Darwin complains that employing “a war of the old kind” to reduce the world’s population count “would be entirely ineffective.” The prospect of using a nuclear war to achieve the direct effect of cutting the world population in half is much more attractive, but he is worried about what it will do to the world economy!

An atomic war would of course be different, but in my view, its direct effect would not be nearly so important as its indirect effects, for these would mean the ruin of the world’s economics. . . . It would only take 50 years to double the population again up to its present value, and then it would all have to be done over again.

Darwin is forced to settle for the combined effects of famine and birth control as what he considers to be a semi-effective interim solution. As for birth control, he laments, “it seems to me really dreadful how little study is being given to the subject—*contrasted for example with the incomparably less important subject of cancer*”!

Is this what mankind may expect from the representatives of science? Is this what science is all about?

*These ophidian forms of life, raised in one of nature’s more vicious moments to a two-legged parody of man, are not scientists! They are the demented worshippers of the evil Parson Malthus, fanatics sworn to the destruction of science. They represent all that the American Republic was founded to crush.*

### III. Kissinger, Pugwash, and the Big Lie

As is already clear from the evidence presented so far, a large number of leading advisors to the U.S. government during particularly 1960-72 were, or still are, members of the Pugwash operation with its proven Anglo-Soviet intelligence interface. As a direct, intended result of the combined acts of treason of these presidential advisers, United States national security was decisively, perilously subverted, along with areas of development in science and technology absolutely vital to man’s continued existence.

*Nobel Peace Prize Laureate Dr. Kissinger may not claim exception to this rule of proven service to the enemies of the United States of America. He, too, was a bona fide member of Pugwash and a highly active participant at Pugwash conferences from 1961 to 1966!* And during this time, he was simultaneously attached, as indicated, to the NSC, ACDA, the JCS Weapons Systems Evaluations Group, and the Department of State! From 1966 to 1969, when his appointment as National Security Adviser to President Nixon forced him to cover up his complicity in these operations, Kissinger also served on the Science Committee of SIPRI—the **Stockholm International Peace Research Institute** created in 1966 by Pugwash in close collaboration with former Swedish Social Democratic Prime Minister **Tage Erlander**, former Minister of Foreign Affairs **Karin Söder**, and former members of the World Academy of Art and Science, Pugwash’s 1960-70 eugenics and population reduction branch, **Alva and Gunnar Myrdal**.

The most significant among the Pugwash conferences attended by Kissinger are:

● **The 9th Pugwash Conference, Cambridge, England, Aug. 25-30, 1962:** during which Kissinger chaired **Working Group II** on the “Problems of Balanced Reduction and Elimination of Conventional Armaments,” a panel including such Soviet representatives as V. A. Kargin, N. N. Bogolyubov, S. G. T. Korneyev, and General Major Nikolai Talenskii, of the Soviet Academy of Sciences.

● **The 11th Pugwash Conference, Dubrovnik, Yugoslavia, Sept. 20-25, 1963:** at which the anti-ABM campaign is launched at the recommendation of **Working Group I** counting such panelists as B. T. Feld, Franklin Long, and a Soviet team consisting of A. A. Blagonravov, V. M. Khvostov, V. A. Kirillin, V. P. Pavlichenko, General Major Talenskii, and A. N. Tupolev.

Kissinger participated in **Working Group III** on “Denuclearized Zones, Especially in Central Europe and the Balkans” together with Bogolyubov, and the deranged Leo Szilard. Within the context of advocating “denuclearized zones in Europe”, Kissinger and the other panelists will call for a “nuclear freeze”! Another panelist is Leopold Infeld, the nuclear physicist who defected from Canada to Poland.

● **The 13th Pugwash Conference, Karlovy Vary, Czechoslovakia, Sept. 13-19, 1964:** where the call for a “nuclear freeze” and “denuclearized zones,” this time also in

Scandinavia, was reiterated by **Working Group I** with Kissinger, Talenskii, P. V. Andreyev of the Soviet intelligence think tank IMEMO (Institute for World Economics and International Relations), and, once again, Poland's Leopold Infeld.

• **The 16th Pugwash Conference, Sopot, Poland, Sept. 11-16, 1966:** where Kissinger participated in **Working Group II** on "The Reduction of Tension and Political Settlements in Europe" together with Leopold Infeld, and Soviet panelists V. A. Kargin and V. M. Khvostov.

The recommendations of this panel are most indicative, as they include: "The reunification of Germany was accepted by all members of the group as a necessary part of any lasting system of security in Europe. . . ."—a proposal tantamount to a revival of the 1950s Rapacki-Gomulka Plan forwarded as an attempt to decouple the Federal Republic of Germany from the Atlantic Alliance.

(A later frequent participant at Pugwash conferences, symposia, and workshops is the Soviet Union's Georgi Arbatov of the U.S.-Canada Institute, a personal friend of Henry Kissinger, who recently took part in a Dartmouth conference closed task force meeting in April of this year with Pugwash members professor General Mikhail Milshstein and Harvard's Paul Doty, among others.)

### **Indecent exposure at Oxford**

It is not merely today that many of the advisers, then advising President Nixon on matters of defense during SALT

I, belatedly make the fraudulent claim that directed-beam weapons (when not foolishly insisting such systems can never be made operational, anyway) are banned by the ABM Treaty in the form they or their friends contrived to give it in 1972. They made such claims then, too—once that treaty had become legally binding to the signatories, that is. Or had it?

Having succeeded in 1972 in committing the United States to a no-defense course of increasing unilateral vulnerability, there remained for these Pugwash Malthusians the task of fabricating the final Big Lie to cover up the fraud committed at Moscow.

At the 22nd Pugwash Conference held at Oxford in September of 1972, some three months after the treaty has been signed at Moscow, the old arms control hands meet again to congratulate each other: B. T. Feld, Paul Doty, and Kistiaowski are there. So are Franklin Long, Rathjens Jack Ruina, and Barnaby of SIPRI; along with former presidential advisers **Richard Garwin** of the Council on Foreign Relations and on the Defense Science Board 1966-69; **Herbert York** of ACDA's General Advisory Committee 1962-69 and leading member of the President's Science Advisory Committee 1964-68; and the current President of the Arms Control Association, **Herbert Scoville, Jr.**, who worked with ACDA during 1963-73, and before that was a Deputy Director of Science and Technology at the CIA during 1955-63.

In the afternoon of the first day of the conference, after Soviet Academician M. D. Millionshchikov and a certain gentleman from Moscow by the name of V. S. Yemelyanov

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have gleefully reported the rave reviews given the ABM performance in Moscow by the Western press, Bernard Feld takes the podium to speak on "The Contribution of Pugwash to Disarmament." Here, unchallenged, he makes the following assertion about systems proscribed by the ABM Treaty:

Development, testing, and deployment of ABM systems or components that are sea-based, air-based, spaced-based, or mobile land-based are prohibited; also deployment of ABM systems involving new types of basic components to perform the current function of ABM launchers, interceptors or radars (e.g., laser ABM) is prohibited.<sup>21</sup>

Feld's assertion that afternoon on Sept. 7 was a bit hasty. True, Richard Nixon and Leonid Brezhnev had signed on the dotted line on May 26 that year. True, the U.S. Senate advised ratification on August 3—months and weeks before the Pugwash Conference at Oxford. But President Nixon did not ratify the ABM Treaty until September 30, and it did not enter into force until Oct. 3, 1972.!

In his excitement, Feld had prematurely shot his load, by more than three weeks!

Did anyone rush to alert the President of the United States? Did anyone shout: "Don't ratify that piece of out-house paper, Mr. President! The Russkies and that two-timing Bavarian son of a bitch had us fooled all along!" Did anyone do that? No. Not a whisper.

And so, President Nixon, rejoicing at what his trusted adviser from Bavaria had told him would be a great victory guaranteed to win him a second term in office, was not afforded the even greater pleasure of telling the Kremlin to stuff the treaty up its collective rear, while ordering the immediate commencement of a Manhattan Project-style crash development of directed-beam weapons just as the Soviets had been doing since the beginning of the 1960s.

Henry Kissinger had delivered more than Moscow and London had bargained for: the national security and future existence of the United States of America, his adopted country.

The issue was clear already then; treason had been committed. Hard evidence was readily available in the public domain exposing the Soviet commitment to full-scale beam-weapons development, as well as orbital testing of such systems. Yet, National Security Adviser Henry Kissinger and his principal collaborators did not only not inform the President, but made sure that such vital information would never reach the Oval Office! The evidence presented in this report establishes beyond a doubt that this is so, as it also documents Kissinger's affiliation with an Anglo-Soviet intelligence front committed to the subversion of United States national security.

There is something very odd here, though. If Bernard Feld's feverish assertion about the proscription of beam weapons is true, then why does the much-hailed 1972 ABM Treaty not mention any manner of beam weapons with a

single word? They did, after all, these remarkable expert negotiators, discuss such systems at Vienna and Helsinki, did they not?

Certainly, they discussed this. And, as we shall soon report in some detail, the Soviet SALT team under Semenov, fully assisted by principal U.S. SALT actors and Kissinger's duplicitous "back-channeling" gambades with friends in the Kremlin, were successful in banishing any reference whatsoever in the treaty to what the Soviet team piously claimed were "systems not known to anyone."

#### NOTES:

1. Sokolovskii, V. D. (ed.), *Soviet Military Strategy*. Third edition. Translated, edited, and with an analysis and commentary by Harriet Fast Scott (Moscow 1968; Stanford Research Institute, 1975), p. 298.
2. *Ibid.*, p. 454 (emphasis added).
3. The two translations of the first edition of Sokolovskii are: *Military Strategy*. First edition. With an introduction by Raymond L. Garthoff (New York, Praeger, 1963; London, Pall Mall Press, 1963).  
*Soviet Military Strategy*. First edition. Translated and with an analytical introduction, annotations, and supplementary material by Herbert S. Dinerstein, Leon Gouré, and Thomas W. Wolfe (Englewood Cliffs, New Jersey, Prentice-Hall, 1963).
4. Sokolovskii, V. D. (ed.), *Military Strategy*. Third edition. Translated by Harriet Fast Scott (Denver, Colorado, Air Force Systems Command, Foreign Technology Division, 1968).
5. The public availability of the third edition of *Military Strategy* was delayed by as much as 16 months. This may be contrasted with the speedy expedition of the first, 1962 edition, which was typeset in March, was printed in mid-April, and appeared in the bookstores by July-August that year. The decision to delete any reference to beam-related weapons from the third edition, coupled with then ongoing efforts by the United States to have defensive missile systems included in any future arms reduction talks, may explain the long delay.

Following informal approaches to Moscow on a freeze or ban of ABM-related systems, President Lyndon Johnson publicly communicated his suggestion to that effect in January 1967. The same month, Soviet Premier Aleksei Kosygin presented himself as an avid spokesman for ABM systems at a London press conference. The following month that year, Moscow announced that it had begun deploying an antiballistic missile ("Galosh") system around the Soviet capital. With the Executive Branch's attention firmly riveted on this development, Johnson renewed his proposal for ABMs to be included in future arms talks during his June 1967 meeting with Kosygin at Glassboro. Kosygin politely rejected the proposal. Finally, in July of 1968, President Johnson, having signed the Nuclear Non-Proliferation Treaty, could announce that the United States and the Soviet Union had agreed to open talks on limiting both offensive and defensive missile systems. During the 1969-72 Salt I talks, the Soviets would keep focusing U.S. attention on limiting ABM systems while delaying any constructive discussion on limiting ICBMs (which is why no treaty, merely an interim agreement, on ICBM limitations was signed at Moscow).

The decision to publish a redrafted third edition of *Military Strategy* was taken during the crucial April 1966 XXIII CPSU Congress (at which Marshal Sokolovskii was returned to the position as candidate member of the Central Committee). Drafting is initiated under Sokolovskii immediately following the XXIII Congress, and the third edition is typeset and ready



for the printer by November 1966. Permission to print is withheld, however, and the actual printing does not take place until one year later, in November 1967. Again, public distribution is held back, and the third edition of *Military Strategy* does not appear in the bookstores until March 1968. At this time, Moscow must have received assurances from its allies among the U.S. presidential advisory community that the White House was hooked on the ABM fraud and would not be informed of Soviet efforts in the field of directed-beam weapons systems.

6. Sobolev, N., *Lasers and Their Future*. (Moscow 1968). German-language edition: *Die Laser und Ihre Zukunft* (Leipzig, Teubner, 1972). English-language edition: *Lasers and Their Future* (Moscow, Mir Publishers, 1974). For a concise treatment of the Sobolev text and related aspects, see Rachel Douglas: "Soviet Sources Prove Moscow's Objections to Beam Weapons Phony" in *New Solidarity*, Vol. XIV, No. 14, April 22 (New York 1983).
7. United States *Air Defense Command Satellite Situation Report*, mid-April 1968.
8. LaRouche, Lyndon H., Jr., "The Fall-Winter U.S.-Soviet 'Missiles Crisis' Negotiations from the Standpoint of the New Strategic Doctrine." *Executive Intelligence Review*, April 26 (New York 1983), pp. 48-56.
9. *Ibid.*
10. *Ibid.*
11. *Selected Soviet Military Writings 1970-1975*. Edited by William F. Scott (U.S. Air Force, U.S. Government Printing Office, Washington, D.C. 1977), p. 63. Emphasis added.
12. Barnaby, C. F. and A. Boserup (ed.), *Implications of Anti-Ballistic Missile Systems*. Proceedings, 3d Pugwash Symposium, Krogerup, Denmark, July 14-20, 1968 (London, Souvenir Press, 1969), p. 22. Emphasis added.
13. Feld, B. T., T. Greenwood, G. W. Rathjens, and S. Weinberg, *Impact of New Technologies on the Arms Race*. Proceedings, 10th Pugwash Symposium, "Wingspread," Racine, Wisconsin, June 26-29, 1970 (Cambridge, Mass., MIT Press, 1971), pp. 140-149.
14. *Ibid.*, pp. 149-150.
15. *Ibid.*, pp. 150-151.
16. Russell, Bertrand, "The Prevention of War." *Bulletin of the Atomic Scientists*, October 1946. Quoted from reprint of article in: Grodzins, Morton and Eugene Rabinowitch (eds.): *The Atomic Age*. Articles from the *Bulletin of the Atomic Scientists* 1945-1962 (New York, London, Basic Books, 1963), pp. 100-106.
17. Russell, Bertrand. *The Impact of Science on Society* (New York, Simon and Schuster, 1953), pp. 102-104. This book was first published in London in 1951. For a chilling portrait of Russell and the British oligarchy of his time, see Carol White: *The New Dark Ages Conspiracy* (New York, The New Benjamin Franklin House, 1980).
18. Healey, Denis, *A Labour Britain and the World*. Fabian Tract 352 (London 1964), pp. 13-14.
19. Proceedings, 2nd Pugwash Conference on Science and World Affairs, Lac Beauport, Quebec, Canada, March 31-April 11, 1958. Leo Szilard in paper on "How to Live With the Bomb—And Survive," the final section of which is published in the proceedings. (The complete version is published in Grodzins and Rabinowitch, op. cit., pp. 217-243.) Emphasis added.
20. *Ibid.*: Sir Charles Darwin in paper on "Population Problems." Emphasis added.
21. Proceedings, 22nd Pugwash Conference on Science and World Affairs, Oxford, England, September 7-12, 1972, pp. 161-171. B. T. Feld in paper on "The Contribution of Pugwash to Disarmament." Emphasis added.

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## Ibero-American politics focus on revolt against IMF

by Christian Curtis

Whatever anyone chooses to call it—a cartel, a debtors' club, concerted action—there is little question that the debtors of Latin America are being forced by economic reality, as well as the continuing folly of the OECD nations, to unite. There may not be an institutional name for it, but it is becoming rapidly evident—except to those who believe the *Wall Street Journal*—that every major debtor nation in the Western Hemisphere has the following situation in common with its neighbors:

- 1) No matter what they say, no matter how much they would love to please the continent's creditors, they simply cannot pay—and therefore are not paying.
- 2) They are resorting increasingly to bartering goods among themselves, leaving the U.S. dollar by the wayside as an instrument only good for paying debt.
- 3) Most importantly, there is a continent-wide political uproar against the International Monetary Fund.

As the heads of state of the industrialized nations of the West, plus Japan, prepared to discuss the world's economic ills at Williamsburg, anti-IMF revolts were springing up across Latin America. Particularly among the four largest debtors—Brazil, Mexico, Argentina, and Venezuela—it became clear during May that popular resistance, led by organized labor, would permit no further looting of living standards in order to satisfy IMF demands. Short of formal repudiation, every one of these nations has tried to warn the IMF-led international bankers that the debt cannot be paid without unacceptable levels of social chaos and political collapse.

The Fund, instead of heeding this message, is trying to “play hardball,” as the London *Economist* put it in its May

21 editorial. “At stake is the credibility of the IMF.” Like a lunatic confronting a man with a shotgun, the Fund dared Brazil to fire by announcing that it was not pleased with Brazil's austerity performance so far this year and is therefore withholding the \$411 million loan disbursement it had promised for May 30. Brazil, however, sidestepped the charging lunatic, who then attacked the Bank for International Settlements: the BIS was supposed to get most of a \$450 million payment owed by Brazil at the end of last month from the money the IMF was supposed to give to Brazil. (See article, page 4.)

The IMF and the BIS are flirting with world financial disaster; to make matters worse, Washington's recent actions have identified the United States with IMF's Malthusian policies. As a result, Latin America is not only up in arms against the Fund, but it is moving away from Washington at great speed.

### How to win friends. . .

Treasury Secretary Donald Regan left America's southern allies agape when he told reporters in Washington on May 19 that Venezuela, which owes close to \$20 billion in 1983 alone, must sign with the IMF, like it or not.

The resulting uproar was deafening. Although the government had already declared its intention to apply for a loan from the Fund, there was immediately talk in Caracas that there would be a special session of parliament to consider a resolution urging President Luis Herrera Campins to lodge a formal protest with the American ambassador over Regan's remarks. Washington quickly invited Finance Minister Arturo Sosa to Washington to try to calm things down, but the incident is not over.

"The nation sets its own conditions," Herrera Campins said bitterly before a crowd during the weekend of May 23. "And at no time can they be harmful to its own interests. There are social problems that governments must confront and solve, realities that cannot be put aside. . . ."

"In the name of the National Government and of the people of Venezuela, I reject totally the declarations of [Regan], which can only be called impertinent, contradictory and, to say the least, infantile," Sosa said in a statement released to the press May 20, before leaving for Washington.

As a result of the pressure being brought against the country, Venezuela is probably more ready now than at any previous point to consider joint policy action with other Latin American debtors. The government, the two leading parties, the largest trade union federation, the industrialists' lobby, and the nation's press have unanimously pronounced the IMF's terms—which include mass layoffs, slashes in living standards, and surrender of sovereignty over the country's oil—"unacceptable."

*El Mundo*, a large Caracas newspaper, urged the government to declare a moratorium in retaliation for Regan's "interventionism." The parliamentary leader for the ruling Copei party, Leonardo Ferrer, declared that the IMF terms "would aggravate the social and economic conditions" of the Venezuelan population.

Cristóbal Hernández, an executive member of the major opposition party, Acción Democrática (AD), agreed. "Due to sovereignty and national dignity," he said, "we cannot accept the IMF's propositions." Gonzalo Barrios, considered the grand old man and consummate moderate of the AD, called for an "accord" among all parties for a unified national front on foreign debt. Earlier, before the Regan fiasco, AD economist Luis Matos Azocar had called for a "national front, with the participation of business, labor, and politicians, to strengthen our negotiating power so that the IMF realizes that they are dealing with an entire nation."

Former President Carlos Andrés Pérez, who is regarded as the powerful figure within the AD, bitterly denounced Regan's comments because, he said, IMF policies only "destroy nations." If Venezuela signs with the Fund, Pérez said, it will be destroying itself.

### **. . . and influence people**

Perhaps an even greater disgrace to American policy was the behavior of the U.S. Ambassador to Mexico, John Gavin. In a speech before the Los Angeles World Affairs Council May 24, Gavin delivered an open threat to Mexico by defending the seditious activities of the neo-fascist PAN party, which he called a "legitimate opposition party."

The U.S. State Department had come under heavy attack for allowing U.S. embassy personnel to attend a PAN strategy meeting in the state of Sonora, after the PAN had been charged repeatedly with involvement with drugs, terrorism, and other violence in the border states. Prominent national press coverage had been devoted to a joint statement issued

in Sonora by the Mexican Labor Party (PLM—a political ally of U.S. politician Lyndon LaRouche, *EIR*'s founder), the Socialist Workers Party (PST), and the Popular Socialist Party (PPS), calling for the revocation of the PAN's registration as a legal party.

"We have no intention or desire of interfering in domestic affairs," Gavin said. "We want only to make friendly relations with Mexico. But just as we would not tell the Mexican ambassador not to meet with the Democrats, we reserve the right to meet with legitimate opposition parties in Mexico. The Mexican government should understand that, when wild charges are made for domestic political gain, the Mexican people may shrug them off as more of the same old thing, but the American people are listening, and they won't shrug it off. They may question our ability to continue the use of tax dollars to finance a government which is hostile to America."

Gavin precisely identified the question that politically separates the United States from its natural southern ally—Malthusianism—only to choose the wrong side. His speech began with a warning of the overpopulation of Mexico City, praising a May 15 *New York Times* article that blamed most of Mexico's ills on its "rush to industrialize." Mexican planners must "think more about labor-intensive programs," he said. "I know there are those who say capital intensity is the best way to go, but I think not."

Gavin cited how generous the United States has been for backing up the IMF bailout packages for Mexico, but the Mexicans, he noted, have been ungrateful. Mexican "attitudes are conditioned by old hostilities and new fantasies."

Although the IMF has given its blessing to Mexico's first-quarter economic performance, Gavin could not have picked a worse moment to provoke Mexico. As *EIR* goes to press, 8 million workers are scheduled to take part in a nationwide strike May 30 called by the Confederation of Mexican Workers (CTM) in a direct challenge to the IMF's wage restrictions. The CTM being officially part of the ruling PRI party makes the strike even more remarkable.

Similar labor pressure is approaching the boiling point throughout the region. The ORIT, the Latin American-wide trade union federation affiliated with the AFL-CIO, has endorsed the idea of joint renegotiation of debt and has denounced the IMF, distributing a poster throughout Latin America detailing its program.

Washington would do well to heed the handwriting that has been on the wall for weeks. Following the summit meeting between the presidents of Mexico and Brazil last month—where it was agreed that since neither country has any dollars, they will simply swap goods—every major Ibero-American government has signaled that it is prepared to resort to barter and to stop paying debts, in order to save what is left of their economies from the BIS and IMF.

In Bogotá, Colombia on May 16, the Economic Commission for Latin America (ECLA), which includes representatives from all governments in the region, declared that although the nations of Ibero-America may be willing to pay

their debts, they cannot do so under the conditionalities demanded by the creditors. "The countries of the region have expressed their firm volition to meet the debt obligations," said the ECLA communiqué, referred to as the Declaration of Bogotá. "However, even at the cost of extreme sacrifice, many of those countries are in no condition to meet the services of their foreign debt within the [contracted] terms. . . ."

In other words, Latin America has rejected IMF conditionalities. ECLA economists told journalists that the agreement in Bogotá was that any loan terms of less than 20 years, with 3 to 4 years of grace, are "not viable." Interest rates must be reduced, they added.

The Declaration of Bogotá also specified that the debtors of Latin America should use "coordinated action" toward the creditors—though not forming a debtors' cartel—in order to "obtain more favorable conditions."

One week before, in Quito, Ecuador, ECLA and the Latin American Economic System (SELA) met with representatives of 22 governments to call for political coordination among debtors and a dramatic increase in barter trade.

There can be no doubt that these issues—coordination on debt and resort to barter—define the agenda of relations with the industrialized North. As a result of the meetings in Quito and Bogotá, Colombian President Belisario Betancur and Ecuadoran President Oswaldo Hurtado were designated as the Latin American representatives in all matters pertaining to the Williamsburg summit.

## 'The scourge of monetarism'

On May 1, ORIT, the Regional Inter-American Workers Organization, which represents the trade-union federations of all of Ibero-America, issued a proclamation calling for an end to economic and political oppression within the Americas through the creation of a New World Economic Order.

The proclamation, which was posted in Mexico and elsewhere throughout Ibero-America, attacks "the scourge of monetarism imposed by the International Monetary Fund which subjugates our economies."

"ORIT," it states, "ratifies its inevitable commitment with the glorious destiny of the Indoamerican working class and maintains:

- its struggle against dictatorships, be they right or left wing groups;
- its vigorous unity for the complete installation of union freedom and respect for human rights;
- its rejection of the manipulative policies of monetarism which reduce the purchasing power of salaries and impose unjust forms of austerity on Indoamerican nations;
- its identification with the demand for the collective negotiation of our foreign debt;

- its support for the creation of a new international economic order.

"These positions constitute an argument sufficient to unify the forces of the Indoamerican Union Movement and orient its struggle for an authentic, free and sovereign America," the proclamation concludes.

The document is signed by ORIT Secretary General Tulio Cuevas Romero, the former head of the largest Colombian trade-union confederation, the UTC.

ORIT is officially supported by Lane Kirkland's AFL-CIO. The union federation was set up with the aid of the AFL-CIO, and the AFL-CIO has printed favorable reports in its newspaper of its actions on behalf of unionism. Cuevas, when he headed the UTC, had cordial relations with the AFL-CIO.

Two issues of the official AFL-CIO newspaper, where action by ORIT is routinely reported, contain no mention of the proclamation. Official but "nonpublic" AFL-CIO policy, as stated by an economist at the AFL-CIO's headquarters, is that the New World Economic Order—which would reorganize the world monetary system for the purposes of global industrialization—is a "cheap trick" against American workers. The Latin Americans, he said, simply want American workers to pay the bill for their "poorly managed" economies. He also said that he hoped no U.S. unions would bring up the plan, because "that would be embarrassing."

## 'IMF creates devastation'

*The following are excerpts from an article published May 21, 1983 in the Confederation of Mexican Workers' (CTM) magazine, Ceteme, by CTM leader Porfirio Camarena, adviser to the confederation's chief, Fidel Velásquez.*

. . . The interests of the great powers, represented by the International Monetary Fund, seek to impose on the countries of the Third World—including our own—economic policy measures which have nothing to do with the interests of the workers and the majority; very much to the contrary, they endanger any democratic and nationalist development program.

However, the organized labor movement is convinced that in the agreements which our country must make with the International Monetary Fund, agreements necessary in the sense that they serve as a guarantee before the international financial community, there can be no regression to the detriment of the workers nor endangering the national sovereignty.

Countries like Bolivia, Chile, and Argentina have had to accept economic policy measures imposed by the International Monetary Fund such as: reduction of public expenditures, elimination of trade controls with other countries, free exchange, containment of salary demands, among others. The consequences have been devastating...

# Brazil's president moves to halt austerity policy

by Mark Sonnenblick

Brazilian Planning Minister Delfim Netto has been losing his hold over his country's economic policy ever since the April 26-29 Mexico-Brazilian summit meeting in Cancún, Mexico. This puts in doubt his ability to fulfill promises that Brazil will further tighten its belt. Even when Delfim seemed to hold the reigns of absolute power in Brazil during the first quarter of the year, he could not enforce his austerity commitments, as the auditors from the International Monetary Fund (IMF) have discovered.

Delfim's sidekicks, Finance Minister Ernane Galvêas and Central Bank president C.G. Langoni spent a week in mid-May shuttling between Wall Street and Washington pledging tighter internal credit, lowered real wages, and another \$3.1 billion in budget cuts. But even that failed to shake loose the loans needed to pay Brazil's growing debt arrears. Brazil is alive with rumors that the economic troika will soon find themselves comfortable jobs in research institutions.

"The star player on Brazil's debt renegotiation team is President João Figueiredo," the U.S. Treasury's Tim Macnamar told a dinner honoring Galvêas May 19. Figueiredo, however, may deal with Brazil's falling ever more behind in the debt game by changing the rules. He is showing less and less willingness to see his country inflicted with spiraling unemployment, riots, and the destruction of the most advanced industrial capability in the developing world.

"People close to Figueiredo are arguing he should abandon the current focus on achieving the \$6 billion trade surplus at all cost," a Wall Street political risk analyst informed *EIR*. Those who believe Delfim's pledges that Brazil will submit itself to whatever levels of austerity are needed to restore "banker confidence," ignore that Brazil has changed as a result of Figueiredo's April 26-29 summit with Mexican president Miguel de la Madrid.

## Changing the political rules

Bankers have been so fixated on watching the economic news from Brazil that most of them are totally uninformed of the way Figueiredo has been laying the domestic political base for bidding "good bye" to Brazil's would-be economic controllers. General Figueiredo is having a public "love affair" with Rio governor Leonel Brizola, the silver-tongued populist who represents the menace of a moratorium on the foreign debt and re-orientation of economic effort towards creating jobs for the unemployed. Although Figueiredo dis-

agrees with Brizola's socialist rhetoric, he has made it clear that his political opening—symbolized by Brizola's return from banishment—will be preserved, and that Figueiredo is unwilling to accept the high levels of repression needed to enforce the Delfim-IMF program.

After Brizola was elected governor of Rio November 15, savants believed sectors of the military would stage a coup to prevent him from taking office, or else would make sure he was cut off from Federal funds and destroyed.

Instead, Figueiredo has made a political deal with the most popular leader of the opposition. He invited the long-banished Socialist to the presidential palace for a long and friendly meeting May 2, and returned the visit in Rio a bit later. The exact nature of the deal is not yet clear. "It's possible I will marry Brizola," the president is reported by Brasilia gossips to have mused at a late-May cocktail party; "and, if there were no resistance from my sector [the army], I would join his party."

"This is an interesting message to the foreign banks and to sectors of the army," commented an expert Brazilian observer. Figueiredo wants nothing more than to guarantee that Brazil will remain stable and that the democratic opening he has pursued will not be frustrated even after his term expires in 1985. Brizola has proposed that Figueiredo's term be extended two years to be followed by the first direct elections for president since the generals took over in 1964. All opinion polls now show that Brizola would win such elections.

## Taking back Brasilia from Delfim

The nation-building tendency inside the Brazilian government has shown a remarkable resurgence at the expense of Delfim's monetarism since Cancún:

- The summit was a resounding repudiation of Delfim's pledges to bankers that Brazil would give up its Third World oriented foreign policy in return for U.S. government debt bailouts. Delfim could only wander around Cancún insisting, "These meetings are merely political; I handle Brazil's economic policy.";

- Former foreign minister Azeredo da Silveira, whose claim to fame is the "special relationship" he formed with Henry Kissinger starting in 1976, is being demoted out of Brazil's Washington embassy; his replacement, ambassador Sergio Corrêa da Costa, arranged Brazil's 1960s' link with the U.S. Atoms for Peace policy that brought Westinghouse to build Brazil's first nuclear plant.

- Shigeaki Ueki, the president of Petrobrás, the state oil company, had been forced to submit his resignation; this would have decapitated the keystone of the state sector companies which have fought tooth and nail against anti-growth austerity policies. Petrobrás particularly has used its economic might to save many national industries from bankruptcy. Former president Ernesto Geisel moved to Ueki's defense and Figueiredo kept him as head of Petrobrás.

These signs show that, if pushed too hard, Brazil may give the banks a costly surprise.

# Soviet Union plays the 'Great Game' for control over the Middle East

by Judith Wyer

The U.S. news media which hailed Secretary of State George Shultz's recent "shuttle diplomacy" in the Middle East are now beginning to echo *EIR's* warning that Shultz in fact assembled all the ingredients of war and superpower confrontation in the region.

Shultz's "success in pressuring Lebanon to sign an Israeli troop-withdrawal agreement that cannot conceivably be accomplished without Syria's consent has created a dilemma for Shultz that has the makings of a major foreign policy disaster," wrote Rowland Evans and Robert Novak in their syndicated column on May 27. National security officials within the administration are cited as fearing a "grievous setback for U.S. interests in the Arab world."

## Defender or destroyer of sovereignty?

Since Franklin D. Roosevelt pledged to eliminate British colonialism after World War II, the United States has been the chief defender of the fragile sovereignty of the nations of the Middle East, as shown by President Eisenhower's defeat of the British Foreign Office's stratagems during the 1956 Suez crisis.

Now, American policy faces the greatest test that has been posed during all the crises which followed that success. The Soviet Union is moving to take control over the Middle East, including the oil producers of the Persian Gulf, by 1984.

The Soviet leadership under Yuri Andropov is playing a cynical game by allying with the Anglo-European oligarchic families that orchestrated the Nazi invasions of the Soviet Union and killed over 20 million Soviet citizens. Andropov intends to subject the Middle East to the same imperial tactics known in 19th-century Britain as the "Great Game."

Perhaps the closest Western collaborator of Andropov is Lord Peter Carrington, the former British foreign minister who, along with his business partner Henry Kissinger, is delegated to induce a defeated United States to retreat to the Western Hemisphere, leaving the Mideast and Europe to the kind attentions of the U.S.S.R.

## The PLO issue

The Soviet KGB, working through old imperial connections in the Eastern Orthodox churches, is now supporting a

power play within the Palestine Liberation Organization: against PLO leader Yasser Arafat, Moscow is backing a wing of the PLO led by Khomeini allies Nayef Hawatmeh and George Habash, both members of the Greek Orthodox Church. This is the wing of the PLO which works with Palestinian terrorist Abu Nidal and European terrorist groups such as the Red Brigades.

Since the beginning of May, Palestinian ranks positioned in Lebanon's Bekaa Valley have mounted a mutiny openly backed by Libya's Muammar Qaddafi, a shared asset of Moscow and Swiss-based neo-Nazis and Freemasons.

Official relations between the Arafat-led Fatah wing of the PLO and Moscow have reportedly become chilled since Arafat's meeting with Andropov in January. At this year's Soviet May Day celebrations, very little support for the Palestinian revolution was shown.

A transformation of the PLO into a terrorist organization would destroy the last hope of the Palestinian people for regaining their homeland, and expand assassination capabilities against pro-U.S. Arab leaders and others.

These radical Palestinians, allied with various extremist Muslim groupings, threaten to launch all-out civil war in Lebanon by increasing attacks on Maronite Christians in East Beirut. Lebanese sources warn that heightened ethnic warfare in Lebanon is aimed at creating the preconditions for the assassination of Lebanese President Amin Gemayel. Should that happen, Lebanon would become a grisly map of warring fiefdoms, spawning splinter enclaves beyond Lebanon—beginning with a Druze Muslim micro-state to be carved out of Syria.

Qaddafi himself has unleashed a campaign against Gemayel. In a speech broadcast by Tripoli's "Voice of the Greater Homeland" radio May 22, he called on the Lebanese people to mutiny against Lebanon's "false president," reaffirming his support for the anti-Arafat movement in Lebanon.

Moscow announced the fourth week in May that it had sold the Beirut building housing the Moscow Norodny Bank, a well-known KGB front, and had scaled back the number of employees remaining in Beirut. Two weeks earlier, the Soviets suddenly pulled all dependents of diplomats out of Lebanon, Jordan, and Syria, in anticipation of a full-scale blow-out in Lebanon.

The U.S.S.R.'s support for the fascist Ayatollah Khom-

eini's so-called Islamic Revolution was more than simple opportunism. It reflects Moscow's bid to create its own Khomeini-style "Islamic Card," surrounding Iran geographically and capturing it politically from within.

### The Soviets' Islam Card

Moscow's cultivation of religious and ethnic assets in Iran has superseded the usefulness of the Iranian communist party (Tudeh) in Moscow's bid to control Iran. British intelligence and the Soviet KGB collaborated to provide Khomeini with information to purge the Tudeh Party in May, working through a Soviet diplomat who defected to London last year. *EIR* reported that, beginning in late January, secret contacts began outside London involving high officials of the Khomeini regime.

Moscow has specifically expanded its assets among the mullahs of the ruling Islamic Republican Party (IRP). According to Radio Iran, a clandestine Persian language radio station established by former Iranian Prime Minister Shapour Bakhtiar, Moscow has continued to tighten its relations with a powerful faction of the IRP calling itself the Followers of the Imam's Line. This is the same group that orchestrated the seizure of the U.S. embassy and hostage crisis.

Within the Kremlin, the chief architect of Moscow's Islamic Card is First Deputy Prime Minister Geidar Ali Reza Aliyev, an appointee of Andropov. Aliyev, who comes from a Persian Shi'ite family in Soviet Azerbaijan on the Iranian border, has been active in penetrating "every pore" of Iran, beginning in 1938 while he was in the Red Army. Aliyev has cultivated Soviet allies in Iran spanning the ideological spectrum, including assets within the major tribal entities in northern Iran's Kurdistan and Azerbaijan. He is also reported to have established contacts with such leftist Iranian leaders as the exiled leader of the People's Mujahiddine and the son of the conservative Iranian Ayatollah Shariatmadari.

In early April, as *EIR* has reported, Moscow warned of its intention to "isolate" Iran in a message delivered to the Khomeini regime by a senior Soviet foreign ministry official in early April. According to a report in the Jordanian daily *Al Akhbar al Usbu*, the message cautioned Iran that, if it did not halt its war with Iraq, Moscow would cut off arms shipments to Iran, and hinted at a cut off of vital Comecon trade. The daily reported that the Soviet strategy is to forge a rapprochement between rival Syria and Iraq, thereby creating a Soviet bloc on Iran's western border. With 1,500 miles of Soviet border to the north and Afghanistan to the east, Iran would, in effect, be surrounded. Moscow now favors an end to the 32-month old Gulf war in order to expedite its plan for a unified pro-Soviet bloc from Syria to Afghanistan.

According to French intelligence sources, the likely victim of such a strategy will be Iraqi President Saddam Hussein, who is disposed toward closer relations with the United States. Palestinian terrorist Abu Nidal has reportedly been given a contract to assassinate Hussein.

Iran's willingness to accept an Arab mediation team led

by Algerian Prime Minister Abdelghani is seen as the most promising sign that Khomeini may be willing to end the war. Curiously, in recent months Iran has halted its repeated demand that Saddam Hussein be ousted as a condition for peace. There is speculation in intelligence circles that the assassination contract against Hussein is the cause of Iran's silence.

### Closing in on the Gulf

In early April Moscow installed a new ambassador to Kuwait, installing what has been described as a highly placed diplomat in order to advance Moscow's bid to establish relations with the Gulf oil producers, notably Saudi Arabia, which have been firm allies of the United States.

Moscow's bid is not going unanswered in Saudi Arabia. As in Iran, longstanding British intelligence assets in Saudi Arabia are now being activated to move closer to Moscow. Saudi First Crown Prince Abdullah, a leader of the fundamentalist Muslim Brotherhood and a British intelligence asset, stated two months ago in an interview with *As Siyassah*

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*Andropov looks toward the fracture of Lebanon, the transformation of the PLO, and the encirclement and control of Iran. The oil producers of the Persian Gulf are also to be brought into the Soviet orbit, a process fostered by Britain's anti-American political efforts in the region.*

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that "when the time is right" relations with Moscow will be established. Abdullah, leader of the British intelligence created Muslim Brotherhood and of the National Guard (which spawned the leader of the terrorist group that seized the Grand Mosque of Mecca two years ago) is now waging an all-out power play against King Fahd.

Andropov is aiding Abdullah's efforts by pushing to break Saudi King Fahd's longstanding exclusive alliance with the United States. In April, OPEC began talks with Moscow aimed at winning an agreement to reduce Soviet petroleum exports to the West, which have seriously eroded OPEC oil prices. Saudi Arabia, in particular, has suffered a massive drop in oil revenues, which has caused dissension within the Saudi leadership. Saudi Arabian Oil Minister Zaki Yamani publicly acknowledged for the first time in mid-May that Soviet oil exports were undercutting OPEC's price. Andropov is reported to be demanding diplomatic relations with Saudi Arabia in exchange for lower export levels.

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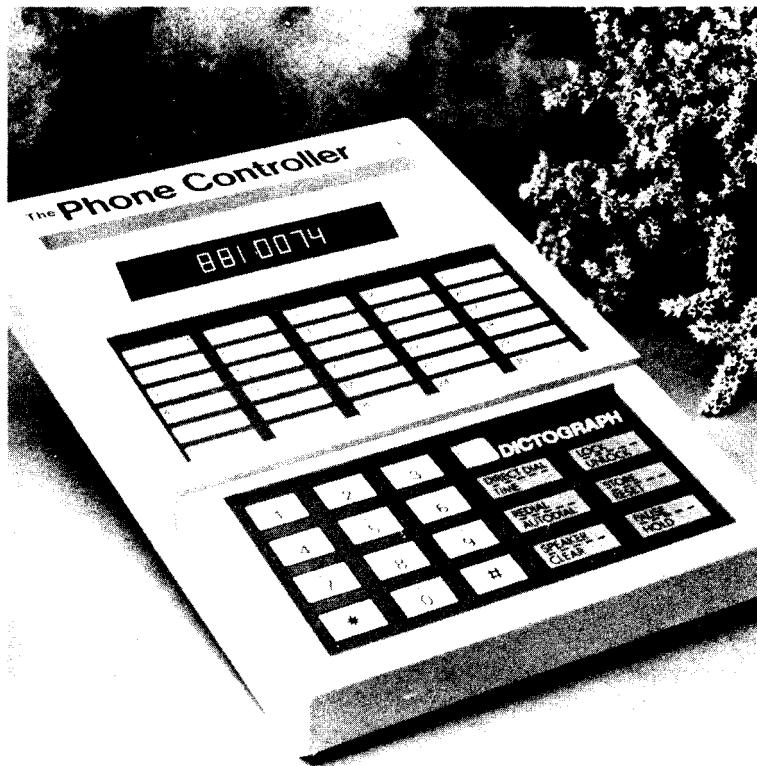
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# Release of EIR's 'Lavie Report' will make international shock waves

by Criton Zoakos

This review's intelligence staff issued for publication in May a strategic estimates report on the subject of the Israeli defense industry's current status. This report, titled "The Military, Economic and Political Implications of Israel's Lavie Jet Project," is bound to provoke howls of indignant denials by Britain's Secret Intelligence Service and the Soviet KGB. The Israeli Mossad will not very much mind the publicity; and the American intelligence services, still trying to recover from the blow they received from the mass murder of the CIA's team of top Middle East analysts in the April 18 bombing of the American embassy in Beirut, will have the opportunity to re-examine what has been going on in Israel and the Middle East from a fresh standpoint.

Much to the initial surprise of our own analysts, the investigation into Israel's current military acquisitions program led to the discovery of three shocking but, ultimately, not surprising monstrosities.

The first such discovery was the fact that Israel's military acquisitions program, military posture, and current strategic thrust, which make no sense unless examined in conjunction with the military policies of South Africa, are ultimately controlled by British grand strategy and have been so controlled since the founding of Israel in 1948. The basic parameters of this British long-term strategy were outlined in a February 1943 communication from Chaim Weizmann, Israel's first president, to South African Field Marshal Jan Christiaan Smuts, titled "Memorandum on Africa."

The second discovery, outlined in the *EIR* Special Report, is that Chaim Weizmann's nephew, Ezer Weizman, led over the years a team of British-influenced and British-manipulated prominent Israelis in a protracted effort to implement the policies of his uncle's "Memorandum on Africa" with an added thermonuclear component which was lacking in the year 1943. This team of Israelis, which includes Defense Minister Moshe Arens, Minister of Science and Development Yuval Ne'eman, Treasury Minister Yoram Aridor, Finance Minister Yakov Meridor, former head of the Israeli Aircraft Industries Adolph Schwimmer, former head of the Mossad Meir Amit, international arms merchant Shaul Eisenberg, and others, came to major national prominence with

the election of Mr. Menachem Begin, the quintessential Anglophobe of Israeli politics, in 1977. They captured total control of Israel's destinies in the beginning of 1982, with or without Mr. Begin's cognizance.

## A miniature thermonuclear Sparta

The third discovery, elaborated in the *EIR* Special Report, is that these men, since the signing of Camp David, have transformed the state of Israel into a miniature militarist-thermonuclear Sparta which they intend to transform into the world's third largest nuclear weapons-exporting power during the 1990s. It is for this reason that this group of persons decided in February 1982 to go ahead with the manufacture of the Lavie Jet airplane, a program which is designed to give them the added sophisticated technologies with which to improve the existing Israeli Intermediate Range Ballistic Missile capability. Israel's existing military industrial base, upon which Ezer Weizman, Yuval Ne'eman, and their associates base their future plans, has the following characteristics. In 1981, Israel had the world's highest per capita military expenditure: \$1,514. The United States is a distant second by comparison, with \$782 per capita in military expenditures. Israeli defense spending was 28.7 percent of GNP, the highest in the world. For the United States, it was 6.1 percent.

In 1981, over 40 percent of Israel's exports was weapons. Over 35 percent of these exports went to the Republic of South Africa. Israel supplied 100 percent of Guatemala's military needs, 80 percent of El Salvador's official military imports, and, until Somoza's overthrow, 98 percent of Nicaragua's military imports.

Israeli defense production as of 1981 employed over 15 percent of Israel's industrial labor force, and the percentage is scheduled to go up to approximately 25 percent by the next decade.

As a military exporter, Israel has grown dramatically.

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*The EIR special client report on the Lavie is now available on a limited basis. For further information, please contact Nancy Coker or Judith Wyer, at (212) 247-8820.*

Since 1970, its military exports have grown 16-fold. Since 1977 alone, they grew six-fold. Israeli has already projected major advance sales for the Lavie Jet, including undercutting the price of the American F-16 by about 50 percent. The purpose of this ambitious arms export program is to enable Israel to sustain a weapons-manufacturing industry a few times greater than the Israeli civilian economy itself.

Thus, while prominent Israeli politicians were belly-aching in the last five years over the character of the future, mature Israeli society, Weizman, Ne'eman, and their British-controlled associates did in fact carry out a profound transformation of Israel. Travelers to Israel in the last year have been shocked to discover the large-scale breakdown of the social fabric. The state no longer resembles what the survivors from the Nazi holocaust built in 1948. Ariel Sharon's Sabra and Shatila genocidal massacres were a first indication of the ongoing collapse in moral orientation. Later, Rafael Eytan, the chief of staff of the Israeli Army, made a speech in the Knesset whose main thrust was to characterize the West Bank Palestinians as "cockroaches." Alarmed liberal opinion inside Israel quickly pointed out that General Eytan's ravings were identical in intent with Joseph Goebbels' characterization of German Jews as "vermin," i.e. a deliberate drive by

the state to "dehumanize" a certain part of the population in the minds of the majority, so as to induce the majority to passively accept the eventual extermination of thus dehumanized "vermin" and "cockroaches."

Israel's thermonuclear military-industrial complex is thinking *Vernichtung* (annihilation)!

### **The British 'grand strategy' behind it**

But the policy is not Israeli; it is British and is an integral part of the military plans of the racist regime of the Republic of South Africa. Current British grand strategy is to reduce the United States's global power projection to approximately 25 percent of its present extent and to supplant it, in a hoped-for deal with the Kremlin, with a British-dominated European "Third Force." This British-led "Third Force" would be in control of the entire African continent by means of projected Israeli and South African thermonuclear military power over the continent, establishing, among other things, total control over Africa's strategic minerals upon which the United States depends for over 90 percent of its supplies for the manufacture of jet aircraft and missiles. Such an arrangement was, in fact, the content of the Weizmann-to-Smuts "Memorandum on Africa."

## **Lavie provokes policy fight in Washington**

by Jeffrey Steinberg

The "Lavie Plan" issue has been at the center of a quiet but intense fight in the policy-making corridors of Washington, D.C. for the past several months, a fight that is now on the verge of spilling over into a bloody confrontation on Lebanese soil. The two main protagonists in the policy debate have been Secretary of Defense Caspar Weinberger and Secretary of State George Shultz.

The conflict revolves around the fact that the Israelis cannot implement the Lavie project without receiving sophisticated component designs from the United States that have been previously protected by U.S. national security classification. These technologies include particularly advanced graphite production methods that allow for lightweight, high grade steel casting. Such casting is required for the Lavie jet and also for large-scale production and deployment of cruise missiles.

Both U.S. and Israeli sources acknowledge publicly that Israel has the designs and several prototype model

cruise missiles. A recent issue of the *Jerusalem Post* reported that Israel is currently testing a prototype cruise missile at a testing site in the Republic of South Africa. However, without the blueprints for building a graphite production facility in Israel, no genuinely independent production could occur.

On April 17, Israeli Defense Minister Moshe Arens, the architect of the Lavie Plan, used the occasion of a U.S. nationwide television interview to deliver his personal "thanks" to Secretary of State George Shultz for convincing the Reagan White House to give approval to the previously embargoed Lavie components. Previous to the Arens television appearance, there had been no public announcement that the Reagan administration had indeed approved the lifting of the classification restrictions.

Within a week of the Arens television tribute to Secretary Shultz, the Pentagon issued a counterorder, backed by the White House and apparently pushed through by Defense Secretary Weinberger, "clarifying" the export license decision to exclude the critical graphite formulas and blueprints. The United States would, according to the updated Pentagon announcement, provide finished products including the graphite and tail components for the Lavie, but would withhold the necessary information that would allow Israel to independently reproduce the components.

The reversal was based on the solid argument that once released to the Israelis, the "secret formulas" for the

The Israeli leaders named above are also employing the manipulation of religious passions as one of their principal political instruments. They all are involved, in one manner or another, in the notorious "Temple Mount" project, of building the new Temple of Solomon over the site now occupied by the Islamic religious site, the Dome of the Rock (*EIR*, April 26, 1983). The purpose of the "Temple Mount" project is to launch an integrist religious "Thirty Years War" in the Middle East, a useful ingredient in the drive to successfully complete Israel's transformation into a nuclear garrison-state.

No stretched-out interpretation of Israeli national interest can supply the analyst with an understanding of the motivations of those people who have saddled Israel with this policy. Only if one views Israel as someone else's "marcher lord," does this whole deployment make sense. Many would suggest that Israel would be the United States's "marcher lord" in the region. Not true.

Those U. S. residents who support Israel's current drive for thermonuclear supremacy are a well-delineated group of people. They are, essentially, a group of conservative factions such as the Heritage Foundation and Joseph Churba's Center for International Strategy who have been prominent

in their opposition, "from the right," to President Reagan's policy of developing relativistic-beam anti-missile weapons systems and shifting the strategic doctrine of the United States away from the Kissingerian "Mutual and Assured Destruction" doctrine and its cognates.

Israel's projected role in the world strategic equation under the Lavie Plan, is to be fundamentally hostile to the United States. Israel is arguing its case for military self-sufficiency for the purpose of supplanting the United States in the Middle East and North African region. Israel seeks to supplant the United States for the purpose of presenting ultimately British-dictated terms to the United States on matters of international conduct. Those in the United States who argue Israel's current cause against the policy of the Reagan administration happen to be the same interests who argue against the administration's high-energy-beam-based doctrine of Mutual and Assured Survival. In the case of the Heritage Foundation and Mr. Churba's CIS, we have two groups which have previously been documented to be assets of British Intelligence manipulations of American politics.

The same is true of those religious fundamentalist groups, including Jerry Falwell and Oregon's Tav Ministries, which are involved in the Temple Mount scheme.

graphite process could not be secured. It has long been the view of experienced U.S. intelligence hands that the "friendly intelligence services" of Israel are a sieve that regularly spills sensitive intelligence into the hands of the Soviets and other adversary nations.

This was where the "Lavie dispute" stood on the eve of Secretary Shultz's Kissingerian shuttle diplomatic mission to Lebanon and surrounding nations. When the smoke cleared on the Shultz mission, the Middle East was on the verge of explosion, with potential short-term escalation into a strategic "Cuban missiles crisis"-type showdown between the United States and the Soviet Union, and Israel had won out on the fight over the export licenses for the Lavie secrets.

How this came about may go down in history as one of the most duplicitous pieces of diplomatic doublecross ever accomplished by a U.S. Secretary of State (with all due respect to Mr. Henry Kissinger). George Shultz placed his imprimatur on a made-in-Tel-Aviv "withdrawal plan" that was by its very nature unacceptable to the Syrian government, particularly a Syrian government responsive to the heavily-breathing presence of 5,500 Soviet military advisors and beholden to the Andropov crowd in Moscow with the latter's visions of a Russian-led Third Roman Empire. The plan, signed at Shultz's urging by Lebanese President Gemayel and by Israeli Prime Minister Menachem Begin, in effect gave legal cover to Israel's continued occupation of the southern half of Lebanon and sowed

the seeds of a renewed outbreak of violence between the rival Israeli and Syrian forces and surrogates, building increasingly toward a full-scale war between Israel and Syria.

With this withdrawal plan in hand, Secretary Shultz, according to Middle East sources, was able to extract a quid pro quo from the Reagan White House that unfroze the 18 export licenses including the blueprints for the graphite processing facility, and additionally unfroze the F-16 jet fighters that President Reagan had withheld from delivery to Israel in the aftermath of the illegal Israeli invasion of Lebanon, an invasion that violated U.S.-Israeli military assistance treaties.

Barring yet another reversal of the Lavie decision in Washington, Israel is now fully embarked on a policy course that has been described by a number of Israeli political insiders as "Moshe Arens's dream." To the extent that official Washington comes to recognize the full implications of the misnamed Lavie Jet Program and the prospects of a nuclear-arms-exporting London-dominated Israeli marcher lord, the Reagan White House will find itself with yet another powerful motive for proceeding on a crash basis with the development and deployment of a laser ABM system and the immediate reassertion of the strategic defense doctrine of Mutually Assured Survival. It will increasingly take such a system and such a doctrine to reverse the course of events unleashed by the recent Shultz-Arens Lavie "coup."

# The political underworld at work: Edgar Faure's networks and the KGB in France

by Laurent Murawiec

*Below EIR continues its investigation into the underworld of French politics. The subject is the connection between the Nazi International and the Communist International from the pre-World War II days to the present. Part I of this series focused on Georges Albertini, a recently deceased agent of the Nazi Abwehr, and a participant in the founding of the French Communist Party (PCF) through his friend and ally Boris Souvarine. Souvarine himself "reconverted" to anti-communism to found the Russian studies think tank called the Institute for Social History, in Paris.*

*In the first installment of Murawiec's exposé, we followed Albertini and Souvarine through the meanders of their "public" shifts. In the process we discovered that Souvarine's profession as anti-communist "Russian studies" expert is the best KGB cover, and every activity of the "former" communist proves it. We also discovered something about American politics: the most rabid "communist-haters" in the U.S. labor movement may very well have been KGB stringers all along.*

*Jay Lovestone is the prime example of someone who followed the "Souvarine route." A founder of the CPUSA, Lovestone was summoned to Moscow by Stalin in 1928 with the mission of establishing Comintern antennas in the West, and was "curiously expelled from the CPUSA a year later," noted Murawiec. Lovestone then worked with the Dulles brothers' "captive nations" operation in Europe, which included Souvarine and his circles.*

*"A ferocious anti-communist is the best possible agent of disinformation to get committed anti-totalitarians to swallow the most absurd lies," Murawiec wrote*

The range of manipulative influence acquired since World War II by Georges Albertini, Souvarine, et al., who came to dominate the Russian studies field in France and exert significant influence abroad, extended into the "ultra-liberal" wing of the French industrial confederation, with the so-called Institut de l'Entreprise as one of the major bankrollers. Former Prime Minister Raymond Barre was another backer, through his assistant, Trilateral Commission member Jean-Claude Casanova. Another funder was Vernon Walters, a

former CIA deputy director and former Averell Harriman assistant, through his Paris outfit, the French Association for the Atlantic Alliance.

In 1981, a "spoiler" was added to the French presidential election campaign, with the stated purpose of shaping the national policy debate around "East-West" issues. The standard-bearer was an imitation of Margaret Thatcher, one Marie-France Garaud, who had been well-known as a senior staff member of the Pompidou presidency—and an Albertini associate throughout. The composition of her campaign staff under Georges Albertini once more brought to light the peculiar mix that defies the rules of politics.

A prominent member was one Col. Roger Barberot, a "left Gaullist" who, like all such specimens, is neither a leftist nor a Gaullist but a high-flying intelligence operative nominally situated on the left in order to cultivate contacts and conduct operations. He was one of the field commanders of the notorious "Barbouzes," the gang of (partly Corsican) thugs, killers, and gangsters created in Algeria in the early 1960s by British intelligence agent Lucien Bitterlin, today a leader of the "Franco-Arab Solidarity Association."

Barberot was appointed ambassador to Uruguay in 1965, and used his Montevideo post to oversee a reorganization of the Latin American heroin route of the French Connection. Under him was Joseph-Auguste Ricord, a veteran of the Paris Gestapo's most important corps of torturers and murderers, the Bonny-Lafont gang; Christian David, the gangster who murdered Moroccan leader Ben Barka and Algerian exile leader Belkacem Krim on orders of and with the payments from Swiss financier Dr. Alfred Schaefer, former head of the Union Bank of Switzerland and one of the leaders of the Nazi International.

Barberot, using his cover as a diplomat, and his close links with those French politicians controlled by the old Abwehr gang of Michard-Pelissier, built a considerable intelligence empire which the efforts of U.S. drug enforcement agency personnel in Europe and anti-drug factions in the French intelligence and police community finally weakened in the early 1970s.

More recently, Barberot associated with high-ranking

KGB operatives in France to engineer the “diamond scandal” which inflicted irreparable political damage on then-President Valéry Giscard d’Estaing. The Garaud campaign, run under-the-counter by Albertini, was aimed at muddying the waters in which Giscard would fish for his vote; the Souvarine-Albertini crowd was already seeking influence on his successor’s staff.

President Mitterrand’s secret service coordinator, the shadowy businessman François de Grossouvre, was in fact a prime source of income for both Garaud and Albertini in the latter’s last year or two. De Grossouvre is an associate of Nazi international chief Swiss banker François Genoud of Lausanne; yet he is also a member of the postwar communist-controlled peace movement. He was ousted in 1947 from French intelligence (SDECE), and has acted as a protector of Regis Debray, the Cuban intelligence associate of Philip Agee.

The ecumenical nature of the Souvarine-Albertini operation may also be illustrated with a glance at the staff of the Institut d’Histoire Sociale, which included former Nazi Claude Harmel (a.k.a. Lemonnier) and former Vichy regime influential Georges Lefranc, both experts in labor affairs; Patrick Humbert-Droz, a relative of a former Bukharinite secretary general of the Comintern; and the Swiss politician Jules Humbert-Droz, who ran the Swiss Communist Party through 1942 and then became head of the Swiss Socialist Party until the 1960s. Among collaborators of the institute is the well-known sociologist Raymond Aron, prominent member of the stridently anti-communist Committee for the Free World.

## Old and new generations

One of Albertini’s most prominent friends and associates was top political figure Edgar Faure, the Proteus of postwar French affairs. Twice a prime minister under the Fourth Republic, and a government minister nine times, he typifies the petty politicking and dirty deals which came within inches of ruining France in the 1950s. A member of the loose left-of-center electoral alliance known as the Radical Party, and a fluent Russian-speaker, he was used as a secret negotiator with Moscow and Peking. After the death of Abwehr veteran Michard-Pelissier, Faure took over a chunk of the latter’s law clients (and presumably, files, dossiers, and activities).

Faure’s wife, the late Lucie Faure, née Meyer, was the founding editor of *La Nef*, a posh “intellectual” journal which brought together left and right in its capacity as a “forum for dialogue.” Jay Lovestone was a familiar figure at *La Nef*. Madame Faure had been an intimate of the late aristocrat Emmanuel d’Astier de la Vigerie, a monarchist adventurer who used an image as communist fellow-traveller to become one of Moscow’s top Western operatives in the “peace movement” of the 1950s. D’Astier, a relative of Sir Winston Churchill, and considered by General de Gaulle—whose wartime Resistance he continuously tried to foil, take over, or otherwise weaken—as a British intelligence agent.

Faure worked closely with a shady financier named Haim

Jaller (a.k.a. F. Igoïn) who ran the “France Navigation” shipping company, one of the major logistical centers and instruments of the Comintern/KGB operations in the West, starting with the Spanish Civil War. Faure maintains a close business association with the de Neufville-Mallet-Schlumberger private banking house, the linchpin of Swiss-Protestant banking.

Another intimate of Edgar Faure was left-liberal publicist Gabriel Ardant, whose brother Henri Ardant, a wartime collaborator of the Nazis, was “turned” in 1944 by the security services of the French Communist Party and approved by Moscow as a top-level agent of influence in the financial circles which he had worked with during his Vichy career as head of the wartime Banking Organization Committee.

Finally, Edgar Faure is an intimate of the “Red billionaire” Jean-Baptiste Doumeng, the largest agro-import-export operative between East and West, a shareholder in the mysterious Banque Stern of Paris, and a personal acquaintance of Yuri Andropov for at least 30 years.

In 1968, de Gaulle, under the gun of destabilization, agreed to a broad compromise with the Communist Party and Moscow, one aspect of which was a franchise on the school system for the Communists; the form it took was the appointment of Faure as education minister. The thoroughgoing reform undercut classical education and compartmentalized scientific education; it included the founding of a special ultra-leftist University at Vincennes near Paris which was used from its inception in September 1968 as a terrorist training ground for Middle Eastern, Italian, and Latin American “students.” Vincennes became a playground for Trotskyist, Maoist, anarchist, and Communist groups which succeeded in recruiting by the thousands from the student body.

In short, Edgar Faure has acted as the godfather of the younger generations of Anglo-Soviet political intelligence, whose leftist colors conceal their control by old Nazi-Abwehr and KGB networks. Paris-based Nazi-Trotskyist Michel Pablo, the 1945-62 head of the so-called Fourth International and a close collaborator of Swiss Nazi leader François Genoud, is exemplary: it was Pablo who inducted Regis Debray as an intelligence agent and sent him to Cuba. Pablo, Genoud, and Ben Bella were the joint Nazi-Trotskyist apparatus that was used by the KGB to create the “Tricontinental” international terrorist organization.

Faure’s protégés are now well placed in the corridors of power. Regis Debray sits as a special adviser to the President in the Elysée Palace, while heading the *Bulletin pour l’information sur l’intervention clandestine*, the French counterpart of Philip Agee’s *CounterSpy* terrorist and intelligence organization. Socialist government ministers, leaders of the French peace movement, and “left Gaullists” take part in its activities.

While Georges Albertini died an inglorious death this year, as his institute was beset by intrigue and financial problems, his life mission—the coordination between old Nazi, British, and Comintern intelligence operations—has been transmitted to younger hands.

# U.S.S.R. scientists back Andropov's rejection of Reagan defense doctrine

by Rachel Douglas

Leaders from the Soviet military, party, and Academy of Sciences joined forces at a May 17-18 event billed as a conference "for ridding mankind of the threat of nuclear war." The principal message communicated by these Russians, however, was that practically nothing can prevent the United States and the Soviet Union from skidding into a missile crisis, like the Cuban crisis of 1962 or worse, a few months from now. Their speeches demonstrated that the U.S.S.R. is working against the only way out of this crisis.

As *EIR* founder Lyndon LaRouche has repeatedly warned, the growing precision and speed of new nuclear weapons will increasingly push the superpowers to a "launch on warning" posture, as long as the doctrine of Mutually Assured Destruction is retained. On March 23, President Reagan offered the U.S.S.R. an opportunity to move away from that doctrine and replace it with Mutually Assured Survival, by building anti-missile beam weapons that give both sides a strategic defensive capability.

The Soviet leadership is rejecting this offer in the most violent terms, even though the Soviet Union's own beam weapons program is hardly a secret. Having banked on the prospect of the United States collapsing into economic and cultural decay, Moscow is now going to the brink of war, to force Reagan to back down from the policy that changes that prospect.

U.S.S.R. Academy of Sciences President Anatolii Aleksandrov, who opened the conference, said flatly that the Soviets will shift to a "launch-on-warning" posture, if new Pershing missiles are deployed in Europe this fall.

It is clear that an exchange of nuclear strikes by strategic forces still leaves some interval of time, around 30 minutes from the moment a missile is launched until it hits its target. Thirty minutes is not a long time. However, during that time, some steps could be taken to avert the unleashing of total war, and a total response to the attack that has been launched. How-

ever, the deployment of missiles in Western Europe—missiles that can reach their target in about five to seven minutes—of course excludes the possibility of taking any sort of decision, any sort of action that might stop the unleashing of war. *The only possibility in this event is an automatic response, using all available forces against all possible opponents* [emphasis added].

Aleksandrov was a co-signer in April of an "appeal" against Reagan's anti-missile weapons policy, which claimed that defensive beam weapons are both "technically impossible" and "a component of a first-strike potential."

In the 1970s, the Academy president was a spokesman for nuclear energy cooperation between East and West and used to attack the environmentalists for "being paid by the oil multitis" and to warn that if the United States did not develop its nuclear power industry, it would be less stable and war would be more likely. Now, according to reports on Radio Moscow, Aleksandrov has lent his backing to arguments used by the fascist "green" movement in the West, by saying that a nuclear war would devastate the United States much more than the Soviet Union, because of the greater number of atomic power plants in the United States.

## Beams, what beams?

The Moscow conference presented the spectacle of Soviet generals and high-technology scientists, like Aleksandrov, denouncing the kind of weapons development they themselves are engaged in. The chairman of the conference organizing committee was Academician Ye. P. Velikhov, head of the Soviets' national program for industrial applications of lasers, which interfaces the Soviet beam weapons effort. Velikhov performed an ancillary function for Yuri Andropov's offensive against the Reagan strategic doctrine shift, by reporting to the conference on the program as merely another round of the "arms race."

Now, in connection with the discussion of the military budget, a debate has developed in the United States on plans for the further improvement of U.S. strategic forces in the next decade. These plans have deeply perturbed all people of good will. Soviet scientists have issued a special appeal [against it] to all scientists in the world. A number of scientists in the United States and other Western countries have also condemned this "concept" announced by U.S. President Reagan on March 23 and enshrined in a corresponding presidential directive.

First Deputy Chief of Staff Marshal Sergei Akhromeyev, whose boss Marshal Nikolai Ogarkov specified May 9 how the U.S.S.R. would pursue "modernization and improvement" of its armed forces, geared towards "the initial period of war under modern conditions," addressed the conference. He claimed that Washington is out to "liquidate" the Soviet Union.

TASS reported:

"The military doctrine of the United States in the post-war years had an anti-Soviet direction. Its aim was to attain military superiority and on this basis to dictate its will to the U.S.S.R. and the socialist world as a whole," said Marshal of the Soviet Union Sergei Akhromeyev. . . . Sergei Akhromeyev said that the U.S. Administration and the Pentagon were making plans to unleash a war, with the aim of defeating the Soviet Union and liquidating socialism as a social system. The present U.S. Administration conducts this doctrine most openly.

Politburo alternate member Boris Ponomaryov revealed the rage of the Soviet leadership since Reagan called Moscow's disarmament bluff with his beam-weapons revolution in doctrine. Former Communist International bureaucrat Ponomaryov, known for interminable attacks on "imperialism" and "dark forces," in which names are never mentioned, delivered to the May 17 conference a tirade against the pro-beam weapons American scientist Edward Teller. Ponomaryov tried to tell the audience that there was no such thing as a "military-industrial complex" in the Soviet Union.

*Pravda* excerpted from Ponomaryov's speech:

The alliance of the military-industrial monopolies and militarist cliques is exerting a pernicious influence on the development of science, diverting it for the purpose of annihilating people. . . . Unfortunately, there are scientists like the U.S. nuclear scientist Teller, who are integrated into the military-industrial system. . . . Some three-fourths of all U.S. federal scientific expenditures are earmarked for research for the military and for the militarization of space. Approximately one-third of all American scientists and design engineers are employed in this research. The present U.S.

administration is accelerating the process of the militarization of space with particular rapidity. . . .

The noisily advertised "Reagan concept" providing for the creation of so-called ground- and space-based total "anti-missile defense" is essentially a program to make it possible to inflict a first strike with impunity. In fact, it pursues goals that are by no means defensive, and is extremely aggressive and extraordinarily dangerous. . . .

We in the Soviet Union do not, and cannot have any military-industrial and scientific complex interested in obtaining profits from producing weapons of any type. There are no social forces in the Soviet Union interested in the arms race. . . . Mention must be made of the great response encountered by the Soviet scientists' appeal to the peace-loving public, on the U.S. President's statement on the development of anti-missile weapons.

### A Middle East trigger

On May 15, one of Moscow's top propagandists released a scenario for how a confrontation in the Middle East would lead to just such a European-theater confrontation and an "automatic response," as Aleksandrov forecasts. The mechanism for such a Soviet-American showdown would not have to be one single crisis. Rather, Moscow would present Reagan with multiple crises, hoping for a profiled response of panic and backdown.

In the May 15-22 issue of the internationally circulated *Moscow News*, Central Committee staffer Nikolai Portugalov told how the Soviets envision that a Mideast crisis would trigger a strategic missile crisis. His article was subtitled, "What Would Have Happened If, During the American Rangers' Iranian Gamble, the U.S.A. Had Had Pershing II Missiles in Europe!" Portugalov's answer: probably World War III.

During the Carter administration's ill-fated raid to free American hostages in Iran, Portugalov recalled, "a stand-by alert was sounded at the American Lakenheath air base in Britain" and a hundred F-111s there, carrying atomic bombs, were put on the runways. "In the epoch of satellites, a combat alert at Lakenheath will not go unnoticed by the Soviet side." And if there had been Pershing IIs instead of F-111s alerted, Portugalov suggested, the response would have been Academician Aleksandrov's "automatic response" against U.S. territory:

"It is altogether horrifying to think what a gamble like the 'Iranian raid' can lead to, if new American medium-range missiles are deployed in the European NATO countries."

Adding insult to threat, Portugalov concluded that, "As compared to Reagan's rangers with their impudence in questions of life and death for states and nations, the Carter administration's actions could, paradoxical as may sound, be taken as an example of reasonable prudence."

# China's military demands industrial backup as it gains political strength

by Gregory F. Buhyoff

On June 6 the Sixth National People's Congress (NPC), China's nominal parliament, will hold its first plenary session. It will convene the first newly elected NPC since the rise of the Deng Xiaoping faction and the resurgence of the army and heavy industry coalition often opposed to Dengist policies. This is an NPC almost entirely stripped of diehard Maoists, and with a sharply reduced contingent of even the more moderate leftist ideologues.

The job of the 2,978 new delegates is to implement the constitutional revisions approved at the final session of the Fifth NPC last November. They will fill the newly restored post of chairman of the People's Republic and seats on the new State Military Commission; they will also discuss comprehensive plans for China's economy, with the intense debate over emphasis on heavy industry versus light industry certain to resume. Premier Zhao and Vice-Premier Yao Yilin, who also heads the State Planning Commission, will submit reports on the current state of the economy and the plan China's leaders will follow for the coming period.

The composition of the NPC reflects a "purge" in the ranks of both party and bureaucracy carried out under the slogans of "streamlining" the central apparatus, and creating a younger, better educated, less "leftist," corps of government and party cadre. The Communist Party's Discipline Inspection Commission (DIC) has been carrying out investigations of party members throughout the country; if everything proceeds according to schedule—and political resistance may prevent that—it will be decided during June which members will stay and which will go. Newspapers are filled with stories of elderly cadres studying how to reform their politics and raise their educational level to the new standards set for cadres of various grades.

Dismissals and changes have been applied throughout China's 29 provinces, municipalities, and autonomous regions. "New leading bodies" at these levels were chosen by "democratic recommendation" and delegates elected to the June NPC, all under the scrutiny of the State Council and the DIC to ensure the promotion of cadres loyal to the current policy consensus. The report on Hunan, for example, stressed that 36.2 percent of the provincial party leaders are now

college-educated, compared to 18.2 percent before the reshuffle.

## The army resurgence

The "streamlining," "youth-izing," and "professionalizing" have in part been used by the faction around Deng Xiaoping, with the sometimes begrudging acquiescence of the army-industry faction, to remove large numbers of Maoists entrenched throughout the ranks of the party and government.

However, contrary to the usual Western reports, this purge is not an unqualified march to power by Deng and friends. The new NPC takes place amid a drive by the People's Liberation Army (PLA) and allied government bureaucrats to reassert influence over economic decision-making, an influence that had waned during the 1979-81 period of Dengist "re-adjustment" austerity.

The PLA tendency that is emerging, unlike the dismissed Maoists, is keenly attuned, even more so than Deng, to the realities of modern warfighting and the economic prerequisites for building an armed forces capable of functioning according to these realities. They are determined to create the modern army, navy, and air force demanded by China's ambitions as a world power. While the army-industry faction thus has a common interest with the Dengist in certain political and economic reforms, as well as the purge of diehard Maoists, they have made it clear they are placing specific conditions on their continued support for such reforms and purges. This has already been reflected in recent shifts in foreign policy orientation away from the United States, as well as in Deng's partial retreat in his assault on heavy industry.

The army tendency is best represented by the rise to prominence of PLA Gen. Zhang Aiping, who has become an outspoken polemicist not only on military modernization but also on economic policy, and who, at the insistence of the army, was made defense minister last fall shortly after the 12th Party Congress.

Before becoming defense minister, General Zhang spent a lengthy tenure as head of the PLA Science and Technology Commission, overseeing, among other important break-



throughs, the development of China's sea-based nuclear deterrent. Zhang's predecessor Geng Biao, who became China's first civilian defense minister in early 1981 against the wishes of the PLA, had reduced the defense ministry to little more than a rubber stamp for cuts in the defense budget and in the heavy industrial and energy sectors, areas deemed vital to the army's modernization prospects. Zhang has transformed the defense ministry into a much more dynamic institution. Hardly a week passed between October and April without assertive statements from him on defense modernization and related aspects of economic policy.

Unlike Deng's 1979-82 austerity regime, when defense was in "competition" with other sectors of the economy, Zhang's emphasis is now on the interdependence of defense modernization and the economy as a whole.

Though the Dengists and the military both speak of "modernization," their respective notions of this are quite different. Consistent with his "America Card" policy, Deng combined overall cuts in defense procurement at home with planned purchases of sophisticated weaponry from abroad, a process of military "modernization" that would not require a strong heavy industrial base. The military, however, skeptical about the American Card gambit and conscious of the United States' waning relative position as a superpower, argued that China must be self-reliant, with an industrial and technological base adequate to the task of military modernization. This line of thinking has its allies within the pro-industry "oil faction" of the government bureaucracy. Interestingly, the former head of the State Energy Commission and associate of the "oil faction," Yu Qiuli, was appointed director of the PLA Political Department last fall.

### **The PLA's view**

Shortly after his appointment, Zhang issued a statement declaring that restrictions and even some cuts in the defense budget were acceptable *provided* that adequate attention is given to basic industry, science and technology, and energy, the sectors hardest hit by the Dengist "re-adjustment." Indeed, while military personnel were cut by approximately one-quarter, and overall defense budget cuts were made, the amount of money available for equipment procurement seems to have risen significantly. Premier Zhao Ziyang's economic report at last December's NPC, several weeks after Zhang's appointment, was toned down considerably on the question of austerity.

An article by Zhang in the March issue of the party's theoretical journal, *Red Flag*, provides insight into the Chinese military's views on both domestic modernization and the international strategic situation. The article, highlighting Peking's current policy of opposition to "both superpowers," gives added credence to the view that army was influential in steering China away from Deng's American Card policy.

While paying lip service to the Maoist "People's War" concept, Zhang makes it clear that this is now obsolete. He upholds the superiority of science and technology, a view

reinforced by the lessons of the Malvinas War, which the Chinese have closely studied. It is this view that is determining the streamlining of the four-million-member PLA and introduction of a highly educated, regularized officer corps. Emphasis on self-reliance in the acquisition of science and technology and military weaponry is highlighted in Zhang's speech, with important implications for Chinese foreign and economic policy:

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*The 'streamlining' process is not an unqualified march to power by Deng. The army and its friends in the government apparatus are reasserting influence, in order to create a modern armed forces. Defense Minister Zhang wants a self-reliant industrial base, mistrusting the 'American Card' strategy and past reliance on a massive infantry without specialized capabilities.*

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We do not believe that weapons alone decide the outcome of war, but weapons are an important factor and play an important role in war. Therefore, all parties in a war strive to use the most sophisticated weapons to arm their own armies. Modern science and technology change with each passing day, and the substitution cycle of modern military equipment has increasingly shortened. At present the armaments race between the superpowers is, in essence, a competition of science and technology. It is foretold that war in the future will be a confrontation between countries in terms not only of their resources in manpower, materials, and funds but also of their science and technology.

Zhang emphasizes the need for China to build up a self-reliant economic base for military technology, in contrast to unnamed people who seemingly propose to purchase such technology from the West:

Under such grim conditions it appears to be even more important and imperative for us to fulfill the task of defense modernization through self-reliance. . . . In order to achieve modernization of our national de-

fense, our first task is to develop and produce sophisticated military equipment. This work demands the comprehensive application of all modern science and technology and involves very complicated systems engineering. . . .

Our country is a big country, and it is not realistic or possible for us to buy national defense modernization from abroad. We must soberly see that what can be bought from foreign countries will at most be things which are second rate. This cannot help us attain the goal of national defense modernization, nor will it help us shake off the passive state of being controlled by others. At the outset it is necessary to obtain some technology that can be imported and model some weaponry on that of others. However, if we are content with copying, we will only be crawling behind others and still be unable to attain our anticipated goal.

While in the past maintenance of a massive infantry was emphasized to consume the enemy in a "people's war," Chinese military leaders are now seeking specialized capabilities to project Chinese military might in a variety of areas of immediate strategic concern. High on the list is the defense of offshore oil deposits, many of which are located in disputed territories beyond the reach of China's present naval capabilities. The Canadian defense minister, on a recent trip to Peking, reportedly discussed the sale of weaponry to China, including maritime patrol aircraft. Peking continues to entertain ideas about buying French Mirage jets and has already ordered a fleet of advanced helicopters from France. Another unconfirmed report is that China is trying to acquire Exocet missiles through "third parties."

Last October, China carried out a successful firing of a rocket from a submerged, conventionally powered submarine specially modified to test a newly developed firing mechanism. China has two nuclear-powered attack submarines and unconfirmed reports say that another was launched in April 1981, equipped with 12 missile tubes. According to intelligence reports, however, the Chinese have yet to equip these nuclear-powered attack submarines with the firing mechanism that was successfully tested in October. Some military experts say this could be accomplished by the fall of this year.

Other military observers warn, however, that past performance shows China has had difficulty carrying out some of its military equipment programs, both for reasons of technical competence and the economic burden. They note that the year before the successful missile firing, a similar attempt blew up the submarine. A U.S. official attending a recent briefing in Peking on China's military plans found it almost word for word the same briefing he had gotten four years earlier.

### **Heavy industry and the NPC**

Self-reliance in pursuit of military modernization as de-

finied by Zhang will necessitate a change in economic policy:

Undoubtedly modernization of our national defense must be based on our national economic construction. At the same time we should not fail to see that development of our national defense modernization will vigorously promote the development of all other sectors of the economy. Successes in developing strategic weapons and satellites were accompanied by development and breakthroughs related to new materials, technology, techniques and equipment. New achievements in the scientific and technological field of national defense are naturally used, first of all, in the war industry, but once they are transplanted into civil industry, many new products will emerge, one after another. This will spur the emergence of new sectors of industry and of learning. Thus we will make the war industry an important force in promoting the development of economic construction and science and technology.

### **The pressure on the Dengists**

Opposition to Deng from China's "military industrial complex" existed even before the Zhang appointment. Though many of its proponents had been discredited after the badly mismanaged heavy industrial focus under Premier Hua Guofeng during 1977-79, these forces regrouped when it became evident during 1981 that China's heavy industrial base was crumbling under Deng's readjustment. The disastrous 5 percent drop in heavy industrial production for 1981 announced by Premier Zhao provoked enough concern to effect certain changes. Peking recently released figures alleging a miraculous recovery of heavy industry in 1982, a *claimed* increase of 9.3 percent over 1981 with a *claimed* 24 percent increase in fixed-asset investment. The extent to which these figures were faked for political reasons, as is often the case in China, would simply underscore the point that the Dengists had to concede that a resurgence of heavy industry and capital investment—and not their shutdown under "re-adjustment" slogans—was the proper goal.

The pressure to revive an industrial base capable of supporting a military buildup, if not civilian modernization, is reflected in the revival of previously cancelled large projects and the initiation of others. Stages one and two of the Baoshan steel complex, which had been respectively suspended and cancelled, have been restarted. Nuclear power stations that had been ruled out for this decade by some Chinese economists are now planned in several locations; at least one will be built entirely by the Chinese.

The contents and tone of the reports delivered by Premier Zhao and Vice-Premier Yao, as well as the appointments to the newly established posts will provide a barometer to gauge the tide of the debate. However, nothing conclusive is expected to emerge from the NPC, and China's leaders can be expected to continue to haggle over how best to achieve the ambitious goals they have set for themselves.

## Henry runs foul in Stockholm

*He couldn't get the world soccer cup — even by bribery — but that was the least of his troubles.*

**D**r. Henry Kissinger arrived at the executive board meeting of the FIFA (International Soccer Federation) at the Sheraton Hotel in Stockholm on May 20 together with a high-powered negotiating team, to armtwist the FIFA to appoint the United States host nation of the 1986 world cup. According to the May 21 issue of Sweden's *Svenska Dagbladet*, Kissinger had brought a portfolio containing \$3 billion for the FIFA if it agreed to his proposals.

FIFA's Brazilian president, João Havelange, however, pressed through a "unanimous decision" to give Mexico the bid.

The FIFA meeting was accompanied by major demonstrations organized by the Swedish associates of *EIR* founder Lyndon LaRouche, one of Dr. Kissinger's chief international political opponents. Outside the hotel demonstrators carried placards accusing Dr. Kissinger of having ordered the assassination of Chile's Salvador Allende, Pakistan's Ali Bhutto, and Italy's Aldo Moro. The two most popular placards among the Sheraton's American guests read: "Kissinger Is Not Interested in Playing Soccer, He Wants to Play with Your Balls!" and "Kissinger, This Is Not the International Sucker Federation!" A leaflet distributed by the demonstrators read:

"High-level sources in Mexico report that Henry's aversion to Mexico doesn't have anything to do with soccer. Kissinger has quite simply been given a 'red card' in certain countries as a result of his appetite for power, influence, and other, somewhat more

unsavory items. . . .

"During his most recent trip to Italy for a special meeting of the Trilateral Commission in Rome from April 15 to 17, Henry Kissinger was forced to flee the country to avoid a subpoena from the Italian courts. The special judges investigating the murder of Moro had demanded that Kissinger appear in court to testify on his own involvement in the Moro assassination. Kissinger ignored the summons. But the Italian authorities say that the next time Kissinger enters Italy, they will apprehend him.

"Mexican sources report that the reason Kissinger doesn't want the World Cup in Mexico is an ongoing police investigation of a certain incident which would be highly embarrassing for the good doctor. Police are reviewing the case of a 14-year-old hotel waiter who was killed during a homosexual orgy in the fashionable resort town of Acapulco, an orgy in which one of the participants was none other than Henry Kissinger!

"Thus it's understandable that Henry is nervous about Mexico. But is this really reason for anyone else to agree to move the World Cup to the United States?"

Two demonstrators were arrested and carried away by the Swedish secret police, SAPO. A woman who charged Kissinger with ordering the murder of Moro was forcibly removed by the Sheraton director, indicating a special relation between the director and Dr. Kissinger. Five years ago, the hotel was revealed by the Stockholm

police to be the site of a major "luxury brothel," exclusive circle of Stockholm's diplomats, politicians, and business leaders.

At the special press conference given by the American Soccer Federation to announce Kissinger's embarrassing failure with the FIFA, the first question asked was: "Can you comment on the charges against you that you ordered the assassination of Aldo Moro?" Kissinger answered, "This is a bunch of lies by a bunch of thugs!"

The next question was: "Dr. Kissinger, what do you think of the proposal of holding the 1986 soccer world cup in Rome with Italian magistrate Imposimato as arbitrator?" Kissinger declined to comment.

The last question to Dr. Kissinger was, "Do you think that your failure to get the 1986 soccer World Cup to the United States is due to the fact that you are well known throughout Latin America as a homosexual?" At this point plainclothes SAPO men carried the inquisitive journalist out.

All this took place, of course, under cascades of flashbulbs from the international press. At the press conference where Havelange announced FIFA's choice of Mexico as the 1986 host country of the world cup, the Mexican TV sports reporter went "live" via satellite on Mexican TV reading virtually word by word the charges against Kissinger.

On May 21, extensive reports about Kissinger's implication in the assassination of Moro and his alleged homosexuality were carried by TV and press in Mexico, and by the press in Sweden, West Germany, and Italy. The Singapore press reported that on the evening of May 20 Dr. Kissinger had broken out in tears after the strain of constant confrontations.

Now, who will hire a negotiator who has proven himself incapable of armtwisting a soccer association?

## Drugrunners' human rights campaign

*A convicted murderer is being turned into a Colombian national hero . . . to protect the country's drug interests.*

Courts in the U.S. gave a last-minute reprieve May 3 to Luis Carlos Arango, a Colombian cocaine trafficker sentenced to death in the electric chair for the brutal death and mutilation of another Colombian drugrunner in his apartment last year in Miami. Quite apart from the moral issues stirred up by the death penalty itself, which does not exist in Colombia, Arango's case has become a cause célèbre there, owing to a high-level propaganda campaign waged on his behalf.

Most notable is the recently created Movimiento Latino Nacional (MLN), which has paid for a series of double-page advertisements in several of Colombia's most important newspapers, arguing that the sentencing to death in the United States of a Colombian national violates elemental principles of sovereignty. The MLN goes on to say that the Colombian government should therefore abrogate existing extradition treaties with the United States, even though Arango was in Miami at the time of his arrest.

It is noteworthy that the Betancur government has recently extradited other Colombians wanted by U.S. justice for drug-related crimes—the first time in many years that existing extradition treaties have been put into effect.

The previous administration had refused to extradite Leandro Barozzi, a Red Brigades fugitive wanted by the Italian government for alleged involvement in the Aldo Moro assassination. The Colombian supreme court classified Barozzi, then residing in Cali and teaching at the Universidad del

Valle, as a political refugee, although he had never officially requested asylum from the Colombian government. The court's decision in effect institutionalized the country's status as a haven for terrorists and drugrunners from around the globe. However, now the Betancur government is determined to root out the drug and dirty money apparatus which is at the root of Colombia's financial collapse.

One of the founders of the MLN, Carlos Lehder, took to the pages of the national press a few months ago when word got out that the herbicide paraquat was being considered for use to exterminate huge marijuana plantations along the country's Atlantic coast. This was an "imperialist design" to undermine Colombia's preeminent position in the international drug markets, Lehder charged in a multimillion-peso advertising campaign, and would jeopardize the livelihood of hundreds of thousands of hard-working peasants. The country must legalize marijuana, he declaimed.

In a prior, equally expensive "public statement by a private citizen," Lehder had defended the paramilitary MAS (an acronym in Spanish for "Death To Kidnappers"), a right-wing death squad organized by the Colombian drug mafia, of which Lehder himself is suspected to be one of the founders. Outrage has been intense over a wave of executions of trade-union and political organizers during the past six months at the hands of the MAS.

The MAS first arose out of a fallout between the Colombian drug ma-

fia and the left-wing terrorist group M-19, whose drugs-for-arms relationship had been upset when Mexican authorities nabbed Colombian drug trafficker Lara Guillot en route to deliver arms to the M-19. In urgent need of liquidity for the acquisition of weapons elsewhere, the M-19 resorted to kidnapping for ransom members of wealthy families in the drug trade.

After a brief exchange of retaliatory executions on both sides, an apparent balance of power was achieved, and the MAS was retooled for the purpose of eliminating political "troublemakers" in the left and labor movements. When Betancur's attorney general issued a statement late last year exposing MAS links to active military officials, the MAS created a "front group" in the form of the MLN.

The MLN's influence appears to extend well into spheres of government, judging by statements made April 27 by Bernardo Guerra Serna, president of the Colombian Senate, asking the executive to intercede before the U.S. government on behalf of Arango's life; his arguments coincided in full with MLN's arguments against the extradition treaties.

Movimiento Latino has a very interesting program: nationalization of the banks and transportation, debt moratorium, and credit for development, all popular calls which have been advanced by President Betancur and his supporters. The organization's high-profile activities lend it a respectability that right-wing death squads can no longer count on in Colombia, and are typical of a pattern of "respectable, ultra-nationalist" organizations cropping up in Central America, as in the case of the CAUSA organization in Honduras, which influences the highest levels of government and is run by Reverend Sun Myung Moon's Unification Church.

## The PRI takes on the PAN

*De la Madrid has decided to put an end to the PAN's separatist and anti-government agitation.*

President Miguel de la Madrid has taken on himself to stop the campaign of the National Action Party (PAN) to promote separatist movements in several states of the country. De la Madrid went to the state of Sonora, the PAN's center of power, May 21 to warn the local oligarchy that his government will not tolerate the oligarchy taking advantage of Mexico's economic ills to incite animosity against the central government.

"In our political system," de la Madrid said, "the president of the republic is the president of all Mexicans."

All the national and local press interpreted this statement as the government's response to the secret meeting between local PAN leaders and U.S. State Department officials in Mexico April 22, at which they purportedly discussed the economic and social situation of Mexico and in particular Sonora. The meeting, which has shocked many Mexicans (see *EIR* May 24), took place at the U.S. consulate in Hermosillo, the capital of Sonora, which has a long history of financing for extreme right-wing paramilitary groups close to the PAN.

The incident has led to a national debate with most political parties now demanding the revocation of the PAN's status as a legitimate political party because of the accusation that it is conspiring with foreign officials.

In his May 21 speech, de la Madrid stated that his PRI party (Institutional Revolutionary Party) is the par-

ty of "nationalists which resisted the fall of Mexico's destiny under the tutelage of a foreign power."

Nobody in Mexico missed the identification of the PRI with the 19th-century Liberal Party of President Benito Juarez or that of the PAN with the so-called Conservative Party which backed Maximilian of Hapsburg in his attempt to overthrow Juarez and set up an empire in Mexico in the 1860s.

But the PRI's declaration of war has thus far not daunted the PAN. On May 22, PAN President Vicencio Tovar took to the press to denounce de la Madrid's warnings as "totalitarian" and "anti-constitutional." Local PAN leader Carlos Amaya mocked the president, commenting that "de la Madrid is afraid of us."

De la Madrid flew to the state of Nuevo León May 24, where the PAN is reported to be building a local following. There he denounced the "intrigues which try to divide the people of Mexico and sometimes try to oppose the interests of the Nuevo León people to the people of Mexico."

De la Madrid delivered his speech to a meeting of the Confederation of National Chambers of Commerce (Concanaco) at which several business leaders indicated they are ready to follow the PAN into confrontation with the central government. Concanaco president Emilio Goicochea demanded that de la Madrid apply some "economic realism" by dismantling the state-controlled industries.

The PRI will have to take the of-

fensive in other states as well. The PAN strategy to dissolve Mexico into small, warring states ruled by local oligarchies and plagued by religious fanaticism and backwardness is rapidly advancing.

According to the daily *Ovaciones* May 23, the PAN leadership in Sonora is moving to the neighboring state of Chihuahua to stir up hostility to the central government. The campaign is being repeated in the state of Baja California Norte, which, like Sonora and Chihuahua, borders the United States.

A fourth region targeted for separatist unrest is the state of Chiapas in the south, which borders Guatemala, where the PAN is known to be linking up with Riós Montt's fundamentalist Christian groups.

In Chiapas, the PAN is reported to be giving misinformation to the Guatemalan press to create conflict with the de la Madrid's government.

But it is not only political parties and the government that are outraged at the PAN's treasonous activities. Bishop Jenaro Alamilla, a spokesman for the Catholic Church, expressed his disapproval of the attendance of Hermosillo Archbishop Quintero Arce at the PAN meeting with State Department officials. Bishop Alamilla also revealed that U.S.-based fundamentalist sects are now proliferating in Mexico.

One such sect, an Oregon-based group calling itself the Luis Palau Evangelistic Team, has support from the PAN mayor of Hermosillo, Casimiro Navarro.

Sources close to the sect report that Archbishop Quintero Arce had "great words of praise" for evangelistic preacher Luis Palau during an April *cruzade* to Hermosillo.

Luis Palau is also organizing "Christian" support for Guatemalan "born-again" dictator, Riós Montt.

# International Intelligence

## Italian agencies name KGB behind terrorism

In an official report to parliament, the Italian secret services have named the Soviet KGB, for years under direction of current Soviet leader Yuri Andropov, as the primary director of terrorism in Italy since at least 1972.

The report released May 22 noted that by using mainly Russian, Albanian, Czechoslovakian, Cuban, and French conduits, Andropov's KGB had already established a broad network of terrorists in Italy by the time of the KGB-directed Red Brigades' kidnaping and murder of former Prime Minister Aldo Moro in 1978. The report was conducted as part of the continuing investigation into Moro's death.

Under KGB direction, terrorists are being trained, financed, stocked with weapons, and provided with cover to cross from East to West, the secret services' investigation showed.

What the report called the most notable example of KGB control of Italian terrorism involves the Hyperion language school in Paris, previously identified by *EIR* as a nexus of European terrorism. The official Italian investigation is the first formal public statement by a government on Hyperion's terrorist role.

As *EIR* has reported, Hyperion functions as a coordinating center for Italian terrorists (Red Brigades, Autonomia, Operaia, Prima Linea, and others) as well as German, Armenian, and Irish groups, and Palestinians under the control of Abu Nidal and Habash. Hyperion is connected to several organizations—such as the World Peace Council, the Centre International de Culture Populaire, and the Association des Amis de Henry Curriel—which serve as covers for KGB operations.

As reported in *Corriere della Sera*, the Italian investigation stated that Hyperion "is coordinated under apparent KGB control." Mario Moretti, head of the Rome segment of the Red Brigades who ran the kidnaping and murder of Moro, visited the Hyperion center to gain weapons and contacts, the report said. The Italian investigators also determined that Andropov's KGB "well knew the issues discussed" at the Hyperion-Red Brigades meetings. Following Moro's

murder, terrorists were given refuge in the Soviet clientstate of Angola, as well as Paris.

## Nazi International defense for Barbie

Former Gestapo leader Klaus Barbie, extradited to France from Bolivia to stand trial for his war crimes in World War II as butcher of Lyon, has received the help of a new lawyer to save his skin. The lawyer, Jacques Verges (known as Jacques Mansur since his conversion to Islam in 1964), has recently defended many terrorists of the leftwing.

After his days with the Algerian National Liberation Front in the French-Algerian war, Verges trained terrorist Regis Debray, now an adviser to French President François Mitterrand. Verges has also been the lawyer for Action Directe terrorist Bruno Breguet, arrested last February as he was about to bomb the Paris Hotel de Ville.

Verges gained his assignment to defend Barbie through his long association with Nazi International leader François Genoud, identified as the man in possession of the Swiss bankers' Nazi warchest since 1944. As has also been documented, Genoud was the controller of terrorist Breguet, and still controls the Moslem fanatic Ben Bella.

In 1969, Genoud and Verges together defended four members of the ultra-radical Palestinian group, PFLP, led by Habash, which had attacked the Israeli airline company's offices in Zurich. While Verges was the terrorists' official lawyer, Genoud was the "adviser to the defense."

## French announce plan for closer ties to NATO

The French National Assembly has issued a new five-year defense program calling for closer ties to NATO, incorporating many of the concerns voiced by Prime Minister François Mitterrand about the buildup of Soviet SS-20 missiles, the report warns that France cannot remain "indifferent" to attempts by Moscow to decouple Europe from the United States.

French Communist Party officials have protested, insisting that France hold to the Gaullist plan of a French independent nuclear deterrent aimed impartially at "all points of the compass."

Features of the National Assembly's program include creation of a rapid deployment force, built around a helicopter anti-tank unit, that could be committed to forward positions in Central Europe.

Defense Minister Charles Hernu promised that French units now stationed in West Germany will be kept at their present level, and that their firepower and mobility will be increased. Overall cuts in the armed forces will be limited to 35,000 men, or 5 percent of the total defense staff. This is considerably less than the reduction originally discussed.

France's independent nuclear capability, the *force de frappe*, will remain the centerpiece of its military strategy.

## Qaddafi calls for fascist revolution in Italy

In an interview published May 22 in Italy's *Il Messaggero*, the Muslim Brotherhood strongman of Libya called for fascist revolution in Italy.

"The solution rests in the hands of the Italians," Qaddafi said. "They must radically solve their political and economic problems to establish social and political stability. This is why I am always urging the Italians to create popular congresses, popular committees, and revolutionary committees. Power must be placed in the hands of the people. There can be stability in no other way. If this is done, there will be homogeneity between Italy and Libya as well as common interests.

"I am neither a politician nor a man of power, so I am not inviting another state to carry out a political act. I do not say these things out of concern for the self-interest of my country. I have a universal theory, and invite all peoples to seize power. I offer no weapons, or money or political propaganda against other states. What I offer are ideas, a theory. . . .

"In Italy there is no Mazzini, and the country today is in pieces and is destroying itself. I say again that if there were a Mazzini

today, and he spoke in this fashion, I would accept it. . . .”

Mazzini created Young Italy, a proto-fascist grouping often misunderstood as nationalist.

## Cuban VP endorses McNamara

Carlos Rafael Rodriguez, the vice president of Cuba, told *EIR* in Bogota May 21 that the socialist movement is in alliance with the architect of the Vietnam War, former U.S. Defense Secretary Robert McNamara, in opposing President Reagan's defense strategy.

During an interview at the Economic Commission meeting, Rodriguez said that he is opposed to Reagan's plan to develop defensive beam weapons, although he believes the Soviet Union "is going to prepare itself in this field, and it seems to me that is what they must do." Rodriguez said he supports the Soviet Union's stated position on arms control.

Rodriguez added, "Robert McNamara, who during many years elicited great repugnance for his behavior in the Vietnam War, who was one of the top people responsible for the bombing of Vietnam, has for some time now inspired in me admiration both for his position on developing countries as far as the international economy is concerned and for his position in favor of peace and the freezing of nuclear weapons. . . ."

## Mexicans mobilize against Gavin outrage

The head of the Mexico's ruling PRI, Adolfo Lugo Verduzco, denounced U.S. ambassador John Gavin May 25 for the ambassador's defense the day before of clandestine subversive plotting among the PAN party, the U.S. embassy in Mexico, and the archbishop of Sonora. The PAN, as has been reported in *EIR*, controls terrorist operations, opposes the Mexican government's efforts to stop the drug trade, and advocates Sonora seceding from Mexico.

Lugo Verduzco reaffirmed that Mexico "rejects the intervention of church figures

and foreigners in our political affairs."

Gavin, in his May 24 speech to the Los Angeles World Affairs Council, had stated that Mexico had to end its "scurrilous" attacks on the April PAN-U.S. embassy meeting or face a cut-off of U.S. economic assistance.

The semi-official newspaper *El Nacion-al* attacked Gavin's "apocalyptic" references to Mexico's urban problems, such as pollution, "basing himself on an article in the *New York Times* which is a perfect example of sensationalism."

The Mexican Labor Party (PLM) has called a press conference to demand the expulsion of all Protestant evangelical sects from the country, request that the Vatican and the Mexican Bishops Council excommunicate Hermosillo archbishop Carlos Quintero Arce for being a schismatic and a Protestant, and demand the treasonous PAN party be stripped of its legal registration. The left-nationalist PPS party May 25 submitted legal papers to the Interior Ministry formally demanding this last point.

## Council of Churches on an anti-Reagan offensive

At the 6th Assembly of the World Council of Churches (WCC), to be held in Vancouver, Canada, at the end of July, a major topic will be President Reagan's antiballistic-missile defense policy speech of March 23, a speaker for the Council's Committee on International Affairs said May 27. "We have been very active in getting the ABM treaty going at the beginning of the 1970s. Everything which would move away from this treaty is extremely destabilizing," he said.

Metropolitan Filaret of Minsk praises the "peace" activities of the WCC in an interview with the Soviet *Literaturnaya Gazeta*. "Before Vancouver, there is a major conference by the World Peace Council (WCP) in Prague, where "the Russian Orthodox Church will participate as part of the Soviet delegation," Filaret announced. "This is a very important step. The conference will discuss all anti-war actions throughout the world, the spearhead of which is directed at cooperating against the deployment of American missiles in West European countries. We fulfill our duty. And we hope that the plan of the U.S. President will be paralyzed to some extent."

## Briefly

● **GENERAL WALLACE** Nutting, the commander of the U.S. Southern Command base in Panama who earlier in May called for U.S. military "commitment without limit" to El Salvador, told the *Baltimore Sun* May 23 that El Salvador should be given the same U.S. commitment as Israel, "where we are willing to throw \$3 billion to \$4 billion a year."

● **FORMER WEST GERMAN** Chancellor Helmut Schmidt, who since leaving office has persistently attacked the Reagan administration, told a recent NATO meeting—when admonished by a German general to temper his criticisms of the United States—that there is no reason for him to now refrain from anti-American statements. "I am an anglophile by birth and training," he said. His confession was reported in *Der Spiegel* magazine.

● **TECHNOLOGY and Armaments**, a Soviet publication, published a description of the U.S.S.R.'s midget submarines in its April 1982 issue, complete with diagrams, points out the May 27, 1983 issue of the leading Swedish daily *Svenska Dagbladet*. The newspaper blasts Sweden's defense intelligence personnel for not having reported on the article. The Swedish military claimed not to know about military use of mini subs until the Submarine Commission's report this year on incursions into Swedish waters.

● **HENRY KISSINGER** and his fellow celebrants, at his "no-press-allowed" 60th birthday party at the elegant Pierre Hotel May 26, were greeted by two freshly slaughtered pigs' heads on poles and a banner reminding the attendees, "Kissinger, You Are Wanted for the Murder of Moro."

# Harriman losing control of the Democratic Party

by Criton Zoakos

On May 26, the ancient W. Averell Harriman arrived in Moscow for a round of meetings with Secretary Yuri Andropov, Foreign Minister Gromyko, and others. What he will bring back with him will have important consequences for the future of the Democratic Party, whose National Committee, the DNC, Harriman and his wife Pamela Churchill jointly control. As Harriman's airplane was taxiing into Moscow's Seremetovo Airport, one of Harriman's pet Democrats, Rep. Tony Coelho of California, was speaking from the floor in the U.S. House of Representatives back in Washington, D.C.

"Where is the Democratic Party?" Representative Coelho demanded. "Where is Democratic Party unity? Why did 91 Democratic representatives vote for President Reagan's MX funding request? Why did so many of our congressional leaders vote for the President's MX funding request?" Coelho was lamenting the fact that during the previous day, the House had overwhelmingly voted for the President's request for funds for the development and basing of the MX "Peacemaker" strategic missile. No less than 91 Democrats had defied the wishes of House Majority Leader Tip O'Neill and Appropriations Committee Chairman Joseph Addabbo, and voted in favor of Reagan's proposal. Among the Democratic defectors were important leaders and committee chairmen such as Jim Wright of Texas, Tom Foley of Washington, Bill Alexander of Arkansas, and Gillis Long of Louisiana.

These House Democrats not only defied their House leadership, they also defied all the announced Democratic Presidential hopefuls in the Senate who had campaigned hard against the MX. Whole days had been spent by Sens. John

Glenn, Gary Hart, Alan Cranston, and Ernest Hollings in florid rhetorical denunciations of the MX missile as "destabilizing," a "strategically dangerous" innovation which will force the two nuclear superpowers into the horrid posture of "launch on warning." Ninety-one House Democrats and 12 of their Senate colleagues did not buy their Harrimanite leadership's argument. Instead, they accepted President Reagan's argument that the MX missile is a last chance to force the U.S.S.R. to adopt a serious negotiating posture in the strategic arms control talks.

So, when the octogenarian Averell Harriman and his flirtatious youngish wife presented themselves before Secretary Andropov, they had behind them a fragmented party, bent to the will of President Reagan: a party whose presidential aspirations for 1984 were already next to nil. The Harrimans' hopes to use the Democrats' House majority to blackmail Mr. Reagan on matters of legislation and budgetary policy had also disappeared suddenly and rapidly since March 23, 1983. Harriman had little to offer Andropov. He therefore went to Moscow to ask for favors. Whatever he gets from the Kremlin boss will have important bearing on the fortunes of the Democratic Party in 1983 and 1984.

Most Americans are not familiar with the ways in which this top-level influence-peddling affects developments in their nation's much-cherished "electoral process." Many of the younger elected Democratic officials don't even know Averell Harriman except as a historical personage, even though some of them owe their election to Ave and his wife Pamela. They have no problem acknowledging that without the DNC's infusions of funding in 1982, most of them (and there are 40



freshman congressmen) would not have been elected to office. They overlook the fact that the DNC and DNC money are controlled by the Harrimans.

Then, they overlook the most important aspect of the mechanics of how "party consensus" is manufactured. Party consensus is like a tall, crazy wall built of all sorts of disparate materials: stones, bricks, formica, sand, pie-in-the-sky, and a good dose of baloney. What makes this silly wall stand up are two buttresses: *national security policy* and overall *economic policy*.

Until March 23, these two buttresses, crafted by the Harrimanite leadership, were holding up well. Suddenly they fell apart.

To figure out what happened to the Democratic Party and what its options now are for 1984, compare the situation in Washington as it was in December 1982 with the situation as it is now. After the comparison is drawn, go back to identify the crucial developments that occurred in the interim period which caused the change. You will discover that for certain reasons, some hidden from the public eye, the stuffing was knocked out of the Harrimanites national security and economic policy.

### **What will happen to the Democratic Party?**

On May 14, at the Democratic Strategy Council gathering in Washington, Gov. Mario Cuomo of New York startled many with a keynote speech which was generally interpreted as a slap in the face against the way DNC chairman Chuck Mannatt, a Harrimanite, had been running party strategy up to the Chicago mayoral primary and since.

Cuomo's basic thesis was: cut out the bull about constituency organizing and special interests, and put an end to the clown show of "glamorous" personalities peddling themselves as "presidential hopefuls" to the public. This will be the undoing of the party in 1984. What we need is a comprehensive grand program for economic recovery, industrial expansion which will go to the heart of the "average voter."

Cuomo's message was: If we don't cut out the tactics of the Chicago primaries, the selection of counterculture-infested San Francisco as convention site, and presidential personality peddling, we are going down to defeat in 1984. The same theme was repeated in Santa Fe, New Mexico on May 22 where the Democratic state chairmen had gathered. The keynote speakers intoned: "If the 1984 primaries are dominated exclusively by candidates responding to the demands of interest groups, it won't make much difference who is the nominee. There will be no way for our nominee to reach the average voter." Or, "We have got to develop a universal message to appeal to the American people as individuals and not as part of special interest groups." And then again, "I have felt for a long time that we have become a party of special interests. And until we become a party of Democrats again, we'll have trouble winning elections. Our old traditional base looks at us and wonders if there is a place for them."

Like most political statements that are not completely devoid of content, these speeches had double cutting edges, working at cross purposes. At the state and county level, all across the country, party organizations are sick and tired of the Carterite and Harrimanite legacy of policies of "post-industrial society," "gay caucuses," "lesbian caucuses," "zebra-striped third sex minorities," "environmentalist" lobbies, et cetera, et cetera. But beware: when the DNC and related national-level power brokers talk against "special interests" they attack in parables those elected federal legislators who have bucked existing national DNC policies and voted on the side of President Reagan.

The party's paradox for the 1984 campaign is this: the DNC's power brokers claim that unless all Democrats in the Senate and the House stop increasing President Reagan's clout by voting for his programs and start voting for the DNC's policies instead, there is no chance of a Democratic victory in 1984. However, at least 12 Democratic Senators and 91 Representatives have made their reckoning the opposite way: unless we buck the Harrimanite DNC's policies and vote with the President, *our own electoral constituency* won't be pleased, and we are not going to get reelected.

The entire moderate wing of the Democratic Party in office, a strategically important voting bloc, has decided that its own survival and the survival of their constituencies' interests are incompatible with the DNC's Harrimanite policies. They are therefore oriented toward responsiveness to local interests and toward—to put it impolitely—"screwing" what the DNC passes as "national policy."

As a result, the Democratic Party as a whole has no national policy. The county and state chairmen's loud complaining about the lack of national policy is genuine and very well justified. When the DNC makes the same complaint, then it is disingenuous double-talk—the DNC merely rebukes elected officials for their reluctance to surrender to Ave Harriman's disastrous national policies.

This state of affairs has spread even among those elected Democrats who still vote with the Harrimanite DNC. As far as Democratic officeholders are concerned, in terms of policy it's every man for himself. The party's non-office-holding organizations are developing a clear sense that this state of affairs has to end, and the party, if it is to avoid disaster in 1984, must rally around a serious national program. The DNC, trying to mediate between party organizations and elected Congressmen, is thus trying to sneak back in under heavy disguise the same old national programs which are being trounced in Congress right now—and which were responsible for the Democrats' landslide defeat in November 1980.

### **The post-March 23 political world**

This is how matters stood as of May 26, 1983. If you look back to December 1982, something different was going on.

President Reagan had lost all his MX votes in Congress, his legislative program, especially his defense commitments

were in ruins, his administration's economic performance was the main object of national derision, and his poll rating had plummeted. The conventional wisdom of the day was that any Democrat whatever who got the party's nomination for 1984 would beat Reagan hands down.

The conventional wisdom of May 1983, however, as expressed by an old Democratic machine leader from one of the country's largest cities, is: "Any national politician getting the Democratic nomination for 1984, will discover it is not a plus." Insiders in the old party machines and other wags have given a new name to the game of trying to find a presidential candidate for 1984: "Who Will Be The George McGovern of 1984?"

The Democrats are searching for a tail to pin on the donkey!

How did the reversal occur? Reagan, according to Harriman's calculations, was supposed to have been smashed by now with a whopping financial collapse and a devastating humiliation in the national security field. He was supposed to have been kissing the feet of Henry Kissinger and Brent Scowcroft and implementing the terms dictated by Yuri Andropov as a broken, lame-duck President already overwhelmed by the most devastating banking crisis in history. Instead, Reagan right now is the undisputed terror of Capitol Hill, and he is already running his next presidential campaign. He is running for President against Congress in a truly bipartisan manner: against both sides of the aisle.

Few citizens and few politicians yet know that the President, by doing so, has probably saved the world from thermonuclear war, and has certainly saved the United States from a massive strategic humiliation planned by Harriman, Kissinger et al. What did the trick was his March 23 speech announcing the new strategic doctrine of "Mutually Assured Survival" to replace that of Kissinger's (and Harriman's) doctrine of "Mutually Assured Destruction." As *EIR* founder Lyndon H. LaRouche, Jr., advisory board chairman of the mass-based National Democratic Policy Committee and Chuck Manatt's leading national opponent, noted at the time, "Today, I am prouder to be an American than I have been since the first manned landing on the Moon. For the first time in 20 years, a President of the United States has contributed a public action of great leadership, to give a new basis for hope for humanity's future to an agonized and demoralized world."

The President's speech "grabbed history by the neck and sent it off" in a direction opposite from that calculated by Harriman, Andropov et al. The Democrats' MAD consensus was broken. Senate Minority Leader Robert Byrd's support of President Reagan's anti-missile defense policy is most characteristic of what happened in the Democratic Party. From then on, the President started piling one congressional victory upon another with respect to his defense program.

The question arises: Harriman and the forces he represents, certainly still have enough clout to pull the plug on Reagan in the financial markets and cause history's worst

banking collapse. *Why didn't they do it? Why are they not doing it now?*

The answer is that they are scared stiff! What is unknown to them is how the President will react to such a crisis. What he did on March 23 was quite unexpected and out of profile. He displayed a certain ability to assert command which, they fear, is a repeatable quality.

The White House has conspicuously let it be known that it has ordered the Treasury Department's legal staff to prepare a comprehensive set of measures for the eventuality that the President goes on national television to proclaim to his fellow Americans the declaration of a "National Financial Emergency," in which he has decided to exercise the full emergency powers of the executive branch. Harriman and his banking circles in New York and London must now reckon with the possibility that if they pull the financial plug, they may end up with a President Reagan more powerful than they have imagined in their worst nightmares.

### **The dilemmas in Moscow**

This is how the Harrimanite DNC's two buttresses, the one of economic policy and that of national security policy have fallen apart. With them, the wall of Democratic Party consensus has collapsed. People like Senator Byrd and Rep. Jim Wright in the House and the Senate have busted it up on the issue of national security policy. And this has ruptured the consensus on every other issue. Hence the justified alarm and the clamor for "national policy" coming from the county and state party organizations from all over the country.

So what are Ave and Pam Harriman are trying to get from Secretary Yuri Andropov in Moscow? That clever bird, with his provocative military policies and his blackmail tactics around the ongoing arms control negotiations, has certainly helped many a Democratic congressman see the light and vote for President Reagan's defense buildup. Will Harriman ask him to "cool it" and be more conciliatory at the negotiating table in order to be able to recoup the losses from among the Democratic Party ranks?

This is an interesting dilemma for Professor Andropov: If he gives Harriman what Harriman needs to bring back home, then the Soviets will negotiate, let us say, "seriously." This will vindicate Reagan, who will be able to say to Congress: "You see, the only way to get the Soviets to become serious in negotiations is to vote for my defense measures." And Congress will agree. But Marshal Ogarkov, the chief of staff of the Soviet armed forces, will remove Professor Andropov's head with dispatch. For Marshal Ogarkov and the Soviet General Staff know, since March 23, that the United States is operating under a new strategic doctrine, superseding the doctrine of "deterrence" within whose logic Andropov would be making his arms control concessions to Harriman.

If Harriman gets what he wants from Andropov, Andropov will lose his party. If Harriman does not get what he wants, Harriman loses his party.

# Administration's offensive for beam weapons

by Lonnie Wolfe

The White House dispatched several prominent spokesman during the third week in May to deliver a message: The President and his administration intend to reverse the doctrine of Mutually Assured Destruction (MAD) through the development of beam weapons, and will not be deterred by either the Soviet leadership or treacherous Americans like Henry Kissinger, Averell Harriman, and the congressional supporters of their untenable doctrine of MAD.

The most remarkable of these interventions came at a May 17 conference of the world's leading bankers in Brussels, where National Security Council senior economist Norman Bailey stated that a brute force program of investment and technological innovation like that carried out by the United States during World War II was required to free the world from depression. He said that the President's beam weapon proposal was just such a program. (See excerpts, page 6.)

Bailey's statements reflect ongoing discussions in the White House on the implementation of the President's March 23 speech overturning the MAD doctrine. These discussions informed the other policy interventions as well:

- On May 17, Undersecretary of Defense Richard DeLauer called a special press briefing to reaffirm the President's commitment to his anti-missile defense program. DeLauer said the President would back this commitment with additional funding proposals.

- On May 18, Undersecretary of Defense Fred Iklé, with arms control chief Kenneth Adelman at his side, told the arms control subcommittee of the Senate Foreign Relations Committee that the President's speech of March 23 overturning the MAD doctrine now defined the relationship between the superpowers and would govern how the administration considered arms control treaties. He strongly implied that the President would enter into no treaties that prevented his program from being carried out.

- Also on May 18, Adm. James Watkins, Chief of Naval Operations, called an extraordinary press conference to announce that the United States was prepared to seek and destroy Soviet missile-bearing submarines wherever they might hide, including under the polar ice cap. Such statements were the U.S. answer to recent Soviet submarine provocations in the Baltic, sources confirm.

- On May 19, Major Gen. Richard Lamberston, the head of the Office of Directed Energy Research of the Defense Department's Advanced Research Projects Agency, served

notice to 2,500 laser scientists gathered at a conference in Baltimore that the President would rely on them to solve all the engineering problems relating to his missile defense program. Gear up, get ready, the scientists were told, major funding is on the way.

## Confusion in opposition ranks

The depth of this offensive and its open character had many of the opponents of the President's program scratching their heads. After the Iklé hearings, an aide to a Democratic beam weapon opponent admitted that the opposition to the President was losing the debate on the Hill. They are also getting no help from their plants inside the administration. "I just don't understand it," the aide complained. "No one is behaving according to profile."

What the aide and his Kissinger/Harriman allies fail to understand is the nature of the March 23 speech. The President, with the backing of the Joint Chiefs of Staff, gave an order to develop a defense against ballistic missiles that cannot be reversed by bureaucrats, no matter what their proclivities. The military command of the United States, under the guidance of the Joint Chiefs, is now carrying out that order, which overturns the MAD doctrine. Civilian personnel in relevant agencies are bound by that order, as they would be bound within a military command in wartime. They will be told what strategy is, not invited to make strategy.

That is what was indirectly stated in Admiral Watkins's press conference. After warning the Soviets about U.S. anti-submarine capabilities, Watkins discussed his differences with Navy Secretary John Lehman on deployment strategies for U.S. carrier battlegroups. Admiral Watkins stressed that Lehman is only an "administrative" official, and that the Joint Chiefs of Staff, set military strategy. The Secretary of Navy "does not set strategy or deployment for forces in the field."

Kissinger, Gov. Averell Harriman (currently in Moscow meeting with Yuri Andropov), and their allies on Capitol Hill console themselves that they still have time to stop the beam weapons program because the "big bucks" have not yet been announced. But as Bailey strongly implies, the "big bucks" are going to come; it is only a matter of time. The decision to go ahead was made before the President spoke on March 23 or he would not have spoken at all. That is how all competent strategic decisions are made, something Kissinger, Harriman, et al. know nothing about.

# The history of the 'budget process'

*It's not only paralyzing, but unconstitutional, writes Susan Kokinda, describing how it was gradually imposed on the Congress.*

President Reagan's March 23 initiative to mobilize the scientific and technological capabilities of the nation for the purpose of developing directed-energy beam weapons has put the issue of nation-building back on the agenda of the American republic. And with that potential comes the possibility of ending the constitutional abomination known as the "budget process." For it is the case that the recent, ever-more-frenzied exercise of "cutting the budget deficit" has brought the process of nation-building to a halt, has eroded the institution of the Congress to a point of functional immobility, and has put U.S. economic sovereignty further into jeopardy.

## What is a budget process?

The Constitution of the United States says nothing about a federal budget. For 132 years, the republic functioned without a federal budget. For 186 years, Congress functioned without a budget process.

In 1974, when Congress enacted the Budget Act, the federal deficit stood at \$4.7 billion. In the half decade following that enactment, the deficit has averaged in the range of \$50 billion. And in the last two years of congressional and presidential fixation on the budget process, the deficit has risen from \$60 billion to a projected \$200 billion in 1984.

Before dissecting the process and its parentage, look at how it has affected Congress.

The budget ritual entails passage of a First Concurrent Budget Resolution by May 15, which sets spending guidelines for congressional committees, and a Second Concurrent Budget Resolution by Sept. 15, which sets actual ceilings. The revenue and expenditure figures which the Senate and House endlessly massage are totally disembodied from any real political economic processes. They are delivered to the Congress by the oracle of the systems analysis god—the Congressional Budget Office. The purpose of the ritual is to "close the deficit."

The "budget process" embodies a subversive politic and economic ideology insinuated into American governmental institutions by the opponents of technologically-based progress. In modern terminology, this ideology is known as systems analysis. It entails the imposition of arbitrarily fixed parameters upon a decision-making process. Under budget-

ary brainwashing, Congress ignores the essential determinants of nation building—directed credit channeled into the areas of greatest economic advance—and rearranges numbers within the linear confines of a preordained, increasingly shrinking "system." Such is the economics contrived by the British East India Company's Jeremy Bentham, John Stuart Mill, and Parson Malthus.

The Invisible Hand in this ritual is the Federal Reserve Board. Never mind that the credit policies of the Federal Reserve have collapsed the tax base of the U.S. economy at a rate which cannot be matched by budget cuts: U.S. national defense or NASA must be sacrificed to the budget god.

In 1981, three-quarters of the votes taken by the U.S. Senate were devoted to the budget process. So ensnared was Congress that by November 1981, one month *after* the start of the 1981 fiscal year, only one appropriations bill had been passed. The other 12, including defense, energy, and NASA, were lumped under a "continuing resolution" which funded programs at previous levels, regardless of congressional intent or national need.

But the budget god demanded more. Under a process known as "budget reconciliation," the House and Senate Budget committees mandated *substantive* changes in the laws governing federal programs—such as, for example, eligibility requirements for disabled people to qualify for federal assistance. The *Congressional Quarterly* described the results: "Using reconciliation to cut billions of dollars from hundreds of federal programs had its advantages. Considering all the programs in one bill short-circuited the lengthy deliberative process of hearings on separate pieces of legislation. . . . In several months of budget work, Congress passed perhaps as many far-reaching changes in basic law as it would in a conventional two-year session."

"Special interest groups"—constituents, as they used to be known—were effectively cut off from this activity as the final reconciliation bill was hammered out by a joint House-Senate conference committee comprised of 250 members of Congress!

One shudders to think of President Kennedy's space program caught in the throes of the budget process. Between first and second concurrent resolutions and continuing resolutions and reconciliation, Congress would not have found

time on its busy budget agenda to actually authorize the legislation until mid-decade. And as for actually appropriating money for the program which gave the greatest productivity boost to the U.S. economy of the past two decades, "Well, I'm sorry; budget function line 123 allows enough money to send the spacecraft to the moon, but not to bring it back."

### Systems analysis versus the American System

At one time, Congress occupied itself with the duties outlined in Article II, Section 8 of the Constitution—exercising sovereignty over credit, promulgating tariffs to protect American industry, directing a system of internal improvements, fostering advances in agricultural, scientific, and industrial technology—in short, nation-building. What we now call fiscal questions were not the center of economic discussion, but were a *very* subordinate aspect of overall economic policy.

True, continual efforts were made to use the budget as a weapon against the American nation. Using the all-too-familiar rhetoric of cutting government spending, Thomas Jefferson's Swiss-born Treasury Secretary Albert Gallatin crippled the infant American navy, much to the satisfaction of Gallatin's attacking British allies in 1812. But the ability of Congress and the presidency to mold the impulses of the population into a coherent program for nation-building was largely intact through much of the 19th century, as exemplified by the process of directing internal improvements.

The Army Corps of Engineers—an outgrowth of the most advanced concepts of Leibnizian economic science—drafted plans for needed projects and presented them directly to the Rivers and Harbors Committee. The committee weighed competing claims of constituencies against national needs and appropriated money according to the results of those deliberations. No Office of Management and Budget intervened. No Budget committee or even Appropriations Committee stood between the Rivers and Harbors Committee, the Corps and the constituencies. It was this uniquely American form of government that built the nation.

In 1888, the Anglo-Swiss oligarchy which had never reconciled itself to the permanent existence of the American republic announced its intention to destroy that capability. An anglophilic professor named Woodrow Wilson authored a book entitled *Congressional Government*, which called for amending the Constitution for the purpose of installing a British parliamentary system.

"The Committee on Rivers and Harbors represents, of course, the lately acquired permanency of the policy of internal improvements . . . with the culmination of the protective tariff, the so-called American System of protective tariffs and internal improvements has thus at last attained to its perfect work," he wrote bitterly. "No description of our system of revenue, appropriation, and supply would be complete without mention of the manufacturers who cultivate the favor of the Committee of Ways and Means, of the interested

parties who walk attendance upon the Committee on Rivers and Harbors. . . ." Wilson would have loved the reconciliation process.

Wilson proposes as a replacement for that "inefficient" and "corrupt" system a budget process. He advocates the creation of an *external legislative commission* of "skilled men, old in political practice and legislative habit, whose official life is apart" from the Congress, to usurp the economic policy-making powers of representative government. An extra-constitutional commission which would prepare the federal budget had first been proposed by John Stuart Mill.

During the Teddy Roosevelt and Progressive eras, the cries for a federal budget invoked the need for "scientific management" and "governmental efficiency." In 1911, a Presidential Commission on Economy and Efficiency was created, advocating a federal budget. One of the consultants to that Commission, William F. Willoughby, who was to play a major role in writing the budget legislation soon passed, candidly contemplated the extent of the subversion. "It is desirable to point out the great possibilities that are embraced in a system under which action upon the floor of the legislative chamber may be determined by an outside organization which has no legal status and which is subject to no control other than which it is willing to impose on itself."

Then, in 1913, President Wilson—using the tactics of party discipline borrowed from parliamentary government—ramrodded the Federal Reserve Act through Congress. With this final surrender of sovereignty over credit policy, Congress was ready for the imposition of an external budget process.

Members of Congress were not oblivious to the dangers. New York Democrat John Fitzgerald warned, "This means the elimination of Congress from very much of the the work which it now does. . . . Many who are urging the adoption of a budget in the United States are really in favor of a very revolutionary change in the whole system of government." Sen. James Reed warned that it "enables Congress once more to abdicate its powers."

But Congress, weakened by years of "progressive era" scandal-mongering about corruption, porkbarrels, and inefficiency, passed legislation in 1921 which established a federal budget for the first time. The Bureau of the Budget was born. (Its first director was Charles Dawes, who later presided over the economic prelude to Hitler known as the Dawes Plan). Congress reorganized itself to facilitate working with the Bureau of the Budget by establishing the House and Senate Appropriations Committees as mediators between the standing committees, such as Rivers and Harbors, and the actual disbursement of funds.

Fifty-three years later, a similar process of scandal-mongering and ideological brainwashing had eroded congressional will, and Congress undercut itself even further. The following epitaph is in sight: "Where once stood a Constitution, stands a budget process."

*To be continued.*

## **K**ramer introduces ABM legislation

Taking a bold public move to usher in President Reagan's program of directed energy strategic defense, Rep. Ken Kramer (R-Col.) May 20 introduced legislation called the "People Protection Act" which, he said, will "provide the organizational framework to protect the American people and our allies from nuclear war and to eventually make nuclear weapons obsolete."

The "congressional findings" section of the legislation states that "present strategic and arms control policies . . . have proven inadequate in addressing the Soviet strategic threat that has developed since the early 1960s and in protecting the strategic position of the United States and its allies."

The legislation adds as findings of the Congress that "the United States should promote arms control arrangements that A) seek to significantly reduce, in an equitable, verifiable, and enforceable manner, strategic offensive forces, and B) encourage the development of comprehensive strategic defenses in order to guarantee such reductions."

Kramer received bipartisan support from 11 other original co-sponsors, including Reps. Sonny Montgomery (D-Miss.), William Whitehurst (R-Va.), Robert Badham (R-Cal.), Ike Skelton (D-Mo.), Tom Corcoran (R-Ill.), Robert Davis (R-Mich.), Dan Crane (R-Ill.), Duncan Hunter (R-Cal.), Roy Dyson (D-Md.), Tom Hartnett (R-S.C.), and Joe Skeen (R-N.M.). Kramer announced that he has already received assurances from the House Armed Services Subcommittee on Investigations that hearings

will be held on this legislation.

"Like President Kennedy's 1961 commitment to send a man to the moon in a decade," Kramer said in motivating the bill, "President Reagan has set forth a vision for the future. The United States has relied too long on an offensive policy of nuclear retaliation. To make the world safe and our people secure, the time has come to turn to space for defense of our nation."

The proposed legislation has five major initiatives. It would create a directed-energy systems agency dedicated to the research and development of lasers, particle beam, and microwave technologies. No such agency exists today, and current R&D efforts are "fragmented, uncoordinated, and underfunded," said Kramer. The bill also provides for "restructuring of the new air force space command into a multi-service unified space command that would ultimately be responsible for the deployment and operation of all strategic defensive systems."

The bill would create a new army command, under the unified space command, responsible for the ground-based air defense and missile defense tier. Those Shuttles required for national security missions would be transferred to the Defense Department, and NASA would be mandated to immediately develop a manned space station.

The process of making strategic policy, space policy, and arms control policy, would be overhauled.

## **S**enate passes Simpson-Mazzoli

By a 76-18 vote, the Senate on May 18 passed the Simpson-Mazzoli im-

migration restriction legislation. The bill has yet to be scheduled for debate in the House, and its sponsors are far from confident about its quick passage there.

The slightly amended 1983 version of the bill retains its features modeled on the 1930s Nazi labor programs. It would facilitate the establishment of the kind of work-card system the Nazis used to police both the German and foreign labor forces, and impose restrictive immigration quotas like the racist immigration laws passed in the 1920s, which were drafted by the American eugenics lobby led by the Harriman family.

The immigration restrictions would be enforced by a system of employer sanctions which could allow Gestapo-like raids on work places. At the same time, the Mexican-American border would be virtually militarized.

In a rare moment of truthfulness, Sen. Alan Cranston (D-Cal.) denounced the bill on the floor of the Senate, terming it "a major step toward a police state. . . . [It] would require every person in the U.S. to have some form of authorization by his or her government in order to work."

The bill is backed by AFL-CIO President Lane Kirkland and underlings in the AFL-CIO bureaucracy precisely because it would give them police-state powers over the work force, sources report. The official AFL-CIO position is one of "conditional support"—the AFL-CIO wants the U.S.-Mexican border closed more tightly, a federation spokesman stated the week of May 23.

Spokesmen for Rep. Peter Rodino (D-N.J.), the House Judiciary Committee chairman and one of the bill's

prime sponsors, said May 24 that they were still concerned about passage in the House. Last year, House Speaker Tip O'Neill (D-Mass.), under pressure from Hispanic groups and from organization such as the Club of Life, allowed the bill's opponents to talk it to death in the lame duck session after it had passed the Senate easily. An aide to Rodino said that "O'Neill may just refuse to move the bill."

## **Harrimanites repackage post-industrial policy**

Led by Rep. Richard Ottinger (D-N.Y.), the Harriman faction in Congress has put together a legislative package of economic and social policy taken from the 1975 Initiatives Committee for National Economic Planning (ICNEP), which coined the notorious slogan, "fascism with a human face."

Right on the heels of the early May Democratic National Committee Strategy Council meeting, which called for a variety of corporatist planning boards and Rohatyn-style de-industrialization banks (euphemistically called Development Banks), Global 2000 supporter Ottinger unveiled at a March 24 press conference a "High Production Strategy to Rebuild America."

Ottinger announced that 148 House Democrats had agreed to form a number of task forces to flesh out an "industrial recovery strategy."

Ottinger's High Production Strategy includes: 1) a Rohatyn-style National Development Bank to restructure American industry; 2) Federal Capital Budgeting, a method of prioritizing and triaging necessary infra-

structure spending; 3) Federal Reserve reform, ostensibly mandating credit allocation for "productive" purposes and disincentives for "nonproductive" purposes, all determined by the Fed; 4) corporatist worker-participation and profit-sharing schemes; 5) an inflation-fighting strategy which includes cutting off energy for the U.S. economy: oil import fees, a "crash program for energy conservation," and solar-based industries; 6) an incomes policy, to be enforced by tripartite "business-labor-government" efforts; and 7) a number of environmentalist proposals and attacks on the Reagan tax and defense programs.

A spokesman for O'Neill said that the Speaker will "listen to opponents very carefully" before making a decision on scheduling the bill for debate. No decision will be made before June 27.

The bill's sponsors are also wary about the position of House Majority leader Jim Wright (D-Tex.). Wright has stated that he will not openly oppose the bill, but he played a pivotal role in allowing its opponents to tie the legislation in knots last year. "Wright and O'Neill both screwed us last time," said the Rodino aide. "They could do it again."

Meanwhile the bill will be debated by the House Education and Labor Committee, the Agriculture Committee, and Ways and Means Committee. The Judiciary Committee has already approved a version similar to that passed by the Senate.

Last year, the Mexican legislature lobbied strongly against the legislation, with the Mexican Senate passing a resolution condemning it and urging their American colleagues in the House to vote against it. "Those goddam

Mexicans have no right to interfere in our politics," said a House Judiciary staff member. "They are not even a real country, since they went begging with their debt problems. They should keep their mouths shut."

## **Senate committee hits FBI malfeasance**

The Senate Labor and Human Resources Committee, chaired by Sen. Orrin Hatch (R-Utah), issued a report in mid-May attacking the FBI's handling of the investigation into Labor Secretary Ray Donovan. The confirmation of acting Drug Enforcement Administration head Francis Mullen, who was the Executive Director of the FBI during the Donovan investigation, has been held up by the Senate Judiciary Committee pending resolution of the Senate Labor Committee's charges.

The Labor Committee report stresses that its purpose is not to examine the truth or falseness of the charges against Mr. Donovan, who was cleared by a special prosecutor after an investigation during which some of the charges were actually recanted.

Rather, the report charges, "The FBI supplied information that was inaccurate, unclear, and too late. Worse, while the FBI told the committee that there was nothing else to know, it withheld 'pertinent,' 'significant,' and 'important' information. . . . The FBI's inaccuracies, lack of clarity, and untimely production compromised the Senate's ability to inform itself. The FBI usurped the Senate's constitutional responsibility; it guaranteed that no senator's consent would be adequately informed."

## Administration calls for laser development

The Reagan administration took the opportunity of the annual Conference on Lasers and Electro-Optics (CLEO), held in Baltimore May 17-20, to tell U.S. laser and optical engineering firms that they would be expected to solve the problems of laser anti-missile weapons over the near future. The conference occurred within a week of a Washington press conference in which Dr. Richard DeLauer, Defense Department Undersecretary for Research and Engineering, announced that "80 percent" of an ABM research and development budget, rising to \$3 billion by fiscal 1985, would go into development of advanced laser systems.

Major Gen. Donald Lamberson, head of the Directed Energy Office of the Defense Advanced Research Projects Agency, addressed the CLEO conference for the administration. Lamberson "issued an administration challenge to the optics community, and he appears to have the dollars to back up his request," according to the post-conference press release of the sponsoring organizations, the Institute of Electrical and Electronics Engineers and the Optical Society of America.

Lamberson predicted, as DeLauer had, that more than \$2 billion would be spent on directed-energy beams, aside from other components of ABM systems, by FY1985, which begins next summer. He called on the industry to demonstrate "an order of magnitude improvement over currently planned demonstration levels in mirror surface figuring, beam control, beam 'cleanup,' and beam 'jitter' on target," to achieve necessary gains in "focusing to small spot sizes at very long distances."

## Successful laser test in space

U.S. defense intelligence sources report that a test has been conducted in space of a critical component of the U.S. beam weapon anti-missile defense system.

According to an article in the authoritative journal *Aviation Week* that appeared at the time of the test, the Space Shuttle SS-5 carried an infra-red telescope as its classified military payload in the summer 1982 flight. *Aviation Week* further reported that a laser was fixed to the telescope, for undisclosed purposes. Other press coverage at the time of the Shuttle flight spoke of a test, for undisclosed purposes, of the pointing of lasers.

Intelligence sources report that the test, which was completely successful, was a test of the pointing and tracking required to shoot down missiles in the ascent phase of flight with an x-ray laser. Such tests, as well as tests of other components of an x-ray laser system conducted on the ground, were said to have convinced President Reagan and his advisers that a beam weapon anti-ballistic missile system was feasible.

## Kirkland opposes defense policy

AFL-CIO President Lane Kirkland told the national press corps assembled May 24 for the opening of the AFL-CIO Executive Council meeting in Baltimore that he did not support President Reagan's program to build a beam weapon anti-ballistic missile defense system.

Kirkland, asked by a reporter from *EIR* if he would support a beam-weapons development program "since a large research and development program for laser engineering and its technological spin-offs in the civilian economy will create more than 2 million skilled jobs for American workers," replied, "No."

More cautious sounds are coming from the AFL-CIO headquarters on the beam weapons question. An aide to Kirkland admitted that there were many questions from union leaders, especially in the building trades, about the Reagan program. "We have to tell them something that won't get them ticked off," said the aide.

"Our position is somewhat complicated," he stated, constantly referring to President Reagan's March 23 speech announcing the beam weapons program as "Star Wars proposals."

"On the one hand, we feel that it would

be very good if we did as the President suggested and explored whether such a missile defense system based in space that could end the nuclear missile threat was feasible.

"On the other hand, Lane feels that the President presented the ideas in a politically charged manner, as a cheap trick to get votes for a suspect defense package. The ballistic missile defense is really pie-in-the-sky to talk about when we have to make tough decisions now about the budget and weapons programs where the evidence is in. What we want Reagan to do is specify what program he wants on this defensive weapons program and put a price tag on it."

## KGB pulls the strings at freeze conferences

Two conferences held May 24 in Baltimore and Minneapolis gave the lie to the Federal Bureau of Investigation's April report that the Soviet KGB does not exercise any significant control over the U.S. nuclear freeze movement. At both conferences, high-level Soviet representatives attacked President Reagan as a war-monger, and declared that the U.S.S.R. will not allow the United States to regain strategic parity.

The Baltimore conference, held for "Peace with Justice Week," was a direct attack on President Reagan's anti-missile defense policy. It was opened by Alex Ilichev, the foreign policy attaché of the Soviet Embassy. Ilichev began by attacking Reagan's Mutually Assured Survival defense policy as a "Star Wars" gambit which, he claimed in the face of repeated statements by both the President and Defense Secretary Caspar Weinberger, was designed to give the United States strategic superiority.

Admiral Eugene Carroll, a member of the Center for Defense Information disarmament think tank, and a former aide to Alexander Haig, repeated Soviet leader Yuri Andropov's lie that beam weapons are a "first-strike" capability. The U.S. population is being manipulated by Secretary Weinberg to fear the Soviets, Carroll stated. But Russian policy has always been the same: "It doesn't matter if it's Soviet Russia or Tsarist Russia—the policy is to defend the motherland. . . . The question is not do we



trust the Russians, but can they trust us?"

The Minneapolis conference, jointly sponsored by the Institute for Policy Studies in Washington, D.C. and Georgii Arbatov's U.S.-Canada Institute in Moscow, was set up one year ago during a visit to the Soviet Union to arrange for peace demonstrations by a delegation headed by Bishop Paul Moore of the Episcopalian Cathedral of St. John the Divine, Marcus Raskin of the Institute for Policy Studies, and Mayor Donald Fraser of Minneapolis, a member of the Democratic Socialist Organizing Committee.

The Soviet delegation to Minneapolis included top officials such as Gen. Michael Milshtein, a member of the Palme Commission and the U.S.-Canada Institute who has been identified in the Swedish press as a KGB general; V. Kobyshev from the Central Committee International Information Department; Fyodor Burlatskii, a close associate of Yuri Andropov for two decades, who in 1967 was one of the first Soviet propagandists to promote limitation on the development of anti-ballistic-missile systems. More recently Burlatskii has run the Soviet liaison to the British Labour Party. About a dozen others of comparable rank attended, including Russian Orthodox Church Bishop Serafin of Penza, of the Moscow Patriarchate. N. Mostovets, head of a section of the Central Committee's International Department, was to have been part of the delegation, but was denied a visa.

U.S. hosts included Aspen Institute head Harlan Cleveland, Richard Barnet and Marcus Raskin from IPS, Randall Forsberg from the Institute for Disarmament Studies and a national organizer for the freeze movement, Bishop Moore, Carter administration arms negotiator Paul Warnke, and Herbert Scoville, former assistant director of the Arms Control and Disarmament Agency.

## Senator Goldwater wants 'budget process' repealed

Senator Barry Goldwater (R-Ariz.) said that he is considering submitting legislation to end the so-called congressional budget process.

Goldwater, appearing on the May 22

CBS-TV "Face the Nation" program, also revealed that he had been advised by Senate Majority leader Howard Baker (R-Tenn.) to go home rather than stay in Washington for a crucial vote on the Senate budget resolution the week of May 16. The bill, opposed by both Goldwater and President Reagan, passed on May 20 by 50-49.

Goldwater described the budget process, which has virtually ended substantive committee debate over the real economic and social value of proposed projects and programs in favor of juggling numbers within the parameters of a general budget resolution, as "a bad joke."

## Wallop endorses Scowcroft report

As the U.S. Congress has begun to seriously debate proposals for shifting strategic doctrine from Mutually Assured Destruction (MAD) to a strategic defense policy, Sen. Malcolm Wallop (R-Wyo.) endorsed the Scowcroft Commission report on the Senate floor debate on the MX on May 24, and made statements aimed at undermining any policy shift away from the MAD doctrine.

Wallop, who has heretofore advocated the development of a directed-energy defense system in statements on the floor of Congress, called MAD "wrong, both morally and strategically. . . . But that is not the issue today. Those of us concerned with these issues argue about how quickly space defense systems can be operational, but they are not in the 1986 initial operational capacity time frame."

Wallop then showed the real drift of his argument. "The Scowcroft Commission has mapped a path for our strategic forces for the near term, positive choices that we can take now," he stated.

Wallop asserted that the Soviets had accepted the MAD doctrine, implying that they were not committed to achieving strategic superiority over the United States—something virtually no senator in his self-identified circle of conservatives believes. Wallop stated that "we had agreed with each other—we and the Soviet Union—on a doctrine espoused and devised by Robert McNamara to hold our civilian populations hostage."

## Briefly

● **NEW YORK** magazine claims a new scandal involving alleged Nazi papers has arisen, this time about the authenticity of *The Goebbels Diaries, 1939-1941*, published this year by G.P. Putnam's Sons. In its May 30 issue, *New York* states that the Goebbels papers have not been termed a forgery, but their acquisition by the publishing company involved dealings as shady as those uncovered in the recent scandal over phony Adolf Hitler diaries published by *Stern* magazine in West Germany. The diaries were "apparently leaked to the West by a department head at an East Berlin Institute—which may explain why there are no entries for May 31 through October 8, 1939, a period when one of the most acute episodes in Soviet history, Stalin's non-aggression pact with Hitler, took place."

● **THE REAGAN** administration request that Japan ease its extensive health and safety inspections on imported goods was complied with when the Japanese Diet passed a bill May 28. Now new inspections are not required for each shipment of a product, with some exceptions. Many goods can also be certified by U.S. authorities as meeting Japanese standards. Companies, however, still cannot "self-certify" their products as meeting the standards. U.S. officials say they will object to the latter limitation.

● **THOMAS O. ENDERS** resigned May 27 as Assistant Secretary of State in charge of Interamerican Affairs, reportedly because of "policy differences" with members of the White House staff. The dismissal of Enders, a long-time Kissinger protégé, could improve administration handling of the crisis in Central America. Enders has been appointed U.S. ambassador to Spain. His replacement at the Statement Department will be the current ambassador to Brazil, Langhorne Motley.

### *A cordon sanitaire for South Africa*

The fact that the South African government has officially admitted responsibility for the May 23 bombing raid on the Mozambique capital compels action from every sovereign nation to isolate that regime. The following steps must be taken:

- A total international economic and trade embargo must be imposed against the Republic of South Africa, including a well-enforced arms embargo.

- In particular this must include a cut-off of all economic ties between the United States and the Republic of South Africa.

- The American administration should declare its readiness to completely terminate economic aid to any third country which continues to trade with South Africa in any way.

- South Africa must also be forced to pay compensation for damage caused in the attack.

- The United States should immediately call on the military forces available to the United Nations, offering its own forces to supplement such forces, to impose an air and naval blockade of the Republic of South Africa. A "cordon sanitaire" must be placed around the outlaw nation.

The moral responsibility for the attack is not in question. The South African attack conducted on May 23 against the Mozambique's capital, Maputo—killing 6 and wounding 24, according to the official Mozambique press agency—is only one instance of a policy of "body-count" racism. The attack, supposedly in retaliation for a terrorist attack a few days previously, is part of a prolonged and expanding series of such raids on South Africa's black-populated neighbor states.

South Africa claimed that the raid was launched in retaliation for the May 20 terrorist bombing in front of the headquarters of the South African Air Force in Pretoria, which killed 17 and injured about 200. This was the first time the car-bomb *modus operandi* so favored

by Israeli intelligence in Lebanon had been used in an anti-government action in South Africa.

South African military spokesmen openly stated after the raid on Maputo that it had been *planned on a contingency basis months before the Pretoria bombing*; that it had been ordered immediately after the bombing; and that it had been delayed only because of overcast weather conditions.

Some people in the United States doubtless consider that South Africa should not be held accountable for its actions, because South Africa is "America's ally against the communist threat." They fail to appreciate the ways in which South Africa's action benefits the Soviet Union. The military intervention is expected to draw the United States into new levels of direct or indirect support for the South African regime, against countries supported by the Soviet Union, and further propel the United States toward a superpower confrontation.

The United States must act with urgency. For reasons which Lyndon LaRouche's introduction to our *Special Report* this week makes abundantly clear, the men now in power in the Kremlin are just looking for opportunities to challenge the United States into a showdown which they, and the British grand strategists who are steering the South African regime, believe will lead the U.S. into a humiliating backdown. Southern Africa fits into Moscow's plans in this regard in the same way as the Middle East and Central America hotspots.

The Maputo raid took place on the eve of Soviet party secretary Andropov's upcoming trip to Angola. Andropov and Company hope that President Reagan will stumble into an embrace of the racist South African regime which will create the excuse for the Soviets or the Cubans to send more countervailing troops into Angola, heating up an already scalding situation.

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