

EIR

Executive Intelligence Review

November 8, 1983 • Vol. 10 No. 43

\$10.00

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U.K. strategist: monetarism threat to Western stability
Rio de Janeiro Mayor Jamil Haddad talks to EIR

Moscow plays its Muslim card in the Middle East



THE RECOVERY IS A HOAX

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Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 304 W. 58th Street, New York, N.Y. 10019 (212) 247-8820. To subscribe, call (800) 223-5594 x 818 toll-free, outside New York State.

In Europe: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Mexico: EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 592-0424.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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EIR

From the Managing Editor

If you do not possess a mental map of the kind of operational networks in the Middle East embodied in the Anglo-Soviet person of now-KGB general Kim Philby, or of the assistance to Moscow performed by old Nazis in deploying assets like Libya's Qaddafi, our Special Report this week, prepared by U.S.S.R. Editor Rachel Douglas and Middle East specialist Allen Douglas, will provide the requisite overview and intelligence.

In our National section, we present what amounts to a second Special Report—a Science Supplement on the methodology that will be needed for a “Manhattan Project” approach to the physics of strategic energy-beam weapons.

Next week, we plan a Special Report on Argentina, not only the Oct. 30 electoral results but the prospects for “An Industrialized Argentina: Axis of Ibero-American Integration.” That is the title of a new book containing an *EIR* LaRouche-Riemann study of the Argentine economy, including a 20-year development perspective. The book was presented in Buenos Aires on Oct. 28 before a group of military leaders and well-known political figures by *EIR* Ibero-America Editor Dennis Small. We look forward to publishing excerpts from the book in this Special Report.

Next week we will also report on *EIR* founder Lyndon H. LaRouche, Jr.'s latest trip to Asia. On Oct. 27, Mr. LaRouche delivered a keynote address before more than 200 officials representing the Thai government, business, the military, and political parties, as well as representatives from the embassies of Singapore, Malaysia, Indonesia, Burma, New Zealand, Japan, South Korea, France, Belgium, West Germany, United States, and India, at an *EIR* conference on the economic development of the Pacific and Indian Ocean Basins. Others addressing the conference included Thai Communications Minister Samak Sundaravej, *EIR* Contributing Editor Uwe Parpart-Henke, and *EIR* New Delhi Bureau Chief Ramtanu Maitra.

Susan Johnson

EIR Contents

Interviews

5 Jamil Haddad

The prefect of one of the world's largest cities expresses his suspicions about the origins of much of the municipal debt, and stresses that tangible benefits were not received from it. He calls for a debtors' cartel among Ibero-American nations to freeze repayments and obtain real investment funds to create the economic growth that will enable obligations to be met.

34 Piers Wooley

The London defense economist and specialist in international relations contends that economic bugaboos must be scrapped if the alliance is to regain strength at a time of danger, a danger which, he adds, necessitates the beam-weapons development proposed by President Reagan on March 23. Mr. Wooley also advocates the kind of international debt reorganization that would promote growth.

Departments

64 Editorial

Schmidt, McNamara, and the hot autumn

Economics

4 Brazil wage agreement resolves nothing

Virtually the entire nation still opposes the IMF, and the new refinancing package, if it comes through, can't stem the domestic crisis.

7 Airline deregulation endgame: the destruction of labor

Every detail of *EIR*'s September 1981 forecast of the results of deregulation has been borne out.

9 Trucking collapse proves Fed is lying

During Paul Volcker's "recovery," shipments have continued to drop.

11 The U.S. infrastructure deficit: requirements reach \$4.25 trillion

That includes \$100 billion a year for one decade for plant and equipment modernization.

13 The Ruckelshaus ban on EDB will sabotage agriculture

The ban is scientifically baseless.

15 Agriculture

Pressure mounts on the CAP.

16 Gold

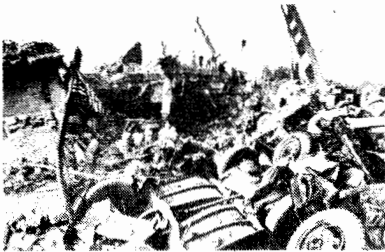
Was gold dealer Saxon murdered?

17 The Economists

Stroking the "Invisible Hand."

18 Business Briefs

Special Report



The aftermath of the Shiite terrorist bombing of the U.S. Marines' headquarters in Beirut Oct. 23.

AP

20 Moscow plays its Muslim card in the Middle East

An introduction.

23 The Soviets' British and Nazi assets

24 The U.S.S.R. and Islam

The Soviet Union's Muslim hierarchy; Aliyev and the "Peoples of the East"; Soviet orientology and ethnography.

31 Iran: Moscow puts its capabilities to use

International

32 Britain and the U.S.: another Suez showdown?

Those who wonder how the KGB could take over a Caribbean island basically controlled by the British will find some answers here.

37 European military spokesmen declare the need for beam weaponry

A report on *EIR's* Oct. 5 military strategy conference in Bonn.

40 Argentina on the eve of elections: Can it become an economic superpower?

42 Egypt's role in developing Africa: An eyewitness report from Cairo

Cairo's present outlook toward the West, the U.S.S.R. and the rest of the developing sector.

44 Report from New Delhi

The Baluchistan gambit.

45 Dateline Mexico

Behind the abortion battle.

46 International Intelligence

National

48 Washington: Is somebody starting to wake up?

Some background on the Reagan administration's decision to act decisively outside Kissingerian channels.

50 Rallies build support for ABM defense

51 Eye on Democrats

Where are the black, labor, and Hispanic constituencies?

52 Congressional Closeup

54 National News

Science Supplement

56 Beam weapons are feasible: the great cyclotron controversy

Physicists like Hans Bethe, who claim beam weapons development is impossible, proved their incompetence in the past by asserting there were absolute limits to the operation of Ernest Lawrence's cyclotron. Bethe's insistence on limiting his methods to using algebra, and refusing to accept Lawrence's geometric methods, was the basis of his errors on both issues.

Brazil wage agreement resolves nothing

by Mark Sonnenblick

Under immense international pressure, Brazil's Congress will probably soon pass a new wage program, arduously negotiated Oct. 26 with the government, a program whose wage cuts are not as draconian as those in two decrees laws defeated by Congress. The euphoric response by the Brazilian media and many politicians belies the dramatic reality that the new income-reducing policy remains a dramatic concession to the International Monetary Fund. The primary political objective of the IMF in Brazil has been to get the representative civilian bodies to put their good name on the austerity programs which threaten to shred Brazil's social fabric.

The major difference between the new Decree Law 2065 and its repudiated predecessors is its provision that wages will be increased on the average by 87.5 percent of the cost of living index; the previous two decrees gave only 80 percent compensation. These questions are vital in a country whose 14 percent October inflation increase means prices have tripled in the past 12 months.

Brazil's third letter of intent to the IMF, signed Sept. 15, however, pledges that "semi-annual wage adjustments are limited to 80 percent of past inflation." Though the Congress may capitulate politically to the IMF, the Fund's directors could still refuse to give Brazil their approval when they meet Nov. 18 to consider this and other quantitative violations of the terms of the new letter of intent.

Brazil's 800 private creditors, whom de Larosière had

ordered to commit themselves to \$6.5 billion in new money by a Nov. 10 deadline, have also been playing their cards close to their chests. Though further delays will build Brazil's arrears to the banks far beyond their current \$3 billion level and cause huge headaches with non-performing loans for the big U.S. banks on Dec. 31, there is no guarantee that the \$6.5 billion will come through. The Swiss banks state that they will refuse to give a dime until the U.S. Congress turns over \$8.4 billion to the IMF; *EIR* has confirmed from sources in England and Brazil that because Margaret Thatcher is bent on giving Brazil the same bloody treatment this year she gave Argentina last year, she will try to prevent British banks from participating in refinancing. If some banks opt out, many others could follow.

Reconciliation between the government and the majority of Congress ended a week of confrontation filled with rumors that the old dictatorship would be revived to force decree law 2064 through a recalcitrant Congress.

It is doubtful that the Congress, which was riding high in the saddle for the first time since the 1960s, would have agreed to any IMF-mandated incomes reduction had it not felt threatened by a revival of dictatorship.

Even the top people in the government who are imposing the IMF's shock measures are dead set against them. One of the most powerful leaders of the ruling PDS party, who confided to *EIR* that he was determined to force the Congress

to swallow the IMF's medicine, also stated, "The IMF is drowning us; even after we pass the wage decree, they will keep us in water up to our nose and not give us any room to breathe." A hardline military officer reacted to the overt threats from Donald Regan and George Shultz on the wage bill by complaining, "All I can conclude from U.S. policies towards Brazil is that they want us to have a social explosion, to go communist. Could it be that Washington's foreign policy is being formulated by the Russians?"

The entire Congress rebelled Oct. 21 at the new Decree Law 2065, which "would exterminate the middle class" by cutting the real incomes of those earning over \$16,000 per year by more than half. Delfim refused all negotiations.

The stage was set for Brazil's third big political-military crisis since early July when Delfim first tried to impose IMF measures by direct emergency rule, according to *Relatorio Reservado* newsletter. Following a radical sit-in in the Congress, on Oct. 19, Figueiredo gave Brasilia regional army commander Gen. Newton Cruz authority to wield "emergency measures." Each morning, Cruz would issue a note banning more civic activities. Finally, on Oct. 24, he had the military police invade, close down, and investigate Brasilia's bar association.

Cruz's crude acts of intimidation failed to spark a hardline coup against Figueiredo's "democratic opening." That night, Cruz appeared on television to offer a quasi-apology. The daily *Jornal do Brasil* reported that Figueiredo had ordered Gen. Otavio Medeiros, his powerful intelligence chief and until recently Cruz's boss, to throttle his protégé.

Most interesting is the fact that Army Minister Walter Pires had his ministry issue a stinging press statement Oct. 25 stating that Figueiredo, *not* the Army Ministry, was responsible for Cruz's conduct with the emergency measures. The Army publicly reminded Cruz that he "for example, could not deploy army troops on internal security missions without authorization from the minister," and that his army function is "entirely focused on troop and cadre professionalization." The navy and air force ministers joined Pires in asking Figueiredo to stop Cruz's repressive ploy, according to the semi-official daily *O Globo*.

"I would rather work as a stevedore carrying rocks than negotiate with Delfim," protested a leader of the government's Democratic Social Party (PDS). But, finally, Figueiredo ordered Delfim to sit down with PDS leaders to negotiate a politically viable wage law in an eight-hour session on Oct. 26. Thomas Dawson of the U.S. Treasury and a committee of bankers went to Brasilia to advise Delfim during the process.

The portly Delfim is skating on thin ice. He failed to block former army minister Gen. Sylvio Frota from testifying in closed congressional hearings on alleged kickbacks Delfim received on foreign debts he arranged in Europe. The hearings could ultimately challenge not only Delfim, but the legality of Brazil's debts.

INTERVIEW: Jamil Haddad

Rio's mayor: 'We won't pay debt'

The prefect, or mayor, of Rio de Janeiro, Jamil Haddad, gave this interview to EIR's Dennis Small on Oct. 17. Jamal was appointed prefect by Leonel Brizola, Rio State's governor, whom polls say would win the presidency if there were direct elections now.

EIR: You have said that the \$150 million loan made to the municipality of Rio de Janeiro in 1979 from the Bank of Montreal is illegal because it was not utilized properly. Is that correct?

Haddad: By law, these foreign loans must be tied to specific investment problems. In fact . . . the loan was not used for any program, any investment, and in fact that money remained in the state bank unused until 1980, when it was used for balancing the budget. . . .

In April of this year, we paid 4.6 billion cruzeiros on this loan, and we are supposed to pay 6.6 billion this month, which means more than 10 billion in interest alone this year and every year until 1985, when we are supposed to begin paying back the principal.

We have no way of paying this. Our income for October is 17 billion cruzeiros. We would have to use almost half of this month's city income to meet this interest payment, when this loan was not used for any investment or project that could bring any social benefit. . . .

EIR: Then a large part of the Brazilian foreign debt could be found to have been contracted illegally?

Haddad: The problem is that not even government officials have full knowledge of the facts, since we have been living under a period of exception [1968-74]. . . . We still do not have this information; not even the Brazilian congress has access to information on the types of external financing being done by the country. That is why I say that everything *leads*

us to believe that other loans of this type have been contracted.

EIR: This could be similar to the case in Argentina, where they are investigating the foreign debt, and to this day, the judge who is leading the investigation has not been able to account for \$15 billion of the \$40 billion of foreign debt.

Haddad: I look at it this way: The international financial powers have dominated the Third World not by military arms but by financial weapons.

The Third World was trapped; it became dependent through the types of loans that can never be paid. Brazil this year has already paid \$10 billion in interest, and still is asking for new credits to pay more interest, without paying off the principal. Brazil, Mexico, Venezuela, and dozens of other Third World countries are insolvent. If the international creditors want a solution, they are going to have to accept the idea of moratoria so there can be internal investments, improvements in the social situation, increases in the population's buying power, generation of jobs—in other words, to create the internal conditions that will enable us tomorrow to pay those debts which are real debts from investments which benefited the population.

Many of these debts must have already been paid back in interest payments, exchange correction, and royalties.

EIR: The founder of our magazine, Lyndon LaRouche, who is also a candidate for the Democratic Party's presidential nomination, proposed a year ago that the countries of Latin America form a debtors' club and create a common market to defend themselves against a possible economic confrontation with the creditors. What do you think of such a proposal?

Haddad: I have defended this idea. A few days ago there were ambassadors here from several Latin American countries, and I said that this is the only way out: the union of debtor countries that can jointly create, along with international organizations, conditions under which the debt will be paid. I argued that the single greatest factor against a moratorium in Brazil's case, for example, is the petroleum problem. Therefore, since Venezuela and Mexico are large oil producers, if they were to enter into accord with countries such as Brazil and Argentina, and if there were an exchange for agricultural goods from Brazil and Argentina—true, Argentina is self-sufficient in oil, but in the specific case of Brazil, we would trade food for oil with those countries that are in the same situation as ours. Plus, we could demonstrate that in reality our problems with a moratorium can be solved. If all the debtor countries united and refused to accept the conditionalities of the IMF, the international financial community would face the danger of a very serious crisis.

EIR: In a series of secret and semi-secret meetings, such as the recent one in Vail, Colorado, the creditors and their political representatives discussed the need to change the

laws of the debtor countries to permit more investment and greater direct control over the state sector and other strategic sectors of the economy; they proposed swapping debt for equity. Or, in other words, to reduce Brazil's debt in exchange for ownership in companies such as Petrobrás, Electrobrás, Vale do Rio Doce. They proposed reducing the sovereignty of those countries to achieve this. How would a country like Brazil respond to these intentions?

Haddad: Today, we have a democratic opening. It has not reached the stage of a totally democratic regime, but today these problems are being debated by the entire Brazilian population, and there is a consensus in Brazil against any sort of IMF conditionalities whatsoever that would mean a lowering of the income of the working class or any other anti-national measure. This today is the consensus of almost the entire Brazilian population.

I believe that things could reach the point at which someone might try once again to shut down the democratic liberties of the underdeveloped countries, simply because in totalitarian regimes truths are not brought to light and issues are not discussed. If the democratic opening is maintained, I am sure that Brazil will not accept this type of interference against sectors such as Petrobrás, Vale, or Electrobrás. This is a very serious matter internationally, and all Third World nations should be aware of this in order to confront impositions from the IMF and the international financial community.

EIR: Do you think the policies imposed by the IMF on the Third World are totally negative and destructive?

Haddad: We observe that they impose certain conditions that cause a cooling off of the economy. They lead to the impoverishment of the Brazilian population, a recession. Therefore, none of us can agree to something that is going to create more and more social crises.

EIR: Returning to the start of our discussion, the \$150 million which you intend not to pay. . . .

Haddad: We have already told Banco do Brasil that we have no means to pay. We have already been granted a delay of nine months on the payment we were supposed to pay this month, and another nine-month extension on the payment due next April.

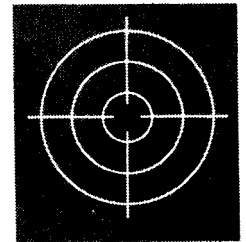
EIR: Banco do Brasil granted this, not the Bank of Montreal; in other words, Banco do Brasil is going to pay the central bank, which. . . .

Haddad: The impression we have is that this loan to the municipality of Rio de Janeiro and to the state of Rio de Janeiro, is going to be included in the overall foreign debt of Brazil.

EIR: And this also won't get paid?

Haddad: That's another question altogether, isn't it?

Airline deregulation endgame: the destruction of labor



by Leif Johnson

On Sept. 15, 1981 *EIR* published a survey demonstrating that deregulation of the U.S. airline industry would cause heavy corporate losses, resulting in dismemberment of the excellent air traffic network the nation had enjoyed since World War II. Entitled "Deregulation Schedules U.S. Airline Service for a Return to the 1930s," the report foretold technological stagnation in the industry, a devolution to regional carriers from national trunk route service, increased fares, reduction in regional and local service, and a "recycling of labor" to enforce wage cuts of 30 to 50 percent.

The ensuing two years have proven *EIR* correct in even the smaller details of our report. In the second part of that survey, "An Experiment in Labor Recycling: the Gameplan for Airline Employees," we said:

"Airline deregulation offers the financial group [that lends to the industry] an opportunity to conduct a labor experiment that is perhaps even more fundamental to oligarchic plans than the reversion of the system to a luxury service. . . . Airlines are now conducting a recycling of labor that, if successful, could reduce wages in the industry by an average of 30 percent and reduce the highest wages by as much as 50 percent. . . .

"The large airlines will recycle labor downward to the newly created 'new entrants' although both groups are, in fact, financed by the same source. To enhance this process it is possible that one or even two major carriers will go bankrupt in the period ahead, or that a major company like TWA will move further toward becoming a hotel, vending machine and food distribution company, dumping its routes on the new entrants."

Such forecasting accuracy was the result of *EIR*'s focus on the essential element of "deregulation," which was and is, the destruction of the industry's wage levels as part of an overall assault on the nation's wage scales, under Federal Reserve Board chairman Paul Adolph Volcker's usurious regime, beginning in October 1979. Extraction of usury from the nation's industries requires cutting other costs, with wages targeted as the "fattest" item to be shorn.

Since September 1981, the airline industry has suffered

extraordinary financial losses due to the inefficiencies of a situation in which many carriers fly the same route with half-empty aircraft. The industry has grounded its largest and most efficient aircraft while the older ones are used by "new competitors," and has slashed maintenance, which resulted in at least one major accident—the Air Florida disaster in Washington D.C. Wages have tumbled throughout the industry.

Losses for 1981 were \$455 million; for 1982, \$733 million; and for the first half of 1983, \$540 million. Airlines blame the heavy fare discounting on heavily traveled routes. In 1981, a total of 71 percent of all fares were discounted in some manner; by 1982 it was 78 percent, and according to Eastern Airlines, today between 85 and 90 percent are discounted. (Fares on non-discount routes have, as we predicted, zoomed, in effect subsidizing the discounted passengers.)

With less than a dozen large carriers nationally, why do they embark on such ruinous fare warfare when they could easily agree not to slash fares? Well, say the "old airlines," the new entrants are discounting fares, so we must too. That might be a convincing argument except that the bankers for the industry are the same for the old and the new airlines. Then why haven't the bankers put a stop to the ruin of the industry they finance?

The most remarkable point of the Freddy Laker fiasco was that the London centered banks pulled his plug. Despite the Queen's praise for Laker's business acumen, "Sir" Freddy's operation was a loss from beginning to end, the only purpose of which was to damage the U.S. air transport system with their John D. Rockefeller "free trade" principle of undercutting the market until the competition was ruined.

Aviation Week and Space Technology reported in March 1982 an unnamed "New York banking official" as saying, "The one saving grace for the airlines is their amazing ability to 'scrape up cash' when a situation demands it." He claimed lenders are paying careful attention to whether the carriers are "1) taking remedial action to bring losses to a halt; 2) cutting costs; and 3) gaining concessions from unions and other employees in work rules and productivity."

Then came the Braniff bankruptcy. The company had

been run by a "new breed" entrepreneur, i.e., just another front man for the banking consortia that were enforcing the wage collapse in the industry. "Braniff showed the airline unions that even if they make partial concessions, it may not be enough to keep their jobs," explained an industry analyst at a New York investment bank house. The analyst had no disagreement with how the airline had been run.

"We are not against dereg, we just have to get rid of the dinosaur of the industry—those \$100,000-a-year captain's wages and all those high-salaried ground personnel. Seventy-eight percent of our fixed costs are labor," Pola Musto—a public relations spokeswoman for Eastern Airlines—exclaimed recently. Eastern lost \$256 million between January 1980 and June 1983, and corporate president Frank Borman sent employees a take-it-or-leave-it-letter on Sept. 20 announcing a 20 percent pay cut, vacation, medical, and seniority reductions, with new employees hired on a lower pay schedule. The Wage Investment Program (the previous wage reduction scheme) was replaced by a "profit sharing plan." "God bless you" was the cynical closing of the letter.

A chronicle of the talks between the Continental Airlines employees and Francisco Lorenzo, the head man at Continental Airlines makes conclusive the case that deregulation is pointed primarily at the wages in the industry.

April 1, 1981: The employees' efforts to buy Continental were sabotaged by current Democratic National Committee head Charles Manatt's law firm, Manatt, Phelps and Rothenberg, which represented Francisco Lorenzo in his takeover bid for the airline. The pilots had succeeded in tacking on a stock option plan on the 1981 Economic Recovery Tax Act which passed the Senate but was defeated in the House conference committee by the Manatt firm. Manatt, Phelps and Rothenberg as well as Aiken and Gump, the law firm of Robert Strauss, the former head of the DNC, continue to represent Lorenzo.

Aug. 1982: Pilots accept Lorenzo's "Prosperity Plan" giving back \$100 million in wages through 1984.

Jan. 7, 1983: Lorenzo demands flight attendants give back \$37 million and pilots an additional \$35 million. Pilots ask that all unions, lenders and management meet together. Lorenzo refuses unions access to lenders.

June 9, 1983: Lorenzo demands \$45 million from pilots and threatens to lay off mechanics if they strike. Mechanics and maintenance personnel strike and are replaced by outside vendors.

Aug. 13, 1983: Lorenzo produces a "73-hour proposal" demanding \$92 million give-back by pilots.

Sept. 14, 1983: Lorenzo increases employee payback demand to \$150 million. Flight attendants offer a \$42.7 million giveback in first year. Lorenzo terms offer "worthless."

Sept. 23, 1983: Lorenzo tells pilots that "within 24 hours we will all become somewhat constrained in our ability to act."

Sept. 24: 1983, Lorenzo files a Chapter 11 Bankruptcy procedure despite the fact that the company is liquid and has

\$200 million in working capital. The purpose of the bankruptcy filing, admitted Lorenzo, was to break the union contracts.

Oct. 1, 1983: All flight personnel strike Continental.

If the financial institutions sought deregulation for the purpose of ruining the airlines' wage structures, wasn't this an expensive way of doing so? After all, unintended bankruptcies could occur, and banks could suffer losses.

In fact, it would be highly unlikely that any employee group would offer substantial wage concessions to a company that was making profits. It would be necessary to prove not only short-term but prolonged losses, with the company running cost-cutting operations, to convince the unions to give back as much as 30-50 percent of their salaries (the exact figure demanded by Lorenzo and predicted by *EIR* in September 1981).

But then, even with such wage cuts, airlines cannot become profitable if the discounting continues. What then?

Then the banks discover the need for "re-regulation." According to Fred Thayer, an airline specialist originally from the University of Pittsburgh, the industry should not simply "re-regulate" but should give companies monopolies on routes so that the cutthroat competition would be eliminated. Presumably this would guarantee the outstanding bank loans to the airlines. Thus airlines would be reduced to providing luxury service to those who could afford it, operated by crews working at rock bottom wages.



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Trucking collapse proves Fed is lying

by Lonnie Wolfe

If the much ballyhooed recovery were real, it would show up in a dramatic increase in freight carriage, both trucking and rail. If industrial production were up, as the liars at the Federal Reserve and the Commerce Department claim, the products or their component parts and materials would have to be transported at several stages of the production process.

But according to the American Trucking Association (ATA), the large industry-wide association, the trucking industry is in a state of collapse, with no end in sight.

Freight carriage is measured in ton-miles—the number of miles one ton of cargo is carried. The latest ATA figures for the supposedly robust second quarter of 1983 show freight ton-miles flat—there was no increase over the disastrous second quarter of 1982. In fact, there was a slight decline—from 24.983 million ton-miles in 1982 to 24.437 million ton-miles this year.

These figures place the industry operating at less than two-thirds of 1979 capacity. They are even more dismal if compared to 1978, the last year before the Ted Kennedy-Jimmy Carter deregulation assault on the industry and the year before Federal Reserve chairman Paul Volcker achieved his interest rate stranglehold on the world economy. Trucking industry analysts describe the second quarter of 1978 as “mediocre,” yet freight ton-miles were 44.992 million.

The indices go haywire

The ATA has also drawn a useful correlation between the Fed's published production index and the ATA survey.

Over the last several decades, freight ton-miles have been a very volatile economic indicator, but they have always moved in the same direction as the Fed index. Whenever there was a downward turn in the economy, there would be a sharp decrease in freight ton-miles. Conversely, when the Fed index soared there would be an even steeper increase in freight ton-miles carried by trucks. When properly weighted, the two indices would have a one-to-one correspondence.

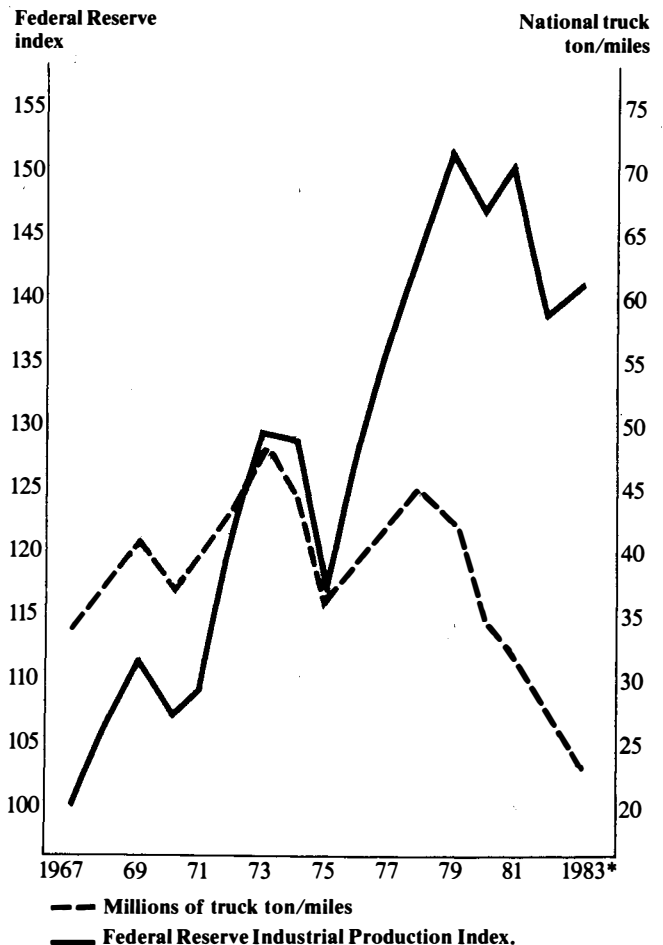
But in 1981, as Volcker's first, aborted upturn got underway, truck ton miles went down. When the Fed indices started their “turn” upward again in summer-fall 1982, truck ton-miles rose only marginally, lagging behind the industrial production index like a truck with a flat tire. As the Fed's

recovery turned more “robust,” truck ton-miles started to drop and continued to fall off.

“Somebody is monkeying with the figures and it isn't us,” said a trucking industry spokesman. “How else can you explain what is happening? We know we are not lying.” People over at the Fed and Commerce Department retort that the ATA survey deals with regulated carriers, and some of the missing freight tons doubtless slipped over to unregulated carriers and the railroads.

“That is a big lie. First, the owner-operators and unregulated carriers are hurting real bad. In fact, they have only marginally gained tonnage, to the best of our estimates and theirs. Many of these owner-operators have been hired by

Trucking figures challenge Fed's output reports



Source: American Trucking Association, Federal Reserve Board.

*Average for the first two quarters.

The Federal Reserve Production Index, issued on a quarterly basis, has been averaged here for a yearly figure. In the index, 1967 = 100. The truck ton/mile figure is the result of a quarterly survey of regulated common carriers taken quarterly by the American Trucking Association. One ton carried one mile is a ton/mile. These quarterly statistics have also been averaged on an annual basis.

fleets and other regulated carriers. We don't like that, but it's a fact of life. The freight carried by these owner-operators shows up as regulated freight ton-miles, and the Fed knows it," replies the industry spokesman.

"And railroads don't carry what is hauled by regulated carriers. Automobiles, auto parts, dishwashers, household goods—isn't that what the recovery is supposed to be all about? We are still the core of the trucking industry. Where are the goods if our carriers aren't hauling them?"

Disinvestment

The Fed and Commerce Department point to figures that show a dramatic doubling in trucking company profitability and after-tax income in the past year. But where do these so-called profits come from?

According to the ATA, overall investment in the industry has been *negative* since 1980. Between 1980 and 1982, industry disinvestment is put at more than \$500 million. As a result, older, often inefficient and unsafe trucks are being pushed to the point of collapse. Breakdowns of plant and equipment are increasing. And when something finally goes over the edge, it is discarded rather than replaced.

The wage bill has been lowered over the last two years, primarily through mass layoffs of Teamsters, now numbering close to 300,000, and through contract givebacks. For all practical purposes, the Teamsters' Master Freight Agreement (MFA) is a dead letter, violated at will by companies putting the bankruptcy gun to the heads of union members.

No one—not the industry, not union officials—expects a rehiring of laid-off workers. "How can they be rehired?" said a union spokesman. "There is no recovery." Widespread awareness of that fact was behind the Teamster members' overwhelming rejection of a giveback contract rider on the Master Freight Agreement in September.

To make matters worse, the Interstate Commerce Commission is proceeding apace with actions designed to further deregulate the industry. Both the Teamsters and trucking industry spokesman have appealed to the ICC and Congress to reverse the process. For the most part, they have run into a stone wall.

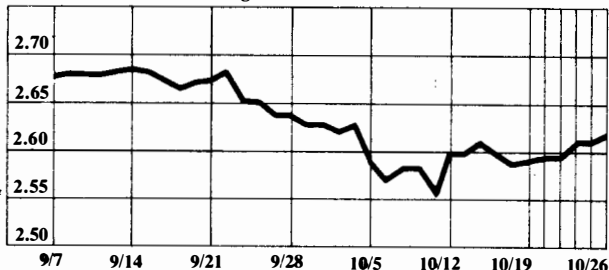
Earlier this year, it was hoped that the presidential election campaign might serve to brake some of these deregulatory moves. The thinking was that the Reagan White House would do nothing to make matters worse while courting the support of the still-powerful Teamsters. But an industry source now comments, "The ICC is a rogue agency gone crazy with deregulation. I don't know if even Reagan himself could stop the process if he wanted, and I am not so sure that he wants to. It's that goddamn free-market ideology he believes in."

Wage-gouging and rationalization mean that the industry is suffering from long-term disinvestment in both capital and labor. Even if deregulation were slowed or actually reversed, "it is too little, too late for most of the trucking industry," said this source. "The only thing that will help is a real recovery."

Currency Rates

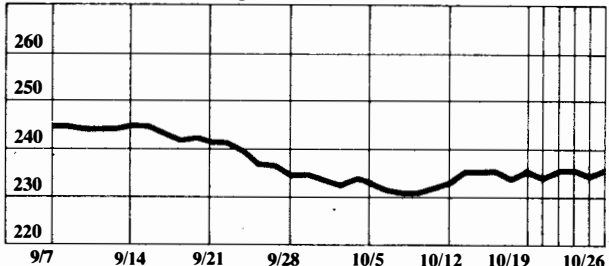
The dollar in deutschemarks

New York late afternoon fixing



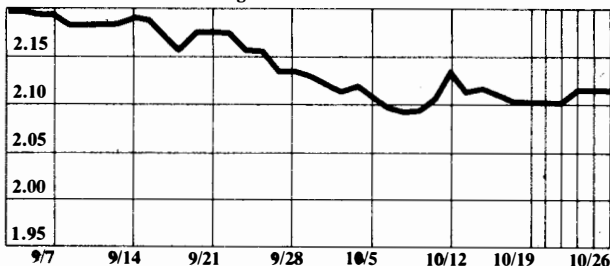
The dollar in yen

New York late afternoon fixing



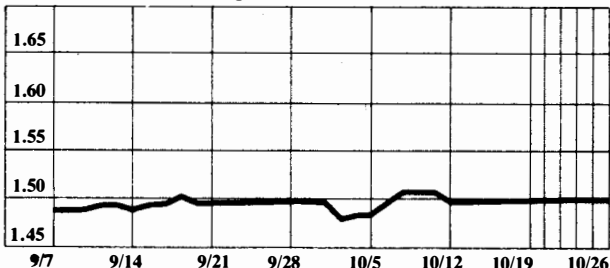
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The U.S. infrastructure deficit: requirements reach \$3.5 trillion

by Richard Freeman

In July and August 1983, two water-main breaks occurred in New York City, one causing a fire that shut down power supply in the garment center area for five days. Sixty percent of New York City's water mains are over 80 years old. At the same time, a major water main broke in Boston; a PATH train terminal station roof collapsed in New Jersey, killing two and injuring more than 10; the Mianis bridge and part of the interstate highway system collapsed in Connecticut, killing three—if the collapse had not occurred at 3:00 a.m., hundreds would have been killed.

Over the past three years, the following national catastrophes have occurred:

- The storm drains in New York City became unable to handle the volume of a summer rainstorm; run-off caused untreated sewage to flow into nearby rivers.
- A dam, rated hazardous three years ago, burst in Colorado. Four people were killed, and survivors were left with millions of dollars in damages.
- Courts across the country released criminals early from prisons because of overcrowded and antiquated facilities.
- A bridge near Toledo was weight-restricted and heavy commercial traffic faced a 23-mile detour into the city. Consumers paid the increased costs for goods and services.
- An 80-year-old water tunnel broke in 1982 and more than 300,000 New Jersey residents lined up for nearly a week to get fresh water from National Guard supply trucks.
- County officials in Arizona, facing massive highway repair bills, ripped up 250 miles of potholed highways and replace them with graveled roads.

Productivity determinants

This perilous condition of the roads, bridges, waterways, irrigation systems, transport, energy systems, and related infrastructure required for industry and agriculture is no-

where reflected in the Federal Reserve's industrial statistics. Yet these determine the economy's potential. If infrastructure is collapsing, as it is today, even the most advanced industrial processes must eventually collapse with it.

The first Treasury Secretary of the United States, Alexander Hamilton, emphasized in his 1789 "Report on Manufactures" to the U.S. Congress, that the state of a nation's infrastructure determines the level of its tax revenues, and its productivity in industry and agriculture. Over the past two decades, by any standard, America's internal sinew, its infrastructure, has disintegrated at galloping rates with little replacement.

During the 1950s and 1960s, state and local government spending for capital projects had grown, reaching a high point of \$22 billion (in constant 1972 dollars) in the late 1960s. But in the mid-1960s, the Johnson administration's "Great Society" program began to shift the economy from industrial to "post-industrial," i.e., away from capital projects and scientific advances.

By 1981, state and local government capital spending had fallen to less than \$3 billion in constant 1972 dollars. At the federal level, construction grants as a share of total grants to states and localities fell to 25 percent by the late 1970s, from 44 percent in the early 1960s. Nixon's impounding of federal funds for localities in the 1970s in order to balance the budget was followed by high interest rates since Volcker took over at the Fed in late 1979. State and local governments have now plunged into budget crises, cutting capital budgets and eventually operating budgets as well. The result is an infrastructure disaster of national-security proportions.

Infrastructure needs

This partial list reflects a deficit in the national infrastructure bill of materials—cheating that can't go on forever.

Totaling infrastructure needs in each section of the economy, *EIR* estimates the deficit at \$3.5 trillion: the magnitude of investment required over the next decade to repair and rebuild the nation's infrastructure. Many of these sectoral estimates have been reported by U.S. government agencies, private trade associations, and economists.

The infrastructure bill of materials includes:

Highways and bridges outside urban areas: \$1 trillion

City streets: \$600 billion

Municipal water systems: \$125 billion

Ports and inland waterway systems: \$40 billion

Constructing and renovating up to 3,000 prisons and jails: \$15 billion

Completing current nuclear power plants and building new ones: \$300 billion

North American Water and Power Alliance plan for irrigation, hydroelectric power, and transportation from Alaska to northern part of Mexico: \$250 billion

Railroad repairs and construction: \$94 billion

In addition, an estimated \$1 trillion, \$100 million a year over 10 years, is required above current levels of spending to **modernize U.S. plant and equipment**—which can properly be viewed as categories of basic infrastructure.

The specific tasks subsumed by this list include:

National highways: The Department of Transportation has documented that the nation's 42,944-mile interstate-highway system, begun in the 1950s, is crumbling. Pavements erode in 15 years or less, and maintenance expenditures since 1980 have been minimal. Although the interstate system constitutes less than one percent of the nation's highways, it handles over 20 percent of all highway traffic. *At the current rate of erosion, 2,000 miles of highway erode every year.* Assuming 1973-80 average levels of construction costs, it will require approximately \$75 billion to build the 1,500 miles of road planned to complete the nation's interstate highway system, and an additional \$625 billion to rebuild worn-out road or road that will become obsolete during the next 10 years.

In even more serious decay are the 3.9 million miles of roads totally funded by states, counties, and cities. A recent survey by the Road Information Program, a Washington research group, showed that almost two-thirds of major roads need resurfacing or rebuilding. Further, pre-stress concrete begins to give way after 20 years, if steel bars are exposed to water because of lack of road repair. One engineer states, "My biggest fear is that some bridges and sections of highway built with pre-stress concrete could snap like guitar strings."

Bridges: Nearly 45 percent of the nation's 557,516 bridges is classified in a recent official report as "either structurally deficient or obsolete." These include 26 percent of the bridges on the federally aided road system that carries most of the nation's traffic. Of the total of officially "deficient bridges," 126,655 are so unsafe as to be restricted by federal law to light vehicles or closed altogether pending rehabilitation.

U.S. Steel reports, for example, that it spends an extra \$1 million a year detouring its trucks around a closed bridge in Pittsburgh. At least 3,416 of the "deficient" bridges have been closed for good. The Department of Transportation places the cost for rehabilitating, or, where necessary, rebuilding, the nation's bridges at \$47.6 billion. Yet the fiscal 1981 Federal Highway Administration budget allocated only \$1.3 billion to bridge repair.

A 1982 survey by the Federal Highway Administration study found that spending an extra \$4.3 billion to fix dilapidated bridges and roads *could save 480,000 injuries and 17,200 lives over 15 years.*

City streets: It takes 100 pounds of asphalt to fill the average pothole; the record cold winter of 1982 left between 250,000 and 1 million potholes in Chicago alone.

Locks: Bottlenecks at the nation's locks are seriously affecting shipping, particularly shipping of farm products and coal. According to a recent Army Corps of Engineers study, the average age of 184 principal locks on the inland waterway system is 40 years old; 56 are over 50 years old and obsolete. Many locks are expected to be congested in the next few years or to actually restrict waterway traffic. A minimum of \$9.7 billion is needed over the next 20 years to repair and modernize the locks.

Waterways: The waterway system was extended and developed in the period following World War II, without much attention to maintenance. It is estimated that \$32 billion for dredging and maintaining facilities and canals over the next 20 years is needed.

Ports: The General Accounting Office has cited the need to deepen ports as the most urgent navigation issue facing Congress. Over the next 20 years, the United States will have to spend \$3.5 billion to accomplish this.

Dams: Thirteen percent of the dams surveyed by the Army Corps of Engineers has been classified as "high hazard" because of their potential to endanger human life and damage property. No cost assessment has been made for all dams, but those under the jurisdiction of the Bureau of Reclamation require an average investment of \$13.5 million; for the 8,794 high-hazard dams identified by the Corps of Engineers, the total cost of repair would accordingly reach \$119.4 billion.

Factory plant and equipment. *EIR* estimates the minimal requirement for new factory plant and equipment at \$1 trillion. This need is in part disguised by the fact that the current plant and equipment spending of \$330 billion reported by the Commerce Department includes payments for leasing fees, interest charges on bond amortization, purchase of car fleets, and so forth. The proportion of machine tools in American factories 20 years or older has grown dramatically over the past 10 years, according to the National Machine Tool Builders Association. The steel industry, by its own admission, is making less than half the capital spending per year that is required just to hold the line against further collapse in plant and equipment.

The Ruckelshaus ban on EDB will sabotage agriculture

by Marjorie Hecht and Lonnie Wolfe

The Environmental Protection Agency issued an emergency ban in September on the major agricultural use of ethylene dibromide (EDB) because, it said, the chemical is contaminating groundwater in several states and had increased the risk of cancer and birth defects. Although the environmentalists and the news media have promoted this particular cancer scare story for the past few years, *there are no facts to back it up*: Scientists have found no evidence showing that EDB use leads to an increased risk of cancer in humans.

The truth is that it is the ban on EDB that will cause damage to human life. If not reversed, the ban will shut down nearly all tropical and semitropical fruit production in the Western Hemisphere—U.S. citrus growers, as well as Caribbean fruit exports. Alternatives will be less effective and much more costly. The EPA has acknowledged that damage to the citrus fruit crop alone as a result of the ban will amount to \$69 million per year. Grain storage will also be endangered. There is no current replacement for EDB as a liquid fumigant for use in infested grain silos.

Whose risk?

EDB has been widely used since 1948 to combat soil nematodes, soil insects, and various tropical fruit flies. The emergency ban applies to the use of EDB as a soil fumigant, where it is injected into the soil to kill nematodes and other insects, particularly in citrus groves, but also to protect cotton, potatoes, peanuts, and other row crops. The EPA also ordered a one-year phase-out of other uses of EDB, such as the fumigation of citrus and tropical fruits after harvest and fumigation of flour mills and grain silos.

The ban was piously justified by EPA head William Ruckelshaus, the man who admitted 10 years ago that he banned the pesticide DDT for political, not scientific, reasons, after seven months of EPA hearings had shown the DDT to be safe. Ruckelshaus said that the immediate ban on EDB was necessary because “human health risks . . . clearly outweigh the benefits of waiting the 30 days before such bans normally become effective.”

The question of risk is key. As the EPA has practiced it, health risk is postulated not on scientific fact but on public opinion, while the real risk—what happens if the pesticide in

question is *not* used—is ignored.

For example, since DDT was banned in 1972, the incidence of malaria has increased worldwide. Now 210 million people suffer from the disease and 10 million people die per year from it. A well-known U.S. expert on pesticides, entomologist J. Gordon Edwards of San José State University in California, has estimated that anti-pesticide regulations in the United States are responsible, directly and indirectly, for the death of between 60 million and 100 million people a year. This staggering death toll is not part of the EPA calculation of risk.

Falsified data?

While Ruckelshaus did not base his final judgement on DDT on scientific evidence, he did wave reams of test data that allegedly showed potential harm to humans to justify his claim that scientific opinion was “divided” on the matter. That test data were for the most part compiled in the Bio-Test Laboratories, an outfit reportedly employing former Ruckelshaus EPA staff and created with the assistance of Ruckelshaus-backed EPA contracts. This fact alone would cause its data on politically explosive issues such as DDT to be suspect.

In late October, officials of Bio-Test Labs were convicted for conducting fraudulent tests and fudging results. But Bio-Test’s connection to the DDT ban was neatly covered up by current EPA officials and their obliging allies in the media. Instead of calling for the entire DDT file to be reopened, EPA officials used the Bio-Test case to call for additional bans on chemicals and toxins that have already been approved for use.

No case for the ban

The scientific verdict on EDB is clear: It has not been shown to cause cancer or damage the reproductive capability in humans, although both these effects have been shown with mice in the laboratory.

Dr. Sorell Schwartz of the Department of Pharmacology at the Georgetown University School of Medicine told *EIR*: “Although EDB is found to be a potent animal carcinogen in laboratory tests, after 35 years experience with human exposure an equivalent risk has not been shown in humans. . . .

The risk of cancer associated with pesticides used in an appropriate fashion is extremely low and what risk there is is a theoretical one based on highly controversial mathematical assessment methods.”

Dr. Ely M. Swisher, a consultant who worked for 38 years in the pesticide industry, commented: “To my knowledge, there has never been any proven case of cancer related to the use of pesticides when these are used reliably on a food product. . . . All the allegations about cancer caused by pesticides are based on speculation. . . . There has been no case of anyone coming down with any serious disease from eating fruit or vegetables when those contained the allowable amount of pesticide residue. . . . That residue won’t cause any disease. The legal amounts are so low, that there is no way this could happen.”

According to some observers, what clinched the 10-year debate on EDB for the EPA ban was the media propaganda around an accident in which two chemical employees died in Bakersfield, California a year ago, after entering what they mistakenly thought was an empty tank of EDB to clean it. In mid-September, ABC-TV ran a gory documentary conveying the idea that scientists agree that there is no difference between the minute traces of EDB found in the soil or water and the relatively enormous amount of EDB in the tank—any detectable amount of EDB is bad.

In the Bakersville incident, the plant foreman entered the tank to clean it without wearing any protective gear. When he collapsed, the plant manager went into the tank to rescue him, also without the required protective gear, and he too collapsed. Both men died from the effects of exposure to a very high concentration of EDB.

The damage

The citrus-producing states—Florida, California, Texas, Arizona, and Hawaii—have an endemic problem with various types of fruit flies—including the medfly, and in Florida, the mexfly—which infest the harvested fruit; these states will not be able to export fruit or ship it interstate without finding an alternative to EDB. According to a spokesman for the Florida Department of Citrus, “There is no chemical alternative.”

The Democratic Party’s Agriculture Policy Committee chairman, Texas Agriculture Commissioner Jim Hightower, put out a press release immediately after the EPA ban extolling the virtues of biologicals, “natural pesticides,” such as sterilization of fruit flies; but this simply cannot do the job. Hightower’s career has been backed by the Field Foundation, the Institute for Policy Studies, and other funders of the radical environmentalists who are campaigning against high-technology agriculture; he headed their front group, the Agriculture Accountability Project.

Cold storage for fruit quarantine is also impractical because of the length of time most fruit has to be stored (13 to 17 days for oranges) and the energy cost. Also, many tropical fruits cannot take the cold storage treatment. A third alter-

native, gamma-ray irradiation, could be viable within 18 months, if not for the media/environmentalist propaganda about nuclear radiation that has prevented the development of this industry.

To fumigate infested grain, farmers have used EDB, which can be applied directly from the top of the silo. There is no substitute chemical which is both inexpensive enough and easy to use. The only alternative is for the farmer to hire a professional fumigation service, which is much more costly. EDB is also applied periodically to fumigate hard-to-reach sections of milling equipment.

Administration boxed in

Under Ruckelshaus’s direction, the EPA is operating as a rogue agency, outside the control of any responsible figures in the administration, even the White House itself. As the EDB decision indicates, EPA is taking actions which are not only scientifically unsound and destructive to the economy but politically damaging to the President’s constituencies.

The President’s advisers are aware of this situation, but feel powerless to correct it. “The media and the Congress have boxed them in,” said a source familiar with White House thinking. “They ran that Watergate of the previous EPA leadership on the toxic waste question and forced Reagan to fire people. More importantly, to bail out the situation, the White House stupidly turned to Ruckelshaus and all but gave him a blank check to do as he pleases. Now they feel they can’t touch Ruckelshaus or they will get bad press. It’s an election year, you know.”

The watering of former EPA chief Anne Burford also claimed Dr. John Todhunter, the head of the EPA’s toxic chemicals and pesticide program. Todhunter’s major crime was his refusal to accede to every demand of his rabidly-environmentalist staff for wholesale bans of alleged chemical toxins, including EDB.

The man who replaced Todhunter is the ringleader of this gang of environmental saboteurs and scientific fakers, Ed Johnson. A man who privately boasts of his friendship with the leadership of the Friends of the Earth and similar environmental groups, Johnson has been involved in every ban of chemicals made by EPA since the DDT decision. He gained infamy with U.S. farmers when he almost single-handedly banned the only chemical effective against the crop-destroying fire ant.

Ruckelshaus, Johnson, and their co-conspirators have been given cover for their action on EDB by a chorus of environmentalists and others who claim that the ban is not extensive enough. The AFL-CIO, for example, dispatched a letter from its Grain Millers Union demanding that the ban be total and immediate. Johnson, sources say, privately welcomes such assistance and even solicits it.

“The EDB is an important test case,” said a corporate environmental consultant. “Ruckelshaus and Johnson are feeling their oats. If they can get away with this there is no telling where they might strike next.”

Pressure mounts on the CAP

European budget-cutters and U.S. free marketeers think Europe's 8 million farmers are "over-producing."

The European Community suspended advance farm subsidy payments in an unprecedented action that reflects the severity of the 10-nation economic community's growing budget crisis. The decision to halt the customary practice of issuing advance payments on all export contracts until January 1984 was taken on Oct. 11 at a special joint meeting in Athens of Common Market foreign, finance, and agriculture ministers. The Common Agricultural Policy (CAP) funds were almost gone, and the EC chose to stall rather than deal with British and West German demands to reform the CAP, which will come to a head before the December EC summit.

Advance payments were initially frozen for 10 days until the European Parliament approved the release of new funds for the CAP, which was down to its last \$550 million. On Oct. 12, a supplementary budget of \$1.48 billion was agreed upon, but a three-month suspension was announced as a precautionary move to keep CAP spending within its budget.

Ordinarily, each exporter received his export incentive on submission of a letter of intent. That amounted to an interest-free loan of up to 30 days. Now, the payments will not be made until he presents the bill of lading, though an individual country can give the advance payment and later be reimbursed by the CAP.

Britain and West Germany, which pay substantially more into the community than they get back, are opposing any increase in the EC budget without a radical reform of the CAP. For the first time, the Netherlands has

come out in support of the British with a proposal to put legally enforceable limits on the growth in farm spending.

The CAP has long been eyed by free marketeers in the United States as an impediment to the destruction of nation-states which insist on supporting their own agricultural sectors. Should the CAP be dismantled, it would not mean an increase in U.S. exports; rather, the world would be thrown into a massive food crisis. The memory of the food shortages of the 1930s and 1940s still hangs over Europe, an obstacle to altering EC agricultural policy.

Since U.S. exports started to decline in 1981, pressure on the EC to halt Europe's "growing surpluses" and cries of "protectionism" have escalated. U.S. exports to the EC were down 40 percent last year. Pressed by the grain traders, the U.S. Department of Agriculture began making formal complaints to GATT. Secretary Block does not want the EC to pay its farmers higher prices for grain production regardless of how low the manipulated market price falls.

The main drain on the EC budget has indeed been increased subsidies to compensate for the past two years of very low crop prices.

Now the EC has finally put forward a reform outline for discussion. The reforms, vague in time frame, amount to budget and production cuts. They include a review of direct aid and premiums; automatic dismantling of monetary compensatory amounts, the special duties and subsidies on inter-EC trade; and a more "restrictive" farm price policy.

One item which will not sit well in Europe is an internal quota system on milk production. Two that have already drawn responses from the United States are a tax on EC vegetable oil consumption, which would harm U.S. soybean interests, and import restrictions on non-grains such as corn-gluten feed.

U.S. Deputy Undersecretary of Agriculture Alan Tracy has complained that although the European Commission recommends that EC grain prices be aligned with world prices more quickly, it "offers no timetable." "We have strong doubts that the current EC reform effort will do what Commission officials claim it will." Tracy had to admit that the CAP policy was good for increasing food production, but moaned that it was costing U.S. agriculture "up to \$6 billion a year in displaced trade."

Daniel Amstutz, the USDA's undersecretary for international affairs, testified before a Senate Agriculture subcommittee that the "balance sheet" on trade in wine and other specialty products runs heavily in favor of the Community. He said that even though the tax on feed imports would not be large, it would serve as a "foot in the door" and could lead to far greater taxes in the future. He also said that the United States will not give up the right to duty-free entry of corn gluten meal, because this right was paid for with concessions during previous trade talks.

The House Agriculture Committee and others have sent letters to U.S. Trade Representative William Brock saying "We urge that the U.S. protest to the Community in the strongest possible terms . . . and make it clear that if any of [the restrictive proposals] is adopted, it would result in serious political repercussions in the United States and lead to economic retaliation by this country."

Was gold dealer Saxon murdered?

Reports indicate he was laundering loot stolen from Bullion Reserve Int'l to fund Harriman's Democratic candidates.

Some press reports have already speculated, on the basis of leaks from Los Angeles police sources, that gold dealer Alan Saxon may have been murdered. Saxon was found dead on Sept. 28 of carbon monoxide poisoning in his Marina del Rey sauna, the exhaust of a motorcycle pumping in the gas. A New York State investigation of Saxon's Bullion Reserve International had demanded the firm's financial records the same day.

Bullion Reserve had taken telephone orders for gold to be stored for customers in vaults around the country. Only a fraction of the \$60 million or so paid for by customers was actually on deposit.

Journalists for one of the national newsweeklies have already been shown a "paper trail" proving that Saxon expended upwards of \$50 million on the commodity markets; this is said to be the motivation for his supposed suicide.

However, there is reason to suspect that Saxon's demise, up to the actual event, was a variation on the theme of David Graiver, the Argentine who looted over \$130 million from New York's American Bank and Trust in 1976.

Graiver "disappeared" after a plane in which he was allegedly traveling crashed in Mexico in August 1976, just before the New York Democratic convention that nominated Jimmy Carter. Intelligence sources maintain that much of the Graiver booty, laundered through Belgium, bought convention delegates for Mr. Carter.

California-based sources argue that

in a similar fashion, Saxon had been laundering "walking-around money" for Democratic presidential candidates.

It is not difficult to square the known "paper trail" of losses with such activity, since commodity-market gains and losses are the simplest means to disguise large illegal inflows or outflows from a firm. Narcotics traffickers, for example, use illegal cash to buy and sell the same commodity in the same or adjacent months, then pay off the broker to tear up the losing ticket. There remains no record of a loss, only a record of the matched gain, which may then be presented as legal market winnings.

It is just as easy to tear up the winning ticket, show losses for the books, and turn the matched winnings into laundered funds for political or other purposes.

Well-informed sources in Los Angeles point to the deceased Mr. Saxon's ties to the Greg Bautzer law firm, whose partners include Democratic National Committee chairman Charles Manatt, as well as such other prominent Democratic funders as Paul Ziffren. The Bautzer law firm has reported ties to the Chicago mob through lawyer Sidney Korshak.

Untangling the web of dirty-money operations in Los Angeles, which Saxon was apparently part of, will take some time.

Of special interest is the real-estate and gem-diamonds scam recently brought to the surface, which involved financing from the Commercial Bank of California. Now defunct,

the bank brought together such disparate personalities as Saxon and entertainer Johnny Carson.

The diamonds game, which racked up \$2 billion in transactions, involved alleged Israeli mafia figures who used falsely estimated gem diamonds as collateral for real-estate transactions. The Commercial Bank of California reportedly financed some of the real-estate transactions involved.

Saxon came from nowhere, out of the William Morris public relations agency, one of the biggest in Hollywood. It is tied closely to the Bautzer crowd in the California Democratic party, the sponsors of former governors Pat and Jerry Brown. It is believed that Saxon, whose early life is a mystery, was fronting for this group. No investigation has yet explained how an individual who once lost a job at the American Foundation for the Blind after he was caught stealing petty cash, was able to found a multimillion-dollar gold operation. Saxon's life remained a mystery even to close associates up to the day he died.

On the surface, the difference between Saxon and David Graiver is that the former's body has been found; a close look at the pathologist's report might be of interest. Graiver's disappearance following the 1976 plane crash has led to repeated reports that the Argentine financier, whose South American banks worked with the infamous Propaganda-2 freemasonic lodge, is still alive.

Saxon, to be sure, made a tape explaining reasons for his suicide before his death, but that, by itself, does not prove that he intended to die. Under pressure from the gold market as well as from New York State authorities—and perhaps from federal authorities cognizant of the political angle—he certainly wished to disappear. Perhaps his associates then gave him the surprise of his life.

The Economists

by David Goldman

Stroking the 'Invisible Hand'

The Nobel Committee makes another contribution to maintaining the degraded state of political economy.

This year's Nobel Prize for Economics went to Gerard Debreu, the latest in a long chain of economists who have gone mad constructing a mathematical proof of the existence of the "Invisible Hand."

As Lyndon H. LaRouche, Jr. and I showed in our 1980 book, *The Ugly Truth About Milton Friedman* [New Benjamin Franklin House, New York—ed.], the case histories of Adam Smith, Jeremy Bentham, John Stuart Mill, and William Jevons prove that such exercises are a ticket to the loony bin.

Smith, the inventor of the term, argued in his *Theory of Moral Sentiments* that the "Invisible Hand" assures that individuals, through their bestial pursuit of gratification of the senses, will do God's work in all fields, and that is the only way lowly mortals can do so. Only later did Smith specify this effect for economics.

Debreu and his Stanford collaborator Kenneth Arrow (Nobel Prize 1972) employed linear programming models in an attempt to prove—without the flagrant absurdities of previous such attempts—that a regime governed by the arbitrary whims of producers and consumers produced maximum economic benefit for all.

Of course, systems of linear equations had already been invented over the past century to prove such nonsense. Leon Walras's mid-19th-century model allowed for negative prices and negative production as solutions to his equations. Debreu and Arrow merely assume no technological dimension whatever—not even econo-

mies of scale.

The technical term for the delusory assumption shared by these gentlemen is "equilibrium of the free market," i.e., a condition in which all goods produced "clear" the market at some price.

That such a condition might be fully described in a mathematical model assuming maximum arbitrariness among market participants is a silly presumption. All such efforts must cut out bodily the real subject of economics, i.e. how a population absorbs a surplus of production, above bare physical replacement needs, to increase its command over the earth's surface.

No one even attempts to argue that Debreu's work can apply to any known real economy. It represents the purest form of ideological obsession. At the heart of the obsession is the same cynical Calvinism that drove Adam Smith to insist that individual ego gratification is the path to divine results. It is no different in principle from the argument of the Khomeini terrorist who pulls the trigger of a gun: If a bullet should pierce the head of my victim, he reasons, it is Allah's will, not my trigger finger, which caused this to happen.

That explains why generations of enraged little men like Gerard Debreu devoted their lives to proving that evil is efficient in the universe, and why generations of evil men have funded their efforts.

Smith's brand of nihilism was paid for by the British East India Company, whose training center for foreign of-

icers, Haileyburg College, employed Bentham, James Mill, and Parson Thomas Malthus. In the strictest historical sense, the "Invisible Hand" was the official theory of the proprietors of the world narcotics traffic.

Dope traders, slave traders, Swiss handlers of Nazi flight capital, urban land sharks, IMF purveyors of "conditionalities," and similar cheats and thieves love economists of the Debreu or Milton Friedman stripe. Milton Friedman (Nobel 1976), for his part, selects as his exemplar of glorious free enterprise the capital of the world's heroin traffic, Hong Kong.

For all their wind about the free market, the latest generation of "Invisible Hand" jobbers shade over easily into totalitarianism. The common ground is "systems analysis," whose Delphic Oracle on American soil is the Cowles Foundation, led for years by Debreu's sometime collaborator, Herbert Scarf. The Soviets have embraced "systems analysis," knowing well that any system which reduces human economic effort to linear equations can function as well under Big Brother as under the "Invisible Hand." The leftist economist Abba Lerner and Milton Friedman reached explicit, published agreement on this point in 1949.

None of this should be surprising. The common denominator is an evil, Calvinist (or Hegelian) reduction of humanity to a collection of predestined (or predictable) egos, and rejection of the Judeo-Christian insistence upon the perfectibility of man. Man is in a state of "atonement" to the extent that he fulfills the command of Genesis to "be fruitful and multiply, to fill the earth and subdue it." That is the proper study of economics—the rest belongs to the police-blotter.

As for the "Invisible Hand," better to leave it to Zen Buddhist instruction in auto-eroticism.

Business Briefs

International Investment

Japan rates 'stability' of developing nations

The World Economic Information Service (WEIS) in Tokyo has declared Bangladesh the least "stabilized" developing nation in terms of country risk for corporate investment in a survey report of 30 developing nations. Iran, Pakistan, Argentina, and Peru were rated the next worst risks by the WEIS, an affiliate of the Ministry of International Trade and Industry, according to JIJI press. WEIS released the report Oct. 26.

The destruction of industrial capacity by the burgeoning Latin American debt was demonstrated by the dropping of Venezuela this year from 5th to 25th in a list of "stabilized" countries last year. Peru, which was ranked 19th last year, was ranked 26th in the current report, which was compiled during July and August.

Singapore, followed by Saudi Arabia and Malaysia, was given the highest rating. Mexico, which has complied with IMF conditionalities for a \$8 billion loan package, was ranked the fourth most stable nation.

Financial Policy

Conference demands 'equity' in Third World

The followup conference to September's Geneva World Economic conference on international debt was held in London the week of Oct. 24. Discussion focused on the scheme proposed by Henry Kissinger and associates at an August conference in Vail, Colorado, demanding that indebted developing sector nations be forced to give over "equity" in their resources and state corporations to foreign creditors.

Speaking in London, Mont Pelerin Society and Heritage Foundation economist Allan Meltzer of Pittsburgh called for "creditors to take over the productive assets of country borrowers and convert their debt claims into equity," according to the Oct. 28 *Journal of Commerce*. Meltzer called for

the equity stocks to be marketable to third parties in international markets.

Meltzer claimed he opposed the bill now before the United States Congress that would increase the U.S. contribution to the IMF, favoring instead "free market" methods.

According to the *Journal of Commerce* report, Meltzer was supported at the conference by the Thatcher government. British Chancellor of the Exchequer Nigel Lawson and Bank of England Governor Leigh-Pemberton called for solving the developing sector debt crisis by "more private direct investment."

"The lesson of excessive past reliance on short-term bank lending must be learned," Leigh-Pemberton stated in a speech. Lawson called on the Third World to dismantle exchange controls against foreign investors, starting with Commonwealth member nations.

When asked if his equity scheme wasn't impractical, Meltzer pointed out that Brazil and Yugoslavia both allow private investment in state-owned enterprises:

Group of 10

Bank of Italy for IMF ascendancy

The former Group of 10, which now includes Switzerland, has begun a series of meetings at the OECD in Paris to discuss the issues of currency and debt, with Bank of Italy's Lamberto Dini setting the agenda.

Dini has proposed that, to ensure the dollar is "more stably" linked to the European currencies, the IMF be given "more influence over the economic policies" of the OECD to enforce joint austerity, according to a report in the *New York Times* on Oct. 27. Dini noted that this will also contract international lending to the LDCs because if the IMF controls creation of liquidity within the OECD countries, it will also control how much foreign credit U.S. and other banks can generate.

The Bank of Italy, taking a much stronger hands-on role than they have in recent memory, is drawing up secret reform proposals to be carried out by the Group of 10's

March 1984 meeting. These include an agreement for a \$3 billion SDR issue by the IMF, which is not intended to increase liquidity, but to give the IMF greater control of world credit flows.

The \$3 billion issue would be used to enable the IMF to become an independent world central bank, by allowing the IMF "to fund itself by creating SDRs at will and lending them out to countries in payments trouble instead of relying on subscriptions of national currency from IMF members," the *Times* says. The Italians also want the United States to make the dollar and U.S. monetary policy subservient to the IMF.

U.S. Industry

Metal fastener production endangered

"Six out of every ten bolts and eight of every ten nuts used in American industry were produced abroad in 1982," the Fastener Institute, the industry's trade association, reported Oct. 25. The Institute reports that since Jan. 1, 1981, one American company has gone bankrupt each month, on average, eliminating one-third of American capacity.

Charles Wilson, secretary of the institute, claims that if the United States were faced with a limited war on the scale of Korea, there would not be sufficient capacity in metal fasteners and other metal-working industries to build necessary armaments and equipment.

Debt Bomb

Brazil: IMF is on a tightrope

The depth of the world debt crisis is forcing some recognition of reality in Western Europe. The first objective discussion of the Latin American debt bomb was published on Oct. 25 in the hitherto incompetent left-wing paper, *Liberation*.

In an article titled "Debt: The Brazilian Powder Keg," *Liberation* compares the IMF,

Briefly

● **THE SWISS** Banking Commission is circulating a "hit list of undesirable countries" to whom Swiss banks should not loan, and against existing loans to whom Swiss banks should accumulate emergency reserves, according to the Oct. 27 *Financial Times*. The just-released annual report of the Commission says that Swiss banks "have not remained immune" to the debt crisis.

● **FEWER MERCHANT** ships are now built in the United States than in 15 other countries, led by Poland, South Korea, Brazil, and Spain. The Soviet Union, China, Romania, and India all lead U.S. merchant shipbuilding.

● **THE ASEAN** nations, including Thailand, Malaysia, Singapore, Indonesia, and the Philippines will not participate in the conference on technical development aid scheduled to take place in Sydney, Australia, Oct. 24, according to the *Neue Züricher Zeitung*.

● **CARLO CIAMPI**, governor of the Bank of Italy, told the Forex Club (the exchange operators association) in Venice the week of Oct. 24 that the Craxi government is performing well, but its austerity measures are not sufficient. The COL escalator must be cut, and new taxes including increased gasoline prices, have to be imposed. Interest rates must not be lowered, he stressed. Industrialists have been calling for cheaper credit.

● **LUIGI SCALFARO**, the Italian Interior Minister, revealed in a late October interview with *Espresso* magazine that the bulk of drug and arms trafficking funds are laundered through gambling casinos. "A civilized nation should shut down all its casinos," Scalfaro stated. Scalfaro recently held a special anti-mafia summit with Milan's magistrates, who told him that Turin attorney general Bruno Caccia was assassinated several months ago by the mafia because he had sent the financial police force to investigate the St. Vincent casino.

the big European and American banks, and Brazilian economic leaders to players in a scenario walking a tightrope without a safety net. After the Brazilian congress decided to veto the IMF austerity, says *Liberation*, "this scenario risks ending with everything on the floor. . . ."

"One must face up to what is evident," the article continues. "The remedies proposed by the IMF and the big international banks are killing the hen which laid the golden eggs."

Severe cutbacks in imports have already "imperiled many many firms working for export markets . . . precisely the activities . . . which would allow the big Western banks to be reimbursed for their loans."

There are only two solutions, *Liberation* continues: Either the banks continue to lend, but at rates lower than those of world markets, or else they "push the country to declare a moratorium in order to stop the financial hole from getting deeper." Both solutions will encourage other indebted nations to demand the same response. "The attitude of Brazilian bankers appears more and more to be the igniting of the long awaited and much feared world debt bomb."

International Banking

Fed confirms threat to Europeans

"I wouldn't be surprised to see a weak European bank forced into trouble" by the shrinkage of the Eurodollar interbank market during the second quarter, Fed Flow of Funds economist Steven Taylor told *EIR* Oct. 28. Asked about the potential effect of the Brazilian crisis on European banking, Taylor stated, "Who knows, with the way the Brazilians are acting? . . . When I saw Kreditanstalt come out with bad figures recently, I said, 'Well, here we go again.'"

Taylor stated that the Fed figures on Europe confirm those just released by the Bank for International Settlements in Basel. The BIS reported heavy European interbank borrowing during the first and second quarters to fund bad LDC loans. The heavy borrowing was possible, according to BIS figures, only because U.S. banks had shipped \$11.2

billion net into the Euromarkets during the first quarter. But this flowdried up during the second quarter, and then reversed to a \$3.4 billion return flow back to the United States.

Fed Flow of Funds figures show a \$8.5 billion (unadjusted) first-quarter flow of U.S. interbank funds to Europe, and a \$4.2 billion reverse flow out of Euromarket into the United States in the second quarter.

Although the third-quarter picture is still unclear, Taylor pointed out that the first-quarter outflow from U.S. banks in any case cannot be repeated. It was during the first quarter that U.S. banks received a massive one-time infusion of \$66 billion (quarterly rate) in new deregulated short-term banking deposits. During the second quarter this dropped to \$30 billion. As a result, the banks had to cut their export of deposits to Europe and also hold on to more long-term U.S. deposits.

World Trade

Renewed attacks on Japanese industry

U.S. Trade Representative William Brock left for Tokyo on Oct. 26 to demand that Japan cut its exports and open its markets to the United States. Commerce spokesman Joanna Shelton, speaking at Johns Hopkins University's SAIS, stated that the problem is the Japanese are producing too much and too well: "The fundamental concern is that Japan has become such a strong international competitor," she was quoted by the Oct. 27 *Financial Times*.

President Reagan is being pressured by Treasury Secretary Donald Regan and Brock. The latter called for sharp protectionist measures against Japan in an interview with the *Journal of Commerce* on Oct. 26, to demand that Japan force up the yen against the dollar, which would collapse its exports, and back up the dollar-sector LDC debt. Beryl Sprinkel, in House testimony the week of Oct. 24, called upon Japan to "liberalize" domestic capital markets and to "internationalize the yen," which would force Japanese banks to roll over dollar-denominated LDC debt into yen debt, backing the debt bubble with the Japanese economy.

Moscow plays its Muslim card in the Middle East

by Allen and Rachel Douglas

During the Carter administration, National Security Council head Zbigniew Brzezinski proclaimed that the rise of Islamic fundamentalism would serve as a "bulwark" against Communist insurgencies along an "arc of crisis" stretching from the southern borders of the Soviet Union, through the Middle East and into North Africa. In Iran, the keystone of the arc, the Carter administration helped organize the overthrow of the Shah by the mullarchy of the insane Ayatollah Khomeini. This was projected as the first of a wave of Muslim revolutions ultimately sweeping into the Soviet Central Asian Republics, which would rise against their Russian overlords simultaneously with the peoples of Eastern Europe. The U.S.S.R. would crack open like a walnut.

Five years later, the political map of the area has indeed changed, but with results that inspired the same Zbigniew Brzezinski to suggest in a June 1983 speech that the United States might as well write off the Middle East, along with Western Europe, and rely only on the Pacific Basin for allies. What is left of the tortured nation of Lebanon teeters on the brink of becoming an "Islamic state" under the domination of Soviet-armed Syria. Ethnic and religious insurgencies threaten to break Pakistan into pieces, one of them a Soviet-sponsored separate state of Baluchistan on the warm waters of the Indian Ocean. Soviet operatives, Central Asian mullahs among them, are fanning out into the region, cultivating assets and leverage, including in Saudi Arabia. Khomeini sits astride the Persian Gulf oil lifeline of U.S. allies in Europe and the Pacific, scarcely veiling his threats to call in Satan number 2 (the U.S.S.R.) if Satan number 1 interferes with his cutting the oil.

It is an urgent matter of national security for the United States, as for the targeted nations of the Middle East, North Africa, and the Indian Ocean littoral, that the widely-shared fantasies of the Jesuit-trained Brzezinski and ideologues like the Sorbonne's Alexandre Bennigsen (author of *The Islamic Threat to the Soviet Union*) be put to rest and the truth admitted: It is Moscow that has mastered the Muslim card.

The arc of crisis has turned into a Soviet arc of opportunity.

Pugwash: the 'Great Game' today

Western strategic analysts underestimate Moscow's capabilities in the Middle East by overlooking one glaring fact: The Soviet Union's assets in the Muslim world have been dramatically augmented by the capabilities of British intelligence and powerful old Nazi networks centered in Switzerland. The clue to this Soviet use of shared assets can be found in the proceedings of the Pugwash conferences, organized by the long-lived senior British intelligence figure and prophet of a new dark age, Bertrand Lord Russell.

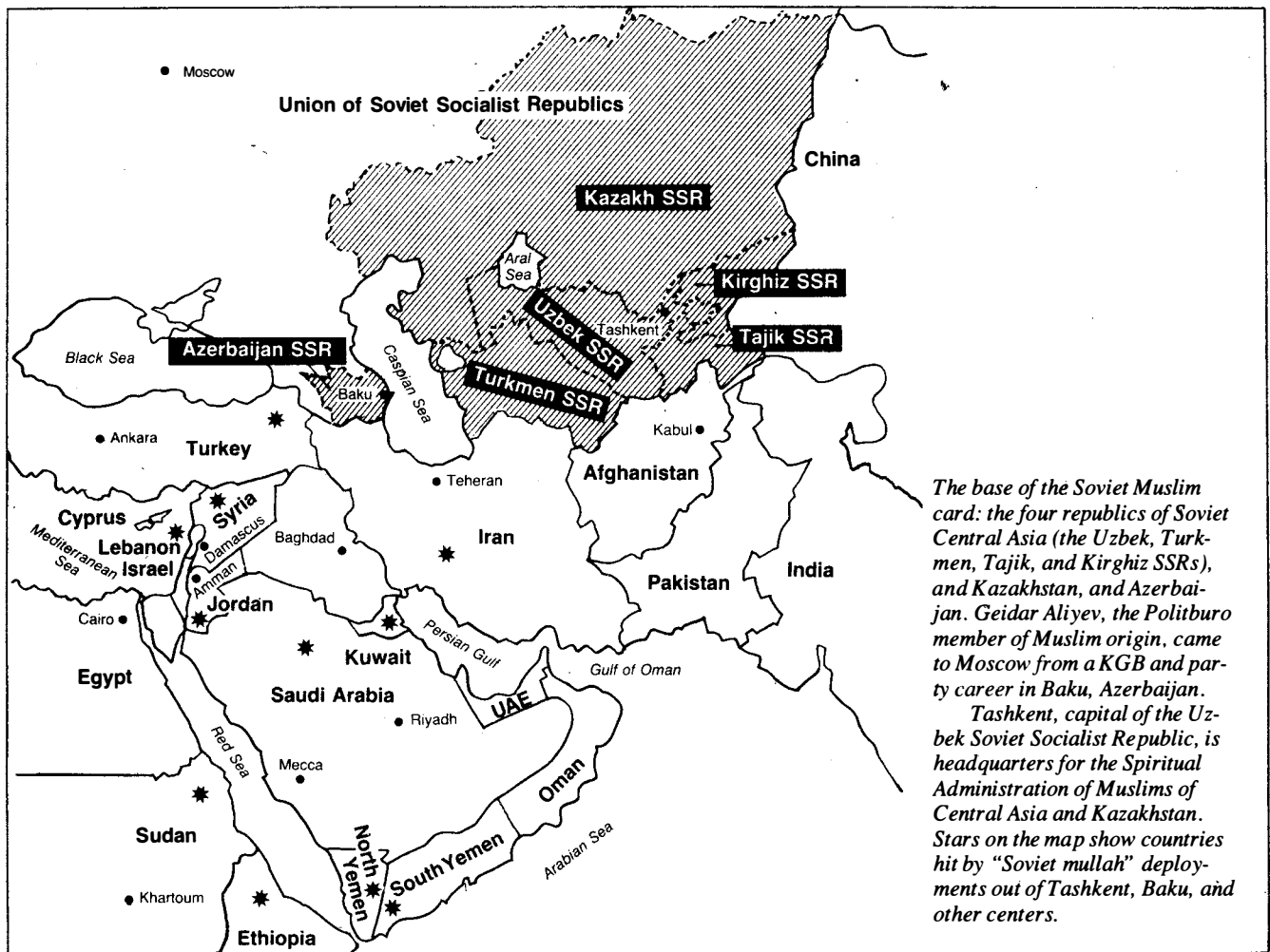
Russell convened the Pugwash conferences with the open goal of establishing a one-world government, with Eastern and Western divisions. Soviet participation was at a high level from the first meeting, in 1957, on.

The Middle East had a central role in the Pugwash scheme of things, as an area of permanent crisis and brinkmanship between the two empires. Dr. Leo Szilard, a Nazi sympathizer during the 1930s and Russell's close collaborator, outlined it in his notorious speech, "How to Live with the Bomb and Survive," delivered at the 2nd Pugwash Conference in Quebec, Canada in 1958:

Let us assume, for the sake of argument, that in the long-range rocket stage [the ICBM was then nearing deployment—ed.] there may occur some major

disturbance which threatens to cut off Western Europe from its Mideastern oil supply. Let us further assume that America is on the verge of sending troops into Iraq and Saudi Arabia, that Turkish troops are poised to move into Syria, and that Russia is concentrating troops on her Turkish border for the purpose of restraining Turkey. Let us further suppose that at this point America may declare that she is prepared to send troops into Turkey and to use small atomic bombs against Russian troops in combat on Turkish territory and perhaps, in hot pursuit, also beyond the prewar Turkish-Russian boundary.

Russia would then have to decide whether she wants to fight an atomic war on her southern border and take the risk that such a war might not remain limited. . . . She might proceed to name some 20 American cities and make it clear that in case of American troops landing in the Middle East she would single out one of these cities, give it four weeks warning to permit its orderly evacuation, and then demolish that city with a single long-range rocket. In order to make that threat believable, Russia would have to make it clear that she would tolerate—without threatening reprisals—America's demolishing cities having the same aggregate population. If America, being willing to lose



The base of the Soviet Muslim card: the four republics of Soviet Central Asia (the Uzbek, Turkmen, Tajik, and Kirghiz SSRs), and Kazakhstan, and Azerbaijan. Geidar Aliyev, the Politburo member of Muslim origin, came to Moscow from a KGB and party career in Baku, Azerbaijan. Tashkent, capital of the Uzbek Soviet Socialist Republic, is headquarters for the Spiritual Administration of Muslims of Central Asia and Kazakhstan. Stars on the map show countries hit by "Soviet mullah" deployments out of Tashkent, Baku, and other centers.

one of her major cities, were to decide in favor of intervention, then both Russia and America would lose the same amount in property destroyed and America would be free to occupy Iraq and Saudi Arabia without having to fear any further reprisals.

With the addition of tactical nuclear proxies such as Syria and Israel, this scenario of petroleum crises, Middle East rapid deployment forces, and the crisis-management operations of frequent Pugwash participant Henry Kissinger and his associates is precisely what we see today.

There is no room for national sovereignty in the Pugwash design. It is therefore no surprise, given that top Soviet Middle East specialists attended one Pugwash session after another, to see the congruence between Western and Eastern designs for the fragmentation and destruction of the region. The patchwork of ethnic entities drawn by British intelligence's Bernard Lewis (Princeton University) as the future map of West Asia and the ever-shifting tapestry of separatist states contemplated by Soviet planners—Kurdistan, Push-tunistan, Baluchistan, or re-united Azerbaijan, depending on the exigencies of the moment—are cut of the same cloth.

The Pugwash perspective for the Middle East was no mere scenario-mongering to help make the strategic doctrine of Mutual Assured Destruction stick. It was a process of cultural warfare, launched by such masters as Russell and Arnold Toynbee. The Soviets were not trifling either—their mode of operation in the Middle East makes clear that Moscow joined the two-empire game with the intent to win.

Already at a 1973 back-channel meeting of the Pugwash type, a joint symposium of the Strategic Studies Center of Stanford Research Institute, the (Soviet) Institute for the World Economy and International Relations (IMEMO), and Institute for the U.S.A. and Canada (IUSAC), U.S. participants Richard Pipes, Abraham Becker, and others reported with some amazement that the Soviets were preoccupied with the Middle East as a pivot of their global strategy for at least the next decade.

Cultural warfare, East and West

“Russia is still ‘Holy Russia’ and Moscow is still the ‘Third Rome’,” wrote Arnold Toynbee in the 1940s. As the Toynbee and Russell networks offered the Soviets their own half-world empire, they were inviting to the fore the ancient Russian Orthodox doctrine that Moscow will rule as the “Third and Final Rome.” The force unleashed by such geopoliticking, which continues today with the endeavors of Kissinger, former British foreign minister Lord Carrington, and their like, is not in the habit of playing by the rules.

Dumping the outmoded baggage of Marxism-Leninism, the Soviets have mustered their own cultural warfare capabilities, those perfected by the Toynbeean oligarchs and those from the thousand-year-old arsenal of the Russian Orthodox Church. The huge foreign policy establishment of IMEMO,

the IUSAC, the Institute of Orientology, and other institutions has delved ever more deeply into the control and utilization of what they call “spiritual factors.”

Academician Yulian Bromley, the U.S.S.R.’s chief ethnographer, has drawn attention to the “special place” of “ethnic units: tribe, nationality, nation, ethnic group” above other “historically formed communities such as race, class, family, state, etc.” (*Social Sciences*, No. 1, 1983). Soviet asset-building projects in West Asia are Bromley’s ethnicity principle in action, backed up by military hardware.

The Soviet string-pullers of fundamentalist and separatist movements are quite transparent about their intention to win at cultural warfare. In the August 1980 issue of *Voprosy Filosofii* (*Questions of Philosophy*), Institute of Orientology director Academician Yevgenii Primakov informed its readers (the Soviet elite) that the West was misreading religious factors in the Middle East, mistakenly viewing the politicization of Islam as a short-lived “explosion of fanaticism” while underestimating the “anti-imperialist direction of the growing movement for Islamic solidarity”—that is, the Soviet ability to turn it to advantage.

Since Yuri Andropov took over in the Kremlin, exploitation of the “spiritual factors” profiled during two centuries of the Russian Tsarist empire and 65 years of the U.S.S.R. has been upgraded to an even higher priority, including in policy towards the Muslim world.

Geidar Ali-Reza ogly Aliyev, a career KGB officer of Shi’ite Muslim origin, is first deputy prime minister of the Soviet Union and a full member of the Politburo. The four Spiritual Boards of the Soviet Muslim establishment, revived during World War II on the base of a hierarchy first set up by Catherine the Great in the 18th century, have developed diplomatic prowess paralleling that of the Russian Orthodox Church/Moscow Patriarchate.

By the time Brzezinski came along with his erstwhile Muslim fundamentalist card in 1978, the only explosions it caused in the Soviet Union were outbursts of laughter ringing from the mosques of Tashkent to KGB headquarters at Dzerzhinski Square in Moscow. The following pages profile Soviet capabilities vastly more powerful and dangerous than is generally understood. Yet the evidence is so overwhelming for a presumed specialist like Brzezinski or Bennisgen, that the only question remaining is whether these men are conscious, or unwitting, agents of Soviet influence.

EIR Special Report

The complete EIR Special Report “How Moscow plays the Muslim Card in the Middle East” is available for \$250. Contact William Engdahl, EIR Special Services, (212) 247-8820 or (800) 223-5594 x818, 304 West 58th Street, New York, New York 10019.

The Soviets' British and Nazi assets

by Allen Douglas

On Oct. 23, a kamikaze terrorist drove a truck loaded with one ton of TNT into U.S. Marine headquarters in Beirut, demolishing it and killing over 200 soldiers. The driver was most likely an Iranian Shi'ite fanatic. Arab intelligence sources and French journalist Eric Rouleau both pointed to a recent consolidation of terrorists into a new, "very secret, well-organized" grouping led by top Lebanese Communist Party figures, as also instrumental in the attack.

Soviet assets in the Middle East today are religious fanatics and left and right radicals, often operating jointly. A June 1983 Soviet-sponsored conference in Damascus, for the "liberation" of Lebanon, pulled together precisely the elements now loudly praising the Oct. 23 attack, from the Lebanese Communist Party of George Hawi to the avowedly fascist Lebanese branch of the Great Syria party (SSNP) under Inaam Raad, with Shi'ites and Druze to boot. Like most Soviet Middle East deployments, the conference touted Soviet support for their anti-imperialist Muslim brothers of the Middle East against U.S.-backed Christian and Zionist repressors. There were Nazis (the SSNP's insignia at its founding was the swastika), Communists, and assorted Islamic "national liberation" fighters bred at the former British intelligence center in Shemlan outside Beirut—all huddled together under one "Islamic anti-imperialist" umbrella.

On one level, the purpose of Soviet sponsorship of "Islamic" terrorism is clear. It is aimed against the United States.

The deeper aim was indicated at an April 1983 conference at the British intelligence-affiliated Georgetown University's Center for Contemporary Arab Studies. The official conference document not only lauded the rise of Islamic fundamentalism, but stressed that "Islam has become so dominant a force in the eyes of the West that other ideologies and forces of solidarity in the Islamic World, e.g., nationalism, are thought to have receded into the background." And on that theme hangs the deep philosophical agreement among British intelligence, Swiss-based Nazis, and the Soviet leadership. Despite their mutual hostility on other issues of ideology and power politics, they concur that the institution of the nation state in the Middle East must be destroyed, along with the power whose own republican heritage can do the most to foster sovereign nations, the United States.

To appreciate Soviet capabilities in the Middle East, one must push aside the fog of academia and lying press accounts

about how impossibly complex the area is, to notice two simple points: 1) The British ran that area of the world (with some friction from the French) for over two centuries. The modern map of the Middle East was drawn by Winston Churchill at the Cairo conference of 1921, with a few alterations (also British authored) after World War II, and British troops did not leave the area until the late 1960s; 2) From the 1930s on, the Nazis built substantial capabilities in the area. After the war, senior Nazis such as Hitler's Economics Minister Hjalmar Schacht, Otto Skorzeny, and SS Gen. Karl Wolff went to the Middle East. These networks survived and prospered, with their financial command center in Switzerland.

Except for networks directly associated with the British and the Nazis, and the pre-existing modest Soviet capabilities, no other power anywhere in the world had substantial assets in the region in the two categories that count: control of financial institutions, and ideological control over key segments of the population.

The careers of two operatives, one British, and one Swiss Nazi, efficiently demonstrate why it is virtually impossible to tell where the Nazis stop and the Marxists begin in the Middle East, since the swastikas, hammers and sickles, and tweed suits are all covered by burnouses, and all make (anti-imperialist) bows to Mecca five times a day.

François Genoud—who owns the exclusive translation rights to Hitler's and Martin Bormann's works—and his closest associates are largely responsible for the shape of "Islamic banking" today. Genoud and his Swiss banking friends run countless businesses in the Arab world, used to finance the entire corps of Mideast terrorists, including those at the disposal of Soviet agencies, from the "left-wing" Popular Front for the Liberation of Palestine (PFLP) to the Muslim Brotherhood "right-wingers." Genoud built up these capabilities while based in Tangiers and Cairo from 1946 to 1956, surrounded by Nazis like Schacht, Wolff, Skorzeny, Luftwaffe Gen. Hans Rudel, General Ramcke and Dr. Alfred Ziegler, aka Muhammed Saleh. Genoud himself had worked for German military intelligence, the Abwehr, during the war, and helped transfer hundreds of millions of dollars from Germany into Swiss banks for the use of escaping Nazi officials.

Among other financial and political fronts, Genoud created the International Association of Friends of the Arab World in 1959. He controlled men like Algerian Front for National Liberation (FLN) leader Ahmed Ben Bella (now a Muslim fundamentalist convert), Youssef Abderrahman of Polisario, and Boudgemline Mohammed, a top Muslim Brotherhood figure. His operations ran from arranging for Al-Fatah training by Karl van de Put, formerly of the Afrika Corps, to legal work for the terrorist PFLP.

When the Soviets decided to pull the rug out from under moderate PLO leader Yasser Arafat, the Genoud-financed PFLP and related insurgent Palestinian factions enjoying logistical support from the Lausanne-based Swiss Arab Asso-

ciation helped them do the job.

H. A. R. "Kim" Philby, son of top British Arabist St. John Philby, is currently a KGB General. After his first contact with Soviet intelligence at Cambridge University in the 1930s, Philby dropped his left profile and joined the circles of the pro-Hitler Cliveden Set around Edward VIII and Lord and Lady Astor. This coincided with the period of the Hitler-Stalin Pact, and was part of the same process.

After a period at the British Embassy in Washington in the 1940s, during which he was giving U.S. atomic secrets to the Soviets, Philby returned to the Middle East under journalist's cover. Ostensibly "retired" from the British Secret Intelligence Services (SIS) because of his increasingly notorious KGB role, Philby was in fact assigned to the Shemlan British intelligence center outside Beirut. In the 1950s, he traveled throughout the Arab world, meeting and taking over his aging father's networks. In 1963, "Kim" Philby moved from Beirut to Moscow, but continued his lifelong work for the joint Anglo-Soviet attempt to destroy the United States.

The Soviet adoption of British and Nazi assets in the Middle East was patently clear at the September United Nations-sponsored International Conference on Palestine in Geneva. Top Soviet Islamic experts Vladimir Vinogradov of the Foreign Ministry and Orientology Institute head Yevgenii Primakov rubbed shoulders with Salem Azzam of the London-based SIS front, the Islamic Council of Europe; representatives of the Swiss Nazi front; the Geneva-based "Islam and the West"; and the Nazi-financed Palestinian radicals of the PFLP. While the conference ostensibly had a radical "left" tinge, more than one speech lavished praise on Hitler's

collaborator, the Grand Mufti of Jerusalem, as "the first freedom fighter of Palestine."

As the Soviets push for strategic confrontation, their assets are becoming increasingly violent. On Aug. 20 in Teheran, the Khomeini regime set up the "Assembly of United Islamic Movements" for worldwide radical terrorist activities against the American "Great Satan" and his allies. A chief figure in this new "Islamintern" is East German intelligence-trained Ayatollah Khoini, notorious as the leader of the "students" who took over the U.S. Embassy in Iran. These Shi'ite fanatics have been identified as responsible in both the April bombing of the U.S. Embassy in Beirut and the Oct. 23 attack on the Marine compound.

One of these fanatics, Ahmed Huber, is a close friend of Genoud since the latter's Cairo days. A self-proclaimed National Socialist convert to Islam, Huber is a member of the Swiss Socialist Party, of the "Party of the Islamic Liberation" established as a British intelligence front in Teheran in the 1950s, and a frequent visitor to the Islamic Department of the University of Leipzig, an East German intelligence center for Mideast operations. Speaking from his home in Berne, Switzerland, barely 24 hours after the Beirut bombing, Huber told a journalist, "That's marvelous what happened. I am really proud of my Iranian friends and of the Shi'ites in Lebanon. They did their job! The Americans and the French are finished. . . . All the real Muslims are opposed to that regime. . . . There will be new coups, new explosions like in Beirut, but this time it won't be in Beirut, it will be in New York and in Washington! There also, there are groups of young Muslims who are ready to be killed, to sacrifice themselves!"

THE U.S.S.R. AND ISLAM by Allen and Rachel Douglas

The Soviet Union's Muslim Hierarchy

Before Zbigniew Brzezinski ever heard about Soviet Muslims, **Alexandre Bennigsen** was the authority on them. He shaped the field of Soviet Central Asia studies in the post-war period, training dozens of specialists at the Sorbonne and the University of Chicago. Bennigsen spread his gospel on the potential for Soviet Muslim revolt far beyond academia; a person who has followed his career for many years observes, "Bennigsen has had an absolutely horrendous effect on American strategic estimates [in that area of the world]. I can't tell you how many times he has traveled to Washington to testify before Senate committees and meet with people."

There is no question that the subject matter is important. The U.S.S.R.'s Muslim population of 44 million, living in

Azerbaijan on the Western shore of the Caspian Sea and in **Kazakhstan** and the four **Central Asian republics** to its East, makes it the fifth largest Islamic country in the world, ahead of, for instance, Egypt. By the year 2000, it is estimated that one of every two births in the Soviet Union will be in the Muslim regions; this population is already reproducing itself at a much faster rate than that in the Slavic republics.

Contrary to Bennigsen's myths, the interesting question is not whether at some point in 40 or 50 years those Muslims will threaten Russian rule. Empires have disintegrated on ethnic lines before. But an overriding strategic question will be answered, in this decade, long before Muslim demography transforms the Soviet Union: Will Moscow destroy U.S. power worldwide and preside over a last Russian empire, while the entire Western heritage of the Renaissance self-destructs or is incinerated in nuclear war? As for Soviet Muslims, will they or won't they serve Soviet imperial aims

during this crisis?

EIR's examination of Bennigsen's writings against the activities of the Muslims he writes about, shows that the Sorbonne professor fails the simplest test of good faith—accuracy of his information. Bennigsen's daughter **Marie Broxup** of the **Royal Central Asian Society** in London is his collaborator and frequent co-author. Their 1983 book *The Islamic Threat to the Soviet Empire* acknowledges that Soviet Muslims have served as a foreign policy asset, but argues that they are drastically less usable now since Russians killed Muslims in the invasion of Afghanistan. In the Spring 1983 issue of *Religion in Communist Lands*, Broxup stated:

... after the evident failure of the Soviets to represent their invasion of Afghanistan as an inter-Islamic affair and the collapse of the Tashkent Islamic Conference [September 1980] which had been announced in the Soviet press as the most important post-war political meeting of the Muslim world, relations between the Soviet government and the official Muslim establishment have deteriorated. This decline is evidenced by the fact that since September 1980 not a single foreign Muslim delegation—other than those from Afghanistan—has visited Central Asia and, with the exception of the visit to North Yemen of Mahmud Gekkiev, Mufti of northern Caucasus and Daghestan, no Soviet Muslim delegation has been sent abroad.

At the end of this section is a partial list of the dense Soviet Muslim diplomacy since that Tashkent conference, plenty of it in time for Broxup's article. For a specialist in the field, this information is easily accessible, as it was to *EIR*.

The Soviet Islamic establishment

Just as Stalin made his deal with the Russian Orthodox Church during World War II, because the Russians would go to battle for Mother Russia not for communism, in 1943 a concordat was signed for Soviet Muslims after discussions between Stalin and the **Mufti of Ufa, Abdurrahman Rasulayev**. It revived a hierarchy set up in 1783 by Catherine the Great as the **Central Muslim Spiritual Board**. While no battles were fought in Soviet Central Asia, it provided a vital reservoir of manpower. War production in Tashkent and other cities was critical for the Soviet armed forces. The mosques sprang back the moment official persecution was lifted.

Today Soviet Islam is organized under four Spiritual Administrations, each headed by a Mufti or Sheikh.

1) **Spiritual Administration of Muslims of Central Asia and Kazakhstan**, Tashkent, Uzbek SSR, covers Kazakhstan, Uzbekistan, Kirghizia, Tajikistan, and Turkmenistan. **Mufti Shamsut dinkhan ibn Ziyautdinkhan ibn Ishn Babakhan**, 45. Babakhan, whose grandfather and great-grandfather were mullahs, assumed the post when his father died

in 1982. **Babakhan, Sr.** had been the top Soviet mullah for 30 years, an international traveller and a member of the **Supreme Islamic Council for Mosques** at Mecca. The Tashkent board is the largest of the four and has the most deployments into the Islamic world abroad, including near neighbor countries that share ethnic groups with Soviet Central Asia. The Tashkent board's very active **Deputy Chairman for International Relations** is **Yusupkhan Shakirov**.

2) **Spiritual Administration of Muslims of the Transcaucasus**, Baku, Azerbaijan SSR. **Sheikh-al-Islam Allakhshukur Pasha-Zade** (aka Pashayev), 34. Appointed at age 31, the young mufti speaks Arabic and fluent Persian. He is reported to have studied orientology in Baku and had further schooling in Egypt. Before taking office, he visited Afghanistan and Iran.

3) **Spiritual Administration of Muslims of the European Parts of the U.S.S.R. and Siberia**, Ufa, Bashkir ASSR (in the Ural Mountains). **Mufti Talgat Tadjuddin** (or Taziyevev), 34. Educated at Al-Azhar University in Egypt, he has made the pilgrimage to Muslim holy places in the Middle East.

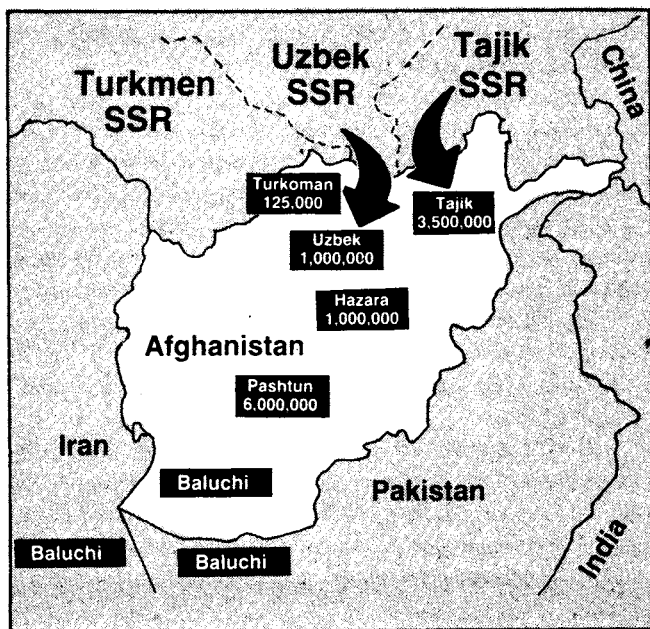
4) **Spiritual Administration of Muslims of North Caucasus**, Makhachkla, Daghestan ASSR. **Mufti Mahmud Gekkiev**, 48.

The Muslim boards were encouraged to expand especially after the **23rd Soviet Communist Party Congress** (1966), which upgraded the "social sciences"—of which religion is the oldest, all talk about "scientific atheism" notwithstanding. If anything, Soviet "scientific atheists" today study religion's effectiveness as a motivating force.

In 1968, the Tashkent board began to publish the quarterly *Muslims of the Soviet East* in English, French, Persian, Arabic, and Uzbek to propagandize to Mideast readers what a great life their Muslim brothers in the Soviet Union enjoy. The same year, Soviet Muslims first went abroad, and a Soviet mullah presence on the annual Hajj to Mecca became an established custom. These travels are good not only for propaganda but for meeting Muslim leaders from all over the world, including at the highest levels. King Khalid of Saudi Arabia received Babakhan, Sr. during the 1975 Hajj.

Soviet mullahs are trained at one of two schools (usually both—a total curriculum of 11 years) in Central Asia. The primary one is the **Bukhara madrasah**, to which Soviet Muslims come from all over the U.S.S.R. Bukhara has a "work-study" program so that the budding mullahs can teach at nearby mosques while getting their degrees. The best students go on to the **Imam al-Bukhari Islamic Institute of Tashkent** and then some take further training in Damascus or Cairo. These two schools together were handling 100 students at a time in the late 1970s, with rapid expansion slated. The graduates staff the official Muslim infrastructure of the four boards, write for the magazine, and fan out to mosques throughout the U.S.S.R.

They also turn up with **Russian Orthodox Church/Moscow Patriarchate** personnel at various international func-



Afghanistan: Case study of Soviet ethnic deployments. Before the April 1978 coup in Kabul, thousands of Soviet Uzbek and Tajik cadre were infiltrated across the border. The Baluchi area of Pakistan is now targeted.

tions. At the August 1983 Vancouver Assembly of the World Council of Churches, an EIR special investigator asked Shakirov of the Tashkent board if he ever briefed Alexandre Bennigsen; the previously jovial mullah blanched and fled.

Soviet Muslim diplomacy since 1980

This partial listing begins after the Tashkent Conference for the 15th century of the Hejira, September 1980, which was attended by Muslims from Afghanistan, Algeria, Austria, Benin, Bulgaria, Ghana, Jordan, North Yemen, South Yemen, Cyprus, Kuwait, Libya, Mauritius, Mali, Palestine, Senegal, Syria, Sudan, Tanzania, Togo, Turkey, Uganda, Sri Lanka, Ethiopia and Japan.

From the U.S.S.R.:

- September 1980: Rector of the Bukhara madrasah attends Patterns of Islamic Thought conference in Algeria.
- November 1980: Editor of *Muslims of the Soviet East* tours Islamic sites and meets Catholic leaders in Spain.
- November 1980: Tashkent board delegation visits Mali.
- Autumn 1980, after the Tashkent conference: Mufti Babakhan, Sr. goes on Hajj to Mecca.
- January 1981: Mufti Mahmud Gekkiev of the North Caucasus board visits N. Yemen, invited by the High Mufti.
- February 1981: Mufti Babakhan, Sr. leads delegation to Bulgaria on invitation from Bulgaria's Chief Mufti.
- Winter 1981: Mufti of Ufa Talgat Tadjuddin lectures in Denmark.

- April 1981: Tadjuddin attends Tokyo disarmament conference.
- Late 1981: Tadjuddin leads delegation to "holy places" in Saudi Arabia, where he meets World Islamic League representatives and is received by King Khalid. On the way home, he visits Supreme Mufti of Syria in Damascus.
- 1981: Tashkent board foreign affairs chief Shakirov visits Afghanistan and South Yemen.
- 1981: Tashkent board delegations under Shaikh Abdullah tour Algeria and the United States.
- 1981: Gekkiev tours Ghana, Benin, Upper Volta, Mali.
- Spring 1982: Sheikh Pasha-Zade of Transcaucasus board visits Afghanistan and Iran.
- 1982: Shakirov leads Soviet Muslim delegation to New Delhi conference on "Indian Ocean Zone of Peace."
- January 1983: Pasha-Zade travels to Jordan and Syria.
- September 1983: Babakhan, Jr. visits Syria.
- October 1983: Soviet Muslim delegation in Kuwait received by Prime Minister, Crown Prince Sheikh as-Sabah.

To the U.S.S.R.:

- May 1981: Chief Mufti of Syria visits Moscow and Ufa.
- August 1981: Shariat justice from Nigerian state of Qadun visits Ufa board.
- October 1981: President of National Council of Muslim Representatives of Ghana visits Ufa board.
- December 1981: Chief Muftis of Syria and of North Yemen, among others, join leaders of all four Soviet boards at Moscow preparatory meeting for the Russian Orthodox Church's upcoming peace conference.
- April 1982: Supreme Mufti of Syria Ahmad Kuftaru visits Uzbekistan at invitation of Tashkent board.
- May 1982: Russian Orthodox Church/Moscow Patriarchate "peace" extravaganza attended by Soviet Muslim officials and Muslim leaders from Syria, Togo, Senegal, Jordan, and Mauritius, among others.
- 1982: Jordan's Minister for Holy Places visits Tashkent.
- August 1983: Delegation of Algeria's Supreme Islamic Council visits Tashkent Board and Baku.

Geidar Aliyev and the 'Peoples of the East'

Geidar Ali-Reza ogly Aliyev, First Deputy Prime Minister of the U.S.S.R. and full member of the Soviet communist party Politburo, is not a token Muslim.

He is one of the most powerful men in the U.S.S.R., a career KGB officer with field experience in Iran and Turkey who rose to the top of the party leadership. Born in an Azerbaijani Shi'ite Muslim family, Aliyev's career merges that religious tradition with that of the Communist International's

Baku Congress of Peoples of the East.

That July 1920 conference in the Azerbaijani capital was a huge, chaotic affair attended by 3,280 delegates speaking dozens of languages. Called by Comintern executives **Georgii Zinoviev** and **Karl Radek**, it brought together activists of different nationalities, who had hitherto been working for British, Venetian, German, Swiss, or Russian intelligence in the cauldron of Eurasian geopolitics. One of Radek's guests (though barred from speaking at Baku) was **Enver Pasha**, leader of the Venetian-controlled Young Turk movement, whose career speaks volumes: He went from being Chief of Staff of the Ottoman Imperial Army in the Second Balkan War (1913), to organizer for the Comintern's **Union of Islamic Revolutionary Societies** in Moscow (1920), to a sorry end, killed by the Red Army in his British Army uniform while leading a revolt in Bukhara, Soviet Central Asia (1921).

While Zinoviev gave the keynote, **Islam-Marxists** dominated Baku. Sessions were chaired by the communist **Nariman Narimanov**, an Azerbaijani noble from the **Hummet** (Endeavor) movement, a nationalist socialist party allowed within the Bolshevik party since 1904. Thanks to the interventions of Narimanov and figures like the non-communist **Narbutabekov** from Tashkent, the main point stressed at Baku was the uniqueness of East, its superior revolutionary fervor that defined a vanguard role for the impoverished colonial masses.

The Baku conference formed a **Council of Propaganda and Action**, which functioned until 1922. Meanwhile, the Comintern's **Central Asiatic Bureau** was set up in Tashkent by the Indian **M. N. Roy**, a freelance agitator who had only recently hooked up with the Comintern in Mexico, where he co-founded the Mexican Communist Party while on a German intelligence payroll. Roy, who contemptuously called the Baku Conference "Zinoviev's Circus," worked in Tashkent until the bureau was abolished in July 1921 and succeeded by a Moscow-based **Eastern Section of the Comintern** under Roy's deputy, **Georgii Safarov**.

The next project in Turkestan, as Soviet Central Asia was called in those days, was the **Communist University for Toilers of the East**. Its sessions in Tashkent drew Roy, Iranian Islamo-Marxist **Sultan-Zade**, and the Volga Tatar **Mirza Sultan-Galiev**, whose name became synonymous with the Islamo-Marxist heresy—"sultangalievizm."

The Baku operation was continued by Radek's attending the founding conference of a **League of Oppressed Peoples** in Berlin, with the German **Graf von Reventlow**, a "mon-archo-marxist" whose wife **Fanny von Reventlow** ran a group called **Children of the Sun**, in Ascona, Switzerland. Fanny's Ascona center is a footnote to Baku that brings the story of Islamo-Marxism full circle, for it was attended not only by the Anthroposoph leader **Rudolf Steiner** and the future Nazi **Rudolf Hess**, but by prominent French Sufi mystic, **Louis Massignon**. Massignon would later teach **Alexandre Bennigsen**, today's foremost peddler of the line that Islamic

nationalism is a live threat to the U.S.S.R.

The Azerbaijani party

The Tashkent toilers' school was repeatedly purged and leading Islamo-Marxists, including Narimanov and Sultan-Galiev, were shot in the 1930s as "nationalist deviationists." By the late 1920s, the Comintern's Third World operations were reshaped to emphasize the building of individual communist parties, but the role of the **Azerbaijani Communist Party**, with its heritage from Narimanov, stayed as strong as ever. The party's approach, later perfected by Geidar Aliyev, was to exploit indigenous belief structures à la Islamo-Marxism, but taming them away from the disruptive excesses of Sultan-Galiev et al. and shaping them as a means for the outward expansion of influence. Azerbaijan supplied organizers and administrators to Soviet Central Asia proper, establishing Baku as the hub of Soviet activity in the Islamic world. The Turkish, Iranian, and Iraqi communist parties were organized from Baku.

What this meant for adjacent countries became evident at the end of World War II, when Soviet troops occupied the northern half of Iran. Azerbaijanis on both sides of the border were organized into a single Azerbaijani administration. Even after the Soviet pullout, the Azerbaijani party leadership kept its agents in the Azeri part of Iran, running them in close collaboration with the KGB. The wartime and postwar head of the Azerbaijani party, **Mir Diaffir Bagirov**, reportedly fond of the slogan "Long live the united people of Azerbaijan!", was a close friend of the KGB chief **Lavrentii Beria**, whose experience in Baku went back to pre-1917 days when he reported both to the Tsarist Okhrana and to the Baku party chief **Anastas Mikoyan**. With Beria, until Beria's execution in 1953, and alone, until he himself was eliminated in 1956, Bagirov personally ran agents in merchant circles in Iranian Azerbaijan.

Another influential Azerbaijani party figure under Bagirov was **Gassan Aliyev**, elder half-brother of Geidar. After the war, Gassan Aliyev voluntarily relinquished his party post and established himself at the **Azerbaijani Academy of Sciences'** earth sciences section, a chair powerful enough that sources familiar with Baku politics term Gassan Aliyev's clout crucial to his younger brother's meteoric career.

With this high party connection to help him as well as roots in the religious establishment (another relative was **Ali-Zade**, long-time head of the **Muslim Spiritual Administration of the Transcaucasus**), Geidar Aliyev launched his career through the KGB. According to the 1976 book *Partiya ili mafiya (Party or Mafia)* by Ilya Zemtsov, who worked under Aliyev in Baku before emigrating, the former covert communications officer behind German lines was assigned to a newly expanded **Eastern Department of the KGB** in 1953. In the following years, says Zemtsov, Aliyev was deployed in "Iran, Turkey, Pakistan, Afghanistan, and Turkey again."

In 1957 he got his degree from the History Faculty, State University of Azerbaijan and by 1964 he was Deputy Chairman of the **Azerbaijani KGB** with the rank of Colonel. In 1967, the year Yuri Andropov became national KGB chairman, Aliyev was made head of the KGB in Azerbaijan. When **Ayatollah Khomeini** was living in Iraq in the 1960s, agents from Aliyev's Azerbaijani KGB maintained a Soviet liaison with him.

In 1969, Aliyev took over as **First Secretary of the Azerbaijani Communist Party**. He tore the party and state apparatus apart from top to bottom, replacing nearly two thousand officials with KGB men, in order to carry out a project that became known as "the Azerbaijan experiment." Aliyev's special formula was a sweeping anti-corruption purge, extensive profiling of public opinion by sociologists, and attention to the "spiritual needs" of the population. His own appearances at religious funerals and carefully calculated "leaks" about his disciplining of officials who dealt crudely with the mosques built Aliyev the reputation of a man who remained a Shi'ite Azerbaijani while at the top of KGB and party. All the while, Aliyev played frequent host to communist and non-communist visitors from the Islamic world.

Just months before his November 1982 elevation to full Politburo membership, according to *The Times* of London, Aliyev told visitors in Baku of his "personal hope that the Azerbaijanis will be united in the future." In speeches at various cultural events, Aliyev harped on the theme that Azerbaijanis in Iran are deprived of schooling and theater in their native tongue and that Soviet Azerbaijanis are therefore obliged to assist them in their cultural development.

Elite Muslim ethnics

Since Aliyev became first deputy prime minister, the quaint story has been put about that his primary portfolio is "transport." From the public record of his activities in 1983, this responsibility has Aliyev not only rushing to the scene of a Volga River boat crash and addressing locomotive workers, but receiving the Vietnamese, Bulgarian and East German ambassadors, Cuba's transport minister, the Greek merchant marine minister, and the speaker of the Syrian Peoples Assembly.

Aliyev is not only no token, but he is not alone among members of the Soviet elite of Muslim background. The second most prominent is **Uzbek Communist Party First Secretary Sharaf Rashidov**, a non-voting Politburo member, who already in 1956 joined Mikoyan on a tour of Pakistan, Afghanistan, India, Burma, Vietnam, China, and Mongolia.

Soviet Muslims people Soviet embassies and desks of the Foreign Ministry, putting their language skills and cultural background to use in coordination with the KGB. Just one outstanding case is the Uzbek writer **Sarvar Azimov**, who was posted in Lebanon from 1969 to 1974 and Pakistan during the late 1970s; fluent in Arabic, Farsi and Turkish, Azimov reportedly had his hand in KGB covert operations among Baluchi separatists at that time.

Soviet orientology and ethnography

Two of the most frequent Soviet emissaries to the Middle East are **Yevgenii Primakov** and **Igor Belyayev**. Primakov has been a force in Soviet Middle East policy since his days as advisor to Nikita Khrushchev in the early 1960s. Belyayev was entrusted with delicate diplomatic missions to Egypt and Israel this year, probing for the restoration of Soviet ties in each country. Neither holds any Soviet government post.

They are top figures in the foreign policy think tanks of the Soviet Academy of Sciences: Primakov heads the **Institute of Orientology** and Belyayev is deputy director of the **Africa Institute** under **Anatolii A. Gromyko**, son of the veteran Soviet foreign minister.

The Soviet think tanks' personnel not only process and synthesize huge quantities of intelligence data, but serve as cadre for operations in the regions they study and as ideamen for the party Central Committee and the Foreign Ministry. In 1982, intelligence leaks in the Italian press reported the existence of a *plan vostok* (eastern plan) for building Soviet influence in conservative as well as radical states, jointly cooked up by Primakov's Institute of Orientology and the **International Department of the Central Committee** of the Soviet Communist Party. The plan as described was more simplistic than Soviet policy in fact, but the nexus producing it was correctly identified.

Both the think tanks and the party International Department stem from the machine of the **Communist International** described in the previous section.

The mother of Soviet think tanks, the **Institute of World Economy and International Relations (IMEMO)**, was mandated in a speech at the 20th Congress of the Soviet communist party in 1956 by Politburo member **Anastas Mikoyan**, the Armenian graduate of an orthodox theological seminary and survivor of the Bolshevik party in the Azerbaijan. Mikoyan called for developing a political science analysis capability equal to that of Western agencies studying the Soviet Union. The apparatus left over from the prewar institute run by Hungarian Cominternist **Eugen Varga** was reactivated for the task, and expanded to include protégés of Mikoyan's co-thinker **Otto Kuusinen**. A Finnish Comintern Executive member at one time slated by Moscow to be president of Finland, Kuusinen by now was sitting on the Soviet Politburo. Careers he helped included those of **Georgii Arbatov**, director of the Institute of the USA and Canada, (IUS-AC) **Fyodor Burlatskii**, Central Committee adviser and journalist, and **Yuri Andropov**. All of them were involved in the Central Committee advisory group on international affairs set up by Kuusinen simultaneously with the think tanks; there was a fluid circulation of personnel between the party and the Academy organs.

In its first years, IMEMO enjoyed substantial input—articles, consultations, etc.—from the **British and Italian communist parties**, which were of particular importance for

building up IMEMO's Middle East section both because of those parties' experience in colonial affairs in the region and because they had always been a hybrid of Western and Soviet intelligence influences. **Donald Maclean**, one of the British intelligence defectors in multiple-agent Kim Philby's group, worked in IMEMO for decades after his flight to Moscow. The IUSAC and the Africa Institute were spun off from IMEMO in the 1960s.

The orientology wizards

Yevgenii Primakov was deputy director of IMEMO from 1971 to 1978, but the organization he now heads, the Institute of Orientology, is much older. More than any other Soviet think tank outside of the Russian Orthodox Church's Department of Foreign Church Relations, it embodies knowledge accumulated over centuries.

The **Asian Museum** of the Russian Academy of Sciences was set up in 1818, the time of the Holy Alliance, around a manuscript and art collection dating from the early 18th century. In 1855, during the Crimean War, the **Oriental Department at St. Petersburg University** was transformed into a separate **Eastern Languages Faculty**, which soon, in the words of a 1923 chronicler, "gave Russia a cadre of brilliant specialists and practical functionaries and helped the expansion of knowledge about the East." This knowledge was put to use by the Russian masters of geopolitics in the late 19th century, who in the main were Pan-Slavists bent on expanding the Russian Empire to protect the Orthodox faithful everywhere—in the Balkans and in the Holy Land. The Pan-Slavist Foreign Ministry official **Count N. P. Ignatyev**, co-manipulator of the Balkan wars of the 1870s (and later Minister of the Interior overseeing the Okhrana in its first years), rose by virtue of his diplomatic exploits in gaining territories from China in the Far East. When the forerunner of 20th-century Islamic fundamentalism, **Al-Afghani**, visited Russia in 1888, he was the guest of the Slavophile publicist **Katkov**, who otherwise collaborated with a co-founder of the **British Round Table**, **W. T. Stead**, on various geopolitical schemes. Al-Afghani was received by **Procurator of the Holy Synod, Konstantin Pobedonostsev** and visited the Oriental Department in St. Petersburg.

The **Russian Orthodox Church** was developing its own Eastern operations, exemplified by the work of **Nikolai Il'minskii**, a professor at the Kazan Ecclesiastical Academy who had lived in Cairo and Constantinople, mastered several languages of Central Asia and arranged with **Pobedonostsev** to hold Russian Orthodox services in those languages in the Central Asian parts of the empire.

In 1917, these Oriental studies institutions and more were in existence. Far from being shut down, they underwent rapid expansion geared to the Comintern perspective of the Baku conference. The 1923 pamphlet *Orientalism in Petrograd, 1918-1922* was prepared by the Asian Museum's **Committee of Orientologists** (formed 1921) under guidance of **S. F. Oldenberg** and **N. Ya. Marr**, Eastern specialists who worked on into the Soviet period. It describes the expansion of orien-

tology with the **Russian Academy of the History of Material Culture** (formed August 1919), the **Scientific Research Institute for Comparative History of Languages and Literatures of West and East** (August 1921), transformation of the Church's **Orthodox Palestine Society** into the **Russian Palestine Society** under the Academy (1918), the **Petrograd Institute of Living Eastern Languages** (autumn 1920, for training people "preparing for practical activity in the East"), and the **Petrograd Theological Institute** (1919, providing the training "necessary for fundamental study of

Soviets boost Baluchi 'autonomy' movement

In the July-August issue of Asia and Africa Today, joint publication of the Soviet Institute of Orientology, the Institute of Africa, and the Soviet Afro-Asian Solidarity Committee, Vladilen Baikov openly promoted the struggle of Baluchi separatists for independence from Pakistan. The following is excerpted from Baikov's "In the Mountains of Baluchistan":

The social mainstay of the Baluchis is the tribe headed by the *sardar*. For centuries these hereditary rulers exercised supreme military, administrative and judicial power over their tribesmen. . . . The traditional form of government, that is the powers of the *sardars*, survives despite all attempts of the central government to break the hold of the *sardars* and to introduce central rule from Islamabad. *The Pakistan Times* admitted that the central administration's influence in Baluchistan does not extend outside its local office buildings. Tribal traditions have firm roots: the people cherish their loyalty to their clans and their *sardars*.

I was lucky to meet Muhammed Akbar Khan, *sardar* of the Bugtis. . . . "My status puts me in the class which is usually referred to as the exploiters," Akbar Khan told me, "but I view myself as a progressive, because I favour the establishment of a progressive social order. . . ."

For centuries the Baluchis have been waging a desperate struggle for independence. Their old folk songs and ballads speak of the numerous wars they have had to wage against the Persians, Arabs, Mongols, Hindus, and other invaders. . . .

The Baluchis' search for their national identity ran into the wall of official Pakistani ideology. . . . The central government succeeded in stopping the bloodshed only in 1977 when it declared an amnesty and released about 6,000 movement supporters, including its leaders, from prisons. A temporary lull set in. But how long was it going to last?

Orthodox theology and successful serving of the Church under contemporary conditions”).

As Primakov boasted in a recent history of Soviet oriental studies, “The overwhelming majority of Orientalists from the **Asian Museum**, the **Oriental Department of Petrograd University**, and the Moscow **Lazarev Institute of Oriental Languages** accepted Soviet power without any reservations and did all they could to give their knowledge and energy to the people.”

In 1930, most of these institutions were merged into the **Institute of Orientology**, which has been expanding its work ever since. The main institute, located in Moscow since 1950, helped set up oriental studies centers also in the Soviet republics of the Transcaucasus and Central Asia, which constitute an active political intelligence network. In October 1981 for example, in Baku to inaugurate the Azerbaijan branch of the **All-Union Orientalists Association**, Primakov was warmly greeted by Geidar Aliyev.

About Soviet orientology today, Primakov says in the same article that “the traditional complex [of studies] cannot develop without discharging functional tasks connected with the study of the present. Moreover, the second function of the traditional cycle, which is of applied nature, is becoming increasingly complicated, and its importance is growing.” What that means can be seen in Soviet orientology publications’ ultra-refined examinations of specific Third World situations (see box, for the example of Baluchistan). “Concrete situations,” Primakov calls them, explaining how the same Shi’ite current can be “progressive” in Iran and “reactionary” in Afghanistan.

All this practical activity “in no way presupposes an arrogant attitude to the traditional cycle of Oriental sciences, i.e., the so-called classic Oriental studies,” writes Primakov. Indeed not, and the Institute of Orientology’s recent efforts in this domain are a dead giveaway of their worldview. The institute’s scholarly journal *Narody Azii i Afriki (Peoples of Asia and Africa)* devoted many pages last year to a translation of the *Resurrection of the Sciences of the Faith*, by **al-Ghazali**, the medieval irrationalist philosopher who is the father of Islamic fundamentalism. This project was surpassed as a self-indictment for bestiality perhaps only by the journal’s appreciation of Arnold J. Toynbee, the British adept of cultural decay who described Moscow as the Third Rome, for his work on “history and culture in an ecological perspective.”

The Soviet ethnographers

Targeted profiling of the potential for ethnic separatism is also done under the auspices of the **Institute of Ethnography**, run since 1966 by Academician **Yulian Bromley**, a descendant of Scottish immigrants who made their money in Moscow industry. The work of Bromley, who has defined “ethnic unit” as superior even to “class” in the determination of history, is crucial for revealing the higher-level cultural control of Soviet political operations in the Third World.

Even more suggestive is Bromley’s collaboration with Western ethnographers under investigation by *EIR* for pos-

sible ties to the **Society for Endangered Peoples** and other control-points for separatist terrorism in Europe. It is already known that a 1976 conference of Soviet and Western anthropologists attended by Bromley and top British ethnographer **Ernest Gellner**, whose 1979 book *Words and Things* had an enthusiastic foreword by Bertrand Russell, was sponsored by the **Wenner-Gren Foundation for Anthropological Research** and held at its **Burg Wartenstein** castle in Austria; originally known as **The Viking Fund**, this foundation had been endowed in 1941 by Swedish industrialist **Axel Wenner-Gren**, who was so notorious a supporter of the Nazis that hardly a single American anthropologist would take its money after the war.

Bromley’s own work speaks for itself: There is hardly an ethnic sub-group anywhere inside or outside the U.S.S.R. that has escaped scrutiny by the brigades of Soviet ethnographers deployed from his institute. Like the orientologists, they are drawing on the material amassed since the **Ethnology Section of the Russian Geographical Society** was formed in 1845. In 1917, a **Commission for Studying the Tribal Composition of Russia and Adjacent Countries** launched new studies; after several permutations, this group acquired the name of **Institute of Ethnography** in 1937.

In a recent issue of *Social Sciences* (No. 3, 1983), Bromley listed new monographs issued by his institute which typify its work on Soviet “nationalities”—every Soviet person is endowed with a “nationality” different from his U.S.S.R. “citizenship” and carries an internal passport identifying him as Great Russian, Uzbek, Ukrainian, Jew, etc.—as well as foreign countries of interest to the Soviets. On the home front, there are studies like “Modern Everyday Life of the Buryat Countryside,” “Sufism in Turkmenia (Evolution and Survivals),” and “Khorezm Legends as a Source Material for the Study of the History of Religious Cults of Soviet Central Asia.”

Bromley adds, “Much attention is given to the ethnographic study of modern ethnic and ethnocultural processes in foreign countries,” as shown in the works: “Indians and Pakistanis Abroad,” “Ethnic Processes in the Countries of South America,” “Small Peoples of Indonesia, Malaysia and the Philippines,” etc. Special attention is devoted to “the role of religions in the life of peoples in foreign countries,” which is examined in “A History of the Inquisition,” “Folk Religious Beliefs of the Population of Indochina,” “Catholicism and Free-Thinking in Latin America in the 16th-20th Centuries,” “Symbolism of Cults and Rituals of the Peoples of Asia (the U.S.S.R. excluded),” “Peoples of Malaysia and Indonesia (Some Aspects of Non-Material Culture),” and “The Maronites.”

This kind of work has been turned to account by the KGB, as is shown in the 1979 scenario book *The Coming Decline of the Chinese Empire*, by KGB journalist Victor Louis. In his design of China splintering into Manchu, Uighur, and other ethnic entities, Louis merges the profiles of modern ethnography, with geopolitical projects dating back to the Tsarist empire.

Iran: Moscow puts its capabilities to use

by Judith Wyer

The Iranian Communist Party (Tudeh) has historically been window dressing for a much deeper Soviet penetration of Iran since the pre-World War II days of Reza Shah. That influence has over the years been building so that it has never been more apparent than within the Khomeini regime today.

Today the U.S.S.R. enjoys alliances which span Iran's political spectrum from the leftist Islamo-Marxists inside the ruling Islamic Republican Party, to an array of opposition groups including the Mujaheddin and the Kurds. Soviet First Deputy Prime Minister Geidar Ali Reza Aliyev has established many channels of Soviet influence during the past 35 years, since he helped to establish control over Iranian Azerbaijan in the 1940s.

The hard core of Soviet assets in Iran today is in and around the so-called Imami faction of the ruling Islamic Republican Party (IRP). This grouping, comprised of Khomeini's closest confidantes, engineered the 1979 taking of American hostages. Khomeini's designated successor Ayatollah Montazeri is part of the Imami grouping, which today controls the powerful Qom theological seminary, an ideological center for the revolution.

Since the December 1979 Soviet invasion of Afghanistan, about a million and a half Afghans have sought refuge in Iran. This has created the pretext for Afghani communists to penetrate the highest levels of the IRP as born-again Muslim fundamentalists. The former IRP candidate for President of Iran, Jallaledin Farsi, who was purged from the IRP in an ongoing faction fight between leftists and the so-called Hojitia rightists last June, has been exposed as an Afghani "leftist."

Many of Khomeini's closest associates within the Imami grouping have longstanding ties to Eastern Europe or the Soviet Union and consider themselves to be socialists. This includes Iranian President Khomeini, a militant whose anti-imperialism goes so far as advocating blocking the Straits of Hormuz and overthrowing the monarchies of the Arab oil exporters of the Gulf. Another is Ayatollah Khoini, a terrorist who ran the hostage affair, and on Aug. 20 helped form an international Islamic terrorist organization, known as the Assembly of United Islamic Movements (dubbed "Islamintem"). Khoini, like many others in the Imami faction, spent time in East Germany and also attended Patrice Lumumba University in Moscow. Behzad Nabavi, another East German resident prior to the Khomeini takeover, helped to set up the

Council of Prayers of the Friday Congregation in Qom, along with Ayatollah Meshkini who has been designated by Khomeini to oversee the Council of Experts to decide who should succeed him.

But Moscow has also established ties with various factions of the opposition to Khomeini. According to the *Economist Intelligence Unit*, Aliyev sent an emissary to Paris early this year to contact the head of the Mujaheddin, Islamo-Marxist guerrilla leader Massoud Rajavi, and A. R. Ghassemloo of the Kurdish Democratic Party. The Mujaheddin-allied Kurds are based in northwest Iran near the Soviet border. Aliyev also reportedly established a connection with Ahmed Shariatmadari, son of the elder conservative Iranian Grand Ayatollah Shariatmadari of Azerbaijan, who has been under house arrest in Iran for two years for opposing Khomeini.

Tudeh converts to Islam

The recent public statement of conversion from communism to Islam, on the part of former Tudeh Party leader Nureddin Kianuri and 19 other Iranian communists, cannot be dismissed as the outcome of torture in prison. There is evidence that the entire affair, beginning with Khomeini's mid-1983 attacks on the Tudeh, was coordinated from Moscow through a series of intermediaries, and involved a "re-tooling" of Soviet assets for new deployments. It appears that the operation was coordinated through Vladimir Kuzichkin, a Soviet diplomat who ostensibly defected to London in 1982. The public story goes that Kuzichkin, a long-time subordinate of Aliyev in the KGB, delivered names of various Tudeh and KGB operatives to Khomeini, during a secret visit to London by speaker of the Iranian parliament Hashemi-Rafsanjani and Foreign Minister Velayati in late March of this year. The fingered Tudeh members were among those who have now professed conversion to Islam.

According to Radio Iran, during the initial stages of the purge of the Tudeh, there was a counterpurge of the Qom theological seminary in which Soviet-allied mullahs, including in some cases members of the Afghan Communist Party, consolidated their control over this very influential Shi'ite seminary. Since early 1982 the Soviet media have denounced the Hojitia as an asset of the Shah's Savak and the CIA. But never has Moscow broken from its unflinching support of Khomeini.

Almost immediately after the Khomeini takeover Moscow began to sign numerous economic accords with Iran. Soviet-Iranian trade has more than doubled since 1979. Throughout the north of Iran the Soviets have been building infrastructure which Moscow says will further expedite Iran's trade with Eastern Europe. Washington sources say Moscow's strategy is to make itself economically indispensable to Iran. But the new rail lines, bridges and roads would also be required for a Soviet invasion at some future date.

This Special Report was researched by the authors and Thierry Lalevéé, Paul Goldstein, and Denise Henderson.

Britain and the U.S.: another Suez showdown?

by Christopher White

Only a year ago it was unthinkable, according to some, that the United States would not back up Britain's military invasion of the Malvinas Islands. The integrity of the free world, the values of the alliance, the principles of self-determination were at stake. How quickly things change. Now, it is the British who are vociferous in their opposition to President Reagan's pre-emptive action against the Soviet and Cuban base Grenada. The British, who so hypocritically put their special relationship with the Russians ahead of their alliance with the United States, declaim against the President's forceful action as an attack on their Queen, who, they say, is the head of state of the Caribbean Island.

Behind all their fuss about the President's action what is really going on? British headlines speak of an "Anglo-U.S. Rift on Invasion," an "Ill-Judged Adventure," and how "Reagan Defied Thatcher Plea, Parliament Angered at U.K. Failure to Restrain U.S." "The Worst Crisis Since Suez," says the London *Guardian*, referring to the time Eisenhower brought down the government of Anthony Eden over the joint British-French adventure in the Middle East.

Have matters gone that far this time? Not quite, as the British would say, but it does rather look as if things might be moving in that direction.

Let's review a few facts which readily show that the special relationship between Washington and London is at about its lowest ebb since the Suez crisis. On the surface of things Her Majesty's government was not officially informed of what the United States was going to do until after the United States had done it. Consultations were held over the

weekend, with Prime Minister Maggie Thatcher advising against military action, for reasons she has yet to specify. Meanwhile Britain worked through members of the Caribbean community over the weekend to try to deflect action into the impotent route of procedures such as sanctions, while simultaneously working with the Cubans and Soviets to bolster the Austin government, which had been imposed by a Soviet-organized coup and assassination.

The Austin government appealed to Britain and Cuba for assistance to defend its "independence and sovereignty" from "imminent foreign invasion." The Cubans responded by sending in troop reinforcements which arrived the morning of Oct. 24; the British by organizing a diplomatic operation against the United States. But by the morning of Oct. 24 British Foreign Secretary Howe was still defending the Austin government. "Whatever we do we must remember that Grenada is an independent nation and that comes first," he said. The Foreign Secretary was publicly following the line of the government imposed by the Soviet organized coup.

Perhaps for this reason the British government was not officially informed in advance. Perhaps also because the British have not been over-enthusiastic about their assignment in Lebanon with the multi-national peace-keeping force, but have sought ways to disengage.

The majority in Britain's leading circles share the views associated with Peter Lord Carrington, who has modeled himself on the limp example of his predecessors Neville Chamberlain, Lord Halifax, and Neville Henderson, the men who thought there would be "peace in our time," if only



Britain's Sir Anthony Eden was forced to resign as prime minister after U.S. President Eisenhower intervened to stop Britain's attempt to re-take the Suez Canal from Egypt.

enough was given to Adolf Hitler. From the standpoint of the United States a Suez-style cleanup of the British government this time around would be designed to chop the faction around Lord Carrington down to size, perhaps to give Thatcher a second term as prime minister freed from the encumbrance of unhealthy influences in the Foreign Office.

The circles around Ronald Reagan, as has become increasingly clear since the Shiite massacre of U.S. Marines in Beirut, disagree with Carrington's assessment that the Soviets can be negotiated with as Hitler was "negotiated with" between 1936 and September 1939. Carrington's thesis on the Soviets was laid out most recently in a speech before the August conference of the International Institute of Strategic Studies (IISS) reprinted in the *NATO Review*. He argues, against the White House, that Mutually Assured Destruction (MAD) should remain the basis for alliance strategy while arms-control negotiations are pursued with the Soviets. He, slyly, would insert himself between the two superpowers, weakening the United States, while ignoring what the Russians are actually doing around the world. His approach, as befits the controller of Henry Kissinger, is thus not exactly straightforward. In fact he is as much of a two-faced liar as was Alexander Haig, who was fired from the U.S. State Department for exactly that reason.

Carrington, and the forces he represents in Europe, determined that the best position for his Lordship to carry out his role would be as secretary-general of NATO, replacing the outgoing Dutchman Joseph Luns. Failing that, it has been proposed in the United States by Kissinger associates like

Joseph Sisco, and in Europe, that Carrington be appointed a special plenipotentiary negotiator for the Middle East.

In early October it was reported that Carrington's appointment to the first position was assured, only the Belgians and the Spanish were said to oppose it, and an announcement was days away. Yet the announcement has still not been made. Unaccounted for by the European promoters of the scheme, who undoubtedly know and do not care that Carrington's tenure at NATO would hand the reins of power in Europe and the Middle East to the Russians, is the question where the White House stands. Recent treatment of the Foreign Office and Thatcher government shows clearly enough. Carrington's influence, seen in Margaret Thatcher's recent Winston Churchill Foundation speech in Washington, and in her ill-advised handling of the Lebanon and Grenada crises, is not appreciated in Washington.

It is becoming increasingly obvious in light of the contrast between Britain's behavior now, and Britain's behavior during the Malvinas crisis, that the result of the degraded subservience of British policy to the Russians has been to undercut U.S. influence everywhere. This is seen in one way in regard to the British majority view of the Soviets, and the consequence of that, as in the Middle East. It is seen in another way, for example, in Latin America, where British policy has been designed to make it impossible for the United States to repair the damage that was done by its dumb support for British violation of international law, including the Monroe doctrine, during the Malvinas War.

Thus, the misguided Thatcher now opposes U.S. efforts to for example, resume arms supplies to Argentina, and is therefore trying to drive Argentina toward the Soviet Union. Siding with the Swiss the British are endeavoring to force the weight of the collapsing international monetary crisis to fall on the United States, as shown in their handling of the Brazilian crisis. They have threatened to expand conflict in Central America, by pulling their troops out of Belize, and they have demanded that the United States cut its budget, which actually means the defense budget. None of these are behind-the-scenes rumblings, but have all been brought up in discussions between President Reagan and Prime Minister Thatcher. It would perhaps not be stretching things too far to say that such public disagreements, building up over the weeks, contributed significantly to American loss of confidence in the efficacy of the so-called special relationship, and the humiliation to Britain that was administered.

If the White House has decided to leave Carrington among the ranks of the euphemistically self-employed, then the present British majority will have some tough decisions to make. That is they will have to decide whose side they are on, for Carrington's third way perch will have been sawed off. Would they then follow the recent recommendations of Anthony Wedgwood Benn and Enoch Powell, advocates of a British break with the United States, and learn how to say "non-aligned" in Russian, or would they rejoin the mainstream of Western civilization, abandoning geopolitical pipedreams about the East in the process?

'Monetarism will mean re-thinking the defense policy of the West'

The following is an interview conducted with Piers Wooley, a London defense economist and international relations specialist. Wooley has done research advisory work for the London International Institute of Strategic Studies and was, through September 1983, the research officer for the Conservative Party Research Bureau International Department responsible for North America, Europe, Africa, Bretton Woods Institutions, and Overseas Development.

Since early October, Wooley has been at the center of a controversy in London because of his charges on Oct. 9, aired publicly on the BBC weekly television news show "Panorama," that the Conservative Party had withheld information from the public on the state of the economy to cover up its intentions to carry out large-scale cuts in public expenditures in health services and other fields after the election. Wooley charged that this deception was choreographed by the arch-monetarists in the Party, especially in the Treasury, who are ideologically committed to the general "privatisation" of the British economy.

The interview was conducted by telephone from EIR's Wiesbaden center by correspondent Mark Burdman.

EIR: You recently made charges on "Panorama" about how the real facts of the British economy were covered up for electioneering purposes. Could you say why you felt this was important, and what are the issues at stake?

Wooley: I've decided to make a public statement because I felt, as I explained to "Panorama," that at the time of the general election, facts involving economic policy and public expenditure should be laid clearly before the electorate without any distortion. The economy is one of those areas where national security is not involved directly; therefore it is not threatening national security to have open debates about the facts.

EIR: What kind of facts are involved here?

Wooley: They involve the government's own economic pol-

icy. If the government pursues its present monetarist policies and aims to reduce public expenditures to a much lower figure, and if it combines these in an environment of low economic growth, then the outcome will be severe cutbacks in the services provided by the public sector.

EIR: What areas does this involve in particular?

Wooley: Particularly the National Health Services (NHS). During the elections, questions were asked about the future of the NHS under a Conservative government and the electorate was assured that the services provided to the public were safe. Tied in with their policy of public expenditure, about a month after the election, reductions were made in spending on national health services out-turn, despite assurances of no reductions of services.

EIR: What magnitude of cuts are you talking about?

Wooley: Initially, £200 million. Then, in September, the crunch came for me when the announcements of further NHS cuts were made involving redundancies for 6000 workers, including doctors and nurses. That to me is a complete contradiction to what the government campaigned for. They were of such a scale and such detail that it is clear that the government knew about this before June and didn't explain the realities because it was not politically convenient.

EIR: What are the effects of the budget cuts?

Wooley: Very serious. Although the government claims it is spending more money in real terms, the truth is that demands will increase because of the aging of the population and because of the expenses of new technologies. Already, the cuts have hit pediatrics, geriatrics, orthopedics, and general practitioner services.

EIR: And you say this flows out of the monetarist policies of the Treasury, the kind of Vienna School orientation?

Wooley: Yes. These date back to what was implemented in

1979, when the Conservative Party came in, but they were actually started earlier, by the Callaghan administration, when Britain had to go to the IMF for a loan. The IMF put conditions on the loan which involved strict monetary targets. This didn't have enormous effects until 1980-81, but then it did, because the world, including the United Kingdom, had moved into a serious recession, and tightening money supply during a recession is like putting a pillow over a man who is gasping for air. It is gagging an already tight system.

EIR: Does the IMF policy you are talking about impinge on Britain's defense capabilities?

Wooley: It has a very serious effect on defense, particularly on conventional forces and equipment, because of the price effect of defense, because procurement expenses rise over inflation. The natural tendency is for the defense budget to grow in real terms. The government is not ideologically uncertain about the U.K.'s strategic commitments, but its policy on public expenditure will lead to a serious reduction in the volume of military hardware available to the armed forces. It is an inescapable fact that procurement costs are not just a function of inflation. This is evidenced by the fact that the Leander class frigates commissioned 10 years ago cost £7 million compared with £130 million for today's Type-22 frigates. This escalation of costs also covers missiles, aircraft, tanks, and so on. Until 1985-86, the United Kingdom is committed to increased expenditures by 3 percent per annum in real terms in defense. Thereafter the position is unclear due to probable lack of significant economic growth and the present policy of "cash limits" brought in by the IMF agreement and applied to the Ministry of Defense.

EIR: In effect, what you are saying is that monetarism is undercutting the defense of Britain and possibly other countries as well.

Wooley: That's right. The problem of the defense lobby is that even if it wins the battle with the Treasury and the 3 percent is continued beyond 1985-86, the equipment cutbacks will be as inevitable as past cutbacks of the past 25 years. In the short term, the cuts are not readily apparent. The politicians will claim that there has been no reduction in the conventional capabilities. This is best illustrated by referring to earlier reductions and accompanying statements by the government at the time. I can reinforce this point by quoting an article by Captain John Moore, the editor of *Jane's Fighting Ships*: " 'Both the U.K. and NATO have insufficient ships' (*The Listener*, Jan. 8, 1981). In 1943, the Germans had 240 operational submarines to deploy in the Atlantic and it took between 2,000 and 2,500 escort ships, 130 escort carriers, and 1,500 anti-submarine aircraft to defeat them. The Soviet Union can deploy the same number of submarines against a NATO force less than half the size." If this trend continues and the government sticks to its economic policy, the U.K. and possibly other NATO countries will be

forced to re-think the entire defense policy of the West. Future cutbacks will be inevitable in the areas of conventional forces. This will involve British options in Europe, in terms of the Army on the Rhine and the Second Allied Tactical Air Force, the Standing Naval Force Atlantic, and, as far as mainland Europe is concerned, I think it is rather disturbing that in the 1981 Defense White Paper, our commitment to Europe is described as "unnatural." If this analysis is correct, the result will be a serious reduction in our ability to respond to a conventional attack by the Warsaw Pact. . . . The corollary to this is the need for a well-balanced mix of conventional, tactical, and strategic weapons. . . . Not only will we see a reduction in volume of procurement, but in Research and Development for new projects.

EIR: Our founding editor Lyndon LaRouche has fought for years for the idea of shifting western doctrine away from Mutually Assured Destruction, toward what President Reagan actually adopted on March 23 of this year, for a rapid development program for energy-beam weapons to stop incoming missiles. What do you think of this policy orientation as it applies to Great Britain, especially in view of your mentioning of R&D for "new projects?"

Wooley: We should go for beam weapons on the basis that it would be a policy of Mutually Assured Survival. If the West does not go for beam weapons, the Soviets will regardless, which will give them the ability to knock out the West's nuclear weapons while still being able to use their own.

EIR: In effect, then, the Soviets gain the actual capability for a successful first strike, even if they don't necessarily intend as conscious policy to use it?

Wooley: That's right. They can launch their weapons, we can't respond, and then we become vulnerable.

EIR: How well is this problem comprehended in the U.K.?

Wooley: It is not taken seriously. The indication is this: Britain is committed to spending in excess of £10 billion on the Trident missile system up until 1995. The snag, though, is that Trident is a 1960s-1970s technology which will come on stream when the Soviet Union will quite probably have developed beam weapons, which means that the Trident will be out of date as soon as it comes on stream! My own idea, from this, is that the £10 billion plus should be spent on extending the life of the Polaris to about the year 2000. The remainder should be spent on a substantial R&D program for beam weapons.

EIR: How has this proposal been met in the circles you have circulated it to in the U.K.?

Wooley: A few find it attractive, but those closest to the government have referred to it as pure science fiction, which incidentally gives you some insight into conservative—with a small "c"—thinking in government circles.

EIR: What spinoff effects do you think this work on beam weapons could have into the civilian economy of the United Kingdom?

Wooley: Colossal. It could speed up the development of fusion power. We could introduce new technology into industry itself, using lasers as cutters for machine tools and other equipment. There could also be spinoffs in the area of medical technologies.

EIR: Ironical as it may seem, then, this kind of research could provide a solution to the NHS cuts and problems in providing medical services you indicated earlier.

Wooley: That's right!

EIR: It has been LaRouche's contention that the Soviets' global policy of extreme provocation is a function of their intention to try to stop the West from developing beam-weapon ABM systems. One instrument of the U.S.S.R. has been to use the peace movement. The suggestion in some quarters now is that the peace movement is being retooled by Moscow for a more terrorist direction. What is your evaluation of this question?

Wooley: The first possibility, which is a slim one, is that the peace movement will continue more or less as it is now, with more mass demonstrations, but nothing worse. The second possibility is that the peace movement will fade away, since they in effect have lost the battle. The final, much more dangerous possibility comes when we look at the actual psychology of the peace groups, which are as much anti-Establishment, anti-Western culture, as they are anti-nuclear as such. The obvious tactic for such a mentality now would be passive, an increase in passive action, while at the same time there would be small elements going for much harder direct action. The aim would be to inconvenience defense facilities with picketing, or interfering directly with the services of the defense establishment. Allied to this is an escalation of demonstrations already taking place. Even more dangerous is the direction toward terrorism. It is worth pointing out that the type of demonstrator in 1983 is not dissimilar to the types that demonstrated in the early student movement in the 1960s. When the frustration set in, splinter groups like the Baader-Meinhof or Red Brigades formed. If this were to happen, the first attacks in all probability would be "hard" targets like military bases.

EIR: Is this something that the Soviets would be actively manipulating and/or coordinating?

Wooley: Certainly. In the past 18 months, three Soviet diplomats or TASS correspondents have been expelled from Norway, Denmark, and the Netherlands after being caught redhanded channelling funds to the European peace movement.

EIR: From your experience in the Conservative Party, how seriously is this Soviet angle in the peace movement taken?

Wooley: It is taken very seriously.

EIR: I want in the concluding portion of the interview to come back to your earlier points about the public expenditure cuts and their effect on the U.K.. What has been the effect of this Vienna School approach on the British economy as such?

Wooley: It has been damaged very badly by the policy, which doesn't derive so much from economic motivations as from political ones, the belief that regardless of the available evidence, the private sector can always perform better. I wouldn't reject that proposition for some areas, but in transport, health, local government expenditure, communication, and others, the service for the public has to be under the aegis of the government itself.

EIR: The contention of Mr. LaRouche, in his Operation Juárez program, has been that we can only get out of the economic mess we are in, by negotiating with the debtor countries of the developing sector organized collectively around reform of the international monetary system to develop credit for new investments and technology transfer. Without this, beam weapons and other programs can't come about. What do you think of this idea?

Wooley: We need to have these kinds of negotiations—for the sake, first, of the developing countries themselves. If not, they will not have a secure economic future. The welfare of the population will be damaged and poverty will increase. The second reason is the corollary: Political destabilizations will result, and there would be a vacuum, and the vacuum would be left to be filled by Moscow.

EIR: So, the end result is that the monetarists are undermining the stability of the West itself?

Wooley: The same groups that pursue stringent monetary and public expenditures policies in the U.K. itself are the same groups that want to see the U.K. overseas aid reduced and the same that take the view that the debtor countries should be taught a lesson, and that debt recycling should be curtailed dramatically. This combines with the problem of Britain turning more and more inward-looking, more obsession with domestic problems as the only things that matter. There is little regard for international affairs and defense, so there is, effectively, no coherent foreign policy, even though Mrs. Thatcher herself and the government spokesmen make strong speeches against the foreign policy of the Soviet Union.

EIR: In effect, then, actual foreign policy is left up to the "experts" around Lord Carrington and his circle?

Wooley: That's right. What you get otherwise is a kind of megaphone diplomacy, without the resources being provided for anything more tangible.

European military spokesmen declare the need for beam weaponry

by George Gregory in Bonn

Executive Intelligence Review sponsored its second seminar in the West German capital city of Bonn on beam weapons, entitled "Beam Weapons: The Strategic Implications for Western Europe." The seminar took place on Oct. 5, 1983. Bonn officialdom remembers well the first *EIR* seminar, held in November 1982 following Dr. Edward Teller's Washington, D.C. appeal for development of beam weapon defense against missiles in October of that year. On March 23, 1983, President Reagan's historic address constituted American commitment to ushering in a new strategic regime, that of "Mutually Assured Survival."

This second seminar, devoted to "the strategic implications for Western Europe," had as little official backing as the first, except that President Reagan himself and numerous spokesmen of the administration had repeatedly emphasized that beam weapon defenses were to defend "our territory and that of our allies." In the months following President Reagan's March 23 address, there was a wave of vilification of beam weapons in the West by Pugwash Conference associates, and in the East by Andropov and his own closest associates with epithets like "Star Wars," "Fortress America," "casus belli," and so forth. That vilification was repeated by official military and political personalities in Europe, including the West German Minister of Defense, Manfred Wörner, who derided beam weapon defense as "music of the future," and therefore dangerous to the Atlantic Alliance at the present time. The *EIR* Oct. 5 seminar, in that light, turned out to be a milestone in American-European strategic deliberation which must come to represent the standard quality of deliberation within the alliance.

Apocalypse or capitulation

Western Europe's strategic reality has been, effectively since the early 1960s, a simmering morass, in which "the fact for every soldier has been that, if 'deterrence' fails and the great clash occurs, the only choice is between Apocalypse and capitulation," as *EIR*'s Michael Liebig pointed out. Up until recently, the military strategic task of beam weapon defenses for the United States has been conceived as the capability to destroy incoming strategic nuclear ICBMs, al-

though the imminent probability that the Soviet Union will soon deploy shorter-range nuclear capabilities nearer the borders of the United States confronts the U.S.A. itself with at least part of the horror facing Western Europe.

For any design for the defense of Western Europe, even Soviet short- and medium-range missiles have the status of "strategic systems." Only the development and deployment of layered and nested complementary point-defense and area-defense beam weapon systems in Western Europe represents the backbone of a credible strategic posture in Western Europe and in the Federal Republic of Germany. That, however, is really only the first layer of the strategic reality confronting America's alliance partners in Europe. The implications of the revolution in warfare and the order of battle for real defense under the strategic regime of beam-weapon defense technologies are such that, as Dr. Edward Teller among others has insisted, the emergence of "Mutually Assured Survival" (MAS) is necessarily a "joint NATO project." In the West European theater, the Soviet deployment of batteries of high-precision short- and medium-range nuclear missiles, as well as the arrays of Soviet conventional arms deployed to exploit the results of nuclear bombardment of NATO military targets and infrastructure, make the deterrent-value of NATO conventional forces in Western Europe a farce.

Without beam-weapon defenses in Europe, there is no such thing as defense, in either of the meanings of the term perversely bifurcated by the doctrine of Mutually Assured Destruction/flexible response, i.e., "strategic" or "conventional."

Those gathered at the Bonn seminar represented the best of the European historical military policy tradition, whose commitment is indeed the "joint NATO" realization of the strategic policy launched with the Reagan address March 23. The fact that *EIR* founder Lyndon LaRouche had just declared his candidacy for the Democratic Party presidential nomination was viewed by the 60 or so military, political, diplomatic, industrial, and scientific participants in the seminar as of crucial importance. As a West German military officer put it, presenting his own political map of the United States, "Outside of LaRouche on the Democratic Party side,

you only have adherents of the freeze movement, disengagement-from-Europe, or worse. On the Republican side, there is President Reagan and his best people, but it is difficult to see that the core of the Republican Party is any better than the Democrats. LaRouche's commitment to genuine European defense is known."

In his own concluding remarks, LaRouche described the strategic and political realities of the alliance in a way that drew a remark from a Christian Social Union (CSU) military policy advisor that "Finally, someone dares say what has to be said so that we can get down to work!" LaRouche had stated that "The U.S. situation is a highly flexible one, in which the role played by Europe in dove-tailing with the efforts of myself and others in the United States is crucial. You cannot think of the United States as having a fixed policy in any respect now. . . . You have only two choices in the United States of any importance. One choice is symbolized by me, the other by Henry Kissinger. If you get Kissinger, you'll get war. If you get Henry Kissinger, Europe will be abandoned. If you get me, in the sense of what I represent and the people who think like me and the people who work with us, Europe will not be abandoned under any circumstances."

European military policy tradition

The European representatives on the discussion panel of the afternoon session included the following personalities: Gen. (ret.) Revault d'Allonnes of the Compagnon de la Liberation, the closest associates of Gen. Charles de Gaulle, who continues to play an active role in French military policy; Brigadier Gen. (ret.) Heinz Karst of the West German Bundeswehr, who is a former general of Training and Education of the West German Army, as well as a former battalion commandor in a tank reconnaissance unit and a department head in the Bonn Defense Ministry; Gen. Giulio Macri of the Italian Army, who is a former commander of the Tank Warfare Training School in Sardinia, as well as the head of the Italian delegation of SHAPE, and author of numerous articles in Italian military journals, such as *Rivista Militare*, *Rivista Aeronautica*, and *Difesa Oggi*, on beam weapon defense and space warfare; Col. (ret.) Marc Geneste, who is currently an engineer at the Commissariat à l'énergie atomique, identified in recent years for his strong support of the French neutron bomb program; Michael Liebig, business manager of *EIR* in Western Europe, who specializes in military strategic issues; and Col. (ret.) Seuberlich of the West German military, who is an executive board member of the Kyffhäuser Bund as well as vice-president of the European Organization of Military Associations.

Participants in the seminar included an official observer delegated on behalf of the Chief of Staff of the Italian armed forces, as well as a delegate from the Army Department of Munitions in Italy; seven active representatives of the West German military, including persons appearing on behalf of

corps commanders, and one of the top 20 members of the General Staff; a dozen representatives of West German military industry firms, as well as members of the civilian and military research and development community; French civilian representation included one of the largest high-technology military firms in France. Three observers from the West German Parliament attended, including one Christian Democratic Parliamentary Deputy. There was high-level diplomatic representation, with some 15 embassies, including ambassadorial office delegates and military attachés from several Western European NATO countries, developing countries, as well as a strong representation from Southeast Asian countries and Japan. The U.S. Embassy in Bonn boycotted the seminar.

Following the morning session of the seminar, during which Dr. Jonathan Tennenbaum spoke on the scientific and technological status of directed-energy beam weapons, and *EIR* founder Lyndon LaRouche delivered his presentation on "Beam Weapons Mean a Return to the Carnot-Scharnhorst Tradition" (published in *EIR*, Oct. 25), the afternoon session featured Helga Zepp-LaRouche, chairman of the Club of Life.

At the outset of her presentation on "The Significance of the Doctrine of Mutually Assured Survival for Countering the Ideology of the So-called Peace Movement," Zepp-LaRouche stated that "there are tendencies developing in this country, which will threaten the very existence of the Federal Republic of Germany as a sovereign nation, and as part of the Western Alliance if they continue to unfold as presently is the case. . . . Everyone knows," Zepp-LaRouche said, "that Bundeswehr maneuvers in NATO stop at the very point at which the use of nuclear weapons would begin in actual war. This means that under the present doctrine of Mutually Assured Destruction, the Federal Republic is not defensible. Secondly, we should expect to be confronted with a new Sputnik shock in one or two years . . . it can be concluded from the present state of Soviet research on laser technologies that, one fine day, the Soviets will erect manned space stations, with beam weapons."

Analogy with Prussia's defeat

Current political and military developments parallel precisely developments which led to the defeat of Prussian forces at the battles of Jena and Auerstadt in 1806, Mrs. Zepp-LaRouche argued. "It is clear that, faced with the threat of its destruction, leading institutions of the Federal Republic are infected with dangerous tendencies to capitulate," just as the Rheinbund princes and most of the Prussian population were convinced that "appeasement" and "making deals with Napoleon" were prudent because "the majority was simply afraid of the advancing and apparently unbeatable Napoleonic troops. . . . People think that the United States is far away, that it is unreliable and, after all, the weaker power, so they want to get into a good position early on vis-à-vis the Soviet occupying power. It is my firm conviction that it is this

cowardice, which has seized large parts of our institutions, which is the reason for today's appeasers' attitude, not only in the peace movement."

The result of the Prussian defeat of 1806 had been the reforms instituted by the "Prussian Reformers," the Humboldt brothers, Vom Stein, and Scharnhorst, who introduced "republicanism, in the tradition of the American Revolution and the beginnings of the French Revolution to Germany for the first time." The Wars of Liberation of the reformer-led Germany were less directed against France than the expression of a "constitutional movement," representing "the highest level of culture and morality ever achieved in this country." The German "national problem" does not originate merely with the end of World War II, but rather with the fact that the work of Vom Stein et al. represents an unfinished "republican revolution." Following the Congress of Vienna in 1815, "the attempt to form a real nation was crushed . . . a sudden shift to cultural pessimism occurred, which led to the Romantic movement, to Nietzsche, the youth movements at the beginning of this century, and finally to National Socialism."

West German sovereignty and defense

"I am convinced," said Mrs. Zepp-LaRouche, "that under the strategic doctrine announced by President Reagan, that of Mutually Assured Survival, the Federal Republic will have the chance for the first time to determine its own defense; it will be possible to shift toward cultural optimism, because our population can have the confidence that we are not only the 'tripwire' to a potential nuclear superpower confrontation." Mrs. Zepp-LaRouche emphasized that this also meant overcoming the destruction of the economy of the Federal Republic and Western Europe as a whole.

In her appeal to the participants to work to influence American policy to assure the realization of the U.S. beam weapons policy, she added that "unfortunately, we still do not have a sovereign nation of Germany, which is due to a glaring mistake of the Anglo-American occupation powers, who had absolutely no interest in permitting the emergence of an organic German state after World War II. The Anglo-American occupation powers have, with operations like Wilton Park and other 're-education' programs, contributed considerably to the extent of pacifism here today. Contrary to MacArthur, the occupation powers have not permitted the German population to find a new identity. McCloy here and MacArthur in Japan: Those are two extremes of American policy. Only if we change current military doctrine will we ever have the chance not only to develop a national, sovereign Federal Republic of Germany, but especially to achieve a reunification under conditions which are tolerable."

Michael Liebig from *EIR* opened the panel discussion with an analysis of the European design for beam-weapon defenses and the contrasting horror of present strategic realities based on his previous strategic discussion memorandum (see *EIR*, Sept. 20).

Liebig was followed by Gen. d'Allonnes, who began with a profound remark which all participants understood as far more than a gesture, in light of the presentation by Mrs. Zepp-LaRouche. "Germany is presently denied the right of having nuclear weapons. But the present or future emergence of beam weapons, she *is* permitted to have, will finally allow Germany to regain the stature of other nations, on an equal footing, with all her dignity and power. I am delighted by this prospect!" Gen. d'Allonnes added that "I can assure you that I support a rapid development of beam weapons in France. . . . I think that the challenge posed to us by Russia's own building of beam weapons gives us the opportunity to reinforce our inter-European ties, together with our American friends. If we turn this solidarity of military people such as are here today, of industrialists, and of politicians into concrete realizations, through mutual deliberation such as this conference represents, we may indeed be able to stop the horrible processes unfortunately unfolding, as was so clearly expressed here this morning by Mr. LaRouche, that lead directly to a horrible new war . . . therefore, we will double, and then triple our efforts; we will build these weapons, we will deter the Soviets and convince our governments."

Replacing MAD with MAS

Gen. Karst provided an overview of the strategic options being offered today, all the way from Western Europe's entering a "security partnership" with the Soviet Union to various forms of "neutralization." He discussed ten questions often raised in Europe on the beam-weapons issue, including how to develop a defense strategy which assures that there is no "decoupling of Europe from the United States. The beam-weapon strategy, he concluded, "seems feasible to me. The idea of replacing MAD with MAS is intriguing and promising, and we should propagate it."

Gen. Macri offered a strategic overview of current Soviet actions headed toward overt showdown and confrontation with the United States. He underscored Soviet refusal to date to negotiate American offers to discuss parallel development and deployment of beam weapons in light of the Soviet drive to confrontation. Gen. Macri took up again the remarks of Gen. d'Allonnes, saying that "neither West Germany nor Italy can produce nuclear weapons, but nothing prevents us from initiating and participating in a beam weapons program."

Col. Geneste and Col. Seuberlich developed extensively the "holes" in current NATO defense doctrine, a point which Col. Geneste punctuated with a series of cartoons caricaturing the development of NATO doctrine, ending with a shredded nuclear umbrella.

Lyndon LaRouche was asked to make some final remarks. "Our situation is desperate, but not hopeless," he said. "We are just a tiny force, but as a catalytic force we are decisive. I am committed to the policies I have announced here today, and to the extent that we have collaboration and that I have influence, that is the policy of the United States for Europe."

Argentina on the eve of elections: Can it become an economic superpower?

by Cynthia Rush

After seven years of military rule, characterized by extreme political and economic instability, the Argentine population will go to the polls on Sunday, Oct. 30 to elect a President, a Congress, and provincial officials. Most of the rest of Ibero-America is carefully watching the outcome of this election, understanding that its own future will to a large degree be shaped by whether Argentina can reverse the current slide into dissolution.

The elections will take place in the midst of the worst economic and political crisis in Argentina's history. With a foreign debt of \$40 billion, the country is technically in default. Unable to meet the onerous conditions demanded by the International Monetary Fund and other creditors, it has been cut off from all credit; debt renegotiation talks are paralyzed until the results of the elections are known. In the meantime, with only \$300 million in liquid reserves, Argentina cannot import the raw materials needed for industrial production. Representatives of the business community warn that they will shortly be forced to shut down their factories unless this situation changes. Inflation is running at 500 percent annually, and the country is rife with labor strikes demanding higher wages and social benefits.

The economic chaos has produced a political vacuum. The ruling armed forces are thoroughly discredited for permitting Henry Kissinger's friend "Joe" Martinez de Hoz to destroy the economy in the 1976-82 period, and for participating in a war against its own population (the 1978-79 "dirty war" against subversion). Neither the ruling military junta nor civilian members of the cabinet have the moral authority to negotiate with foreign banks or governments. Julio Gonzalez del Solar, the central bank president recently detained for violating national sovereignty in refinancing of the foreign debt, *isn't even a citizen of Argentina*. He gave up his citizenship years ago when he went to work for the International Monetary Fund before Argentina became a member of that institution. He remains today a citizen of Guatemala.

Electoral tension

As of this writing, the outcome of the presidential race between Italo Argentino Luder of the mass-based Peronist party, and Raul Alfonsin of the middle class-supported Union

Civica Radical (UCR), is expected to be very close. If neither candidate wins a clear majority, the final result will be determined in the Electoral College and announced by Nov. 30.

If things go according to Henry Kissinger's plans, the Argentine situation will quickly devolve into worse chaos following the election. The political and economic destruction wrought by Kissinger's pals in the post-1976 years wasn't enough. Earlier this year at a luncheon in Los Angeles, Kissinger warned Argentine friends to pack up their belongings and leave the country as quickly as possible because "Argentina will become like Iran. . . terrible things will occur there."

The extreme polarization of the country developed in the course of the electoral campaign has exacerbated the potential for social upheaval. UCR candidate Raul Alfonsin, who has defined the current political situation in terms of a battle between Peronists and non-Peronists, is largely responsible for this polarization.

Echoing the line published in the U.S. and British press, Alfonsin has with increasing demagoguery portrayed the Peronists as fascists who get what they want through violent thuggery and dirty deals with the military. His charges have heightened tension and provoked incidents of violence throughout the campaign between Peronists and Radicals. With his support based in Argentina's large middle class, Alfonsin has run a sophisticated and well-financed, U.S.-style campaign depicting himself as the defender of democracy and human rights as well as an opponent of imperialist looting and aggression.

But Alfonsin's bedfellows belie his "democratic" tendencies. He has been endorsed by such figures as Alvaro Alsogaray, one of the country's most reactionary politicians who is the leading proponent of the policies of Austrian fascist Friedrich von Hayek in Argentina. The UCR candidate has strong backing from within international Zionist circles, and reliable sources have told *EIR* that he has carried out "extensive" secret negotiations with international banks. He is viewed by Argentina's working class as closely tied to international financial and business circles who would not defend their interests. Backing up this conviction is the fact that Alfonsin's running-mate Victor Martinez was until recently the president of the British Cultural Association in the

city of Cordoba. During the Malvinas conflict he pleaded with the commander of the First Army Corps not to shut down his association or other British organizations in the country. Martinez also helped organize the late 1970s trip to Argentina of Britain's Prince Philip.

The international press coverage of the Peronists as a party of fascists obfuscates the one fact that panics the financial community. The two governments of Gen. Juan Peron (1946-1951, 1952-55) were committed to a policy of industrialization and accelerated economic and technological development, and the Peronist trade union base will demand that a new government adhere to that policy. Although Peronist candidate Luder has maintained a low, "moderate" profile, and has said he will do nothing rash in dealing with the country's debt crisis, much of the international press has warned that a "fiercely nationalistic" Peronist government will immediately repudiate the foreign debt and set off a chain of defaults throughout Ibero-America. What they fear more is the potential for the Peronists to link up in an orderly way with other debtors along the lines described by *EIR* founder Lyndon LaRouche in the August, 1982 document *Operation Juárez*.

A continental power?

Henry Kissinger doesn't intend the new elected government to last long, regardless of who wins. Kissinger associate William D. Rogers earlier this year threatened a high-level former Argentine government official that "it is not in your interest or in the interest of Argentina to have contact with the LaRouche people." *EIR* founder Lyndon LaRouche's view that Argentina and the rest of Ibero-America can become an economic superpower, and his proposals for the creation of an Ibero-American common market and debtors' cartel elaborated in *Operation Juárez*, have circulated widely in Argentina dating back to last year's Malvinas conflict.

On Oct. 27 in Buenos Aires, before a gathering of 90 people, *EIR*'s Ibero-America editor Dennis Small presented to the Argentine public the book *An Industrialized Argentina: Axis of Ibero-American Integration*. A study based on an application of the LaRouche-Riemann econometric model to the Argentine economy, the *EIR* study details an ambitious program to transform this country into a scientific and technological leader of the continent.

The prologue by Lyndon LaRouche offers Argentina a strategy to bring the United States to an understanding of its proper collaborative relationship with the nations of the continent by offering the U.S. a unified perspective for the rapid development of the economic resources of the continent. This would include debt reorganization, a regional and national banking reform to favor capital investments and stable currencies, and an opportunity for tens of billions in U.S. capital goods exports. The publication and distribution now in Argentina of *EIR*'s 20-year development perspective, and the fact that it has had a warm reception among leaders of varying political persuasions, as well as within the armed forces, is a serious threat to the Kissinger chaos scenario.

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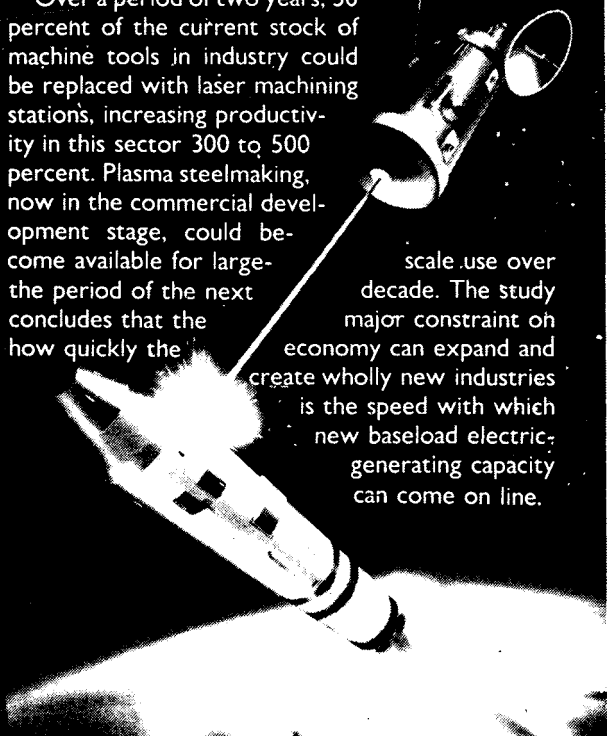
The Economic Impact of the Relativistic Beam Technology

A unique study of the impact of the new defense-related technologies—high power lasers, particle beams, and fusion—which will become available to basic industrial production as the March 23 defensive strategic doctrine proposed by President Reagan is developed. The report is a computer analysis incorporating the LaRouche-Riemann model, which examines the little-discussed revolutionary civilian economic "spinoff" effects of the new beam weapon development program.

The study reveals that with rapid introduction of new laser and related technologies into the civilian economy, the growth of the economy would be so rapid that:

- an estimated 4 million highly skilled industrial jobs could be added to the economy per year;
- the U.S. trade deficit could be eliminated in two years; and
- the rate of growth of real GNP could approach 25 percent per annum.

Over a period of two years, 50 percent of the current stock of machine tools in industry could be replaced with laser machining stations, increasing productivity in this sector 300 to 500 percent. Plasma steelmaking, now in the commercial development stage, could become available for large-scale use over the period of the next decade. The study concludes that the major constraint on how quickly the economy can expand and create wholly new industries is the speed with which new baseload electric-generating capacity can come on line.



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Egypt's role in developing Africa: An eyewitness report from Cairo

by Thierry Lalevée

This article is the result of a 10-day trip to Egypt by Uwe Friesecke and Thierry Lalevée as part of the Club of Life's activities in Africa. They were able to meet with many government officials to present the ideas and proposals of the Club of Life, including discussions on the economic development of Africa, and gave interviews to the press.

Egyptians are among many developing-sector citizens who reflect a deep faith in the future and their ability to change present world economic conditions, a cultural optimism rarely shared any more in the West where the present world depression is widely accepted as inexorable fate. In part, this outlook arises from Egypt's heritage—more than 10,000 years of history in which the country overcame repeated crises and developed further. "Egyptians today are like the Americans still used to be some 30 years ago," commented an official. "They want to think big, they want development."

In visiting Egypt for a second time in a year, it was clear that the set of national priorities seen in a first trip had not fundamentally changed, but has perhaps become more defined. The cornerstone of such priorities is that, for the first time in more than three decades, Egypt has been at peace for five or six years with its immediate neighbors. No one in Egypt can contest the beneficial effects of peace—witness the many development projects which were begun in the 1950s and were all abruptly stopped by 1967.

With Egypt's own economic development at the center of concern, it is widely understood that international steps have to be taken to meet this goal. This includes upgrading relations with the United States and the Western world in general, upgrading Egypt's activity within the Non-aligned Movement, and specifically upgrading Egypt's role in Africa. Egypt's role in the Middle East is low-key for obvious reasons. Often the same hypocritical Arab countries which denounce Egypt for its peace treaty with Israel do not hesitate to call on Egyptian technical know-how or even its intelligence capacities to defuse the threat of Iranian Islamic fanaticism. It is acknowledged that without Egyptian military

help, Iraq would have long since collapsed in its war against Khomeini.

Disillusionment with the West

Like many other developing countries, Cairo's dealings with the Western world are far from harmonious, even though—or perhaps because—Egypt is supposed to be one of the main U.S. allies in the region, a situation which is fundamentally more psychological than operational. There is no doubt that Egypt will never again link up with Moscow; as many officials commented, they have had close enough dealings with the Soviets in the past to know the way the Soviets deal with "colonies."

Egypt has made peace with itself and its history, and this means that it will never again accept being the vassal of anyone, either of the West, of the East, or of a foreign-dominated Islamic fanaticism. Relations with the United States are particularly strained on the economic front. Decisions like Eximbank's recent withdrawal of financing for Egypt's first nuclear plant, being built by Westinghouse near Alexandria, have not helped. Moreover, Egypt doesn't get even a tenth of the foreign economic aid its "partner in peace" Israel receives, not to mention the difference in quality in military aid. Although these differences could be grounds for complaints, Egyptians would not really mind—they have their own goals. But they certainly will not accept interference into their affairs; that was made clear during President Mubarak's latest trip to the United States, the occasion chosen by the *New York Times* and the *Washington Post* to lash Egyptian-Romanian relations, hinting that Cairo could not be considered "reliable." A set of editorials in the Egyptian press quickly requested that the American media mind their own business.

"South-South relations" are increasing with other developing countries, especially in Latin America and obviously Africa. The consensus is that bilateral relations with the Western world will continue, but that "North-South" dialogue as such is dead. It is a dramatic assessment, one which

reflects a frequent misunderstanding in the developing sector of the depth of the economic and cultural depression in the West. The full scope of the crisis is not appreciated, nor is it adequately realized that without a global change, even South-South cooperation will become impossible.

Egypt's regional role

If there is one major complaint which is well founded, it is that Egypt's real role is being underestimated. It is at the crossroads between two major continents, Africa and Asia. At the same time it is the gateway linking the Indian Ocean and the Red Sea to the Mediterranean, Europe, and the Atlantic. But this has been taken into consideration thus far only in geopolitical military terms, and not as an essential channel for fostering world economic development. As Egyptians are quick to realize, any major infrastructural projects in Asia from the subcontinent to Southeast Asia and the Pacific Basin will immediately create new demands on the Red Sea/Suez canal waterways. Increased trade in these regions will lead to bottlenecks in the Middle East and necessitate greater port and other infrastructure. These factors as well as the immediate African situation mean that the Egypt-Sudan region has to become a focal point in world development.

A glance at a map shows that Egyptian-Sudanese integration in joint development projects not only would have immediate effects on East Africa, but would affect such central African countries as Central Africa, Chad, Zaire, Uganda, and Kenya. Sudan, with its 200 million acres of potentially fertile land, can become Africa's breadbasket, but that requires an international effort. To date, only 18 million acres are cultivated. Unlike Egypt, Sudan has plenty of water from the Nile and regular rainfall, but it is often wasted in hundreds of kilometers of swamps. With Egyptian and international cooperation, a canal is being built in the southeastern part of Sudan which would link two parts of the Nile directly, avoiding the swamps. The canal will allow the irrigation of hundreds of thousands of acres of new fertile land and get rid of the swamps, despite the international campaign organized by Prince Philip's World Wildlife Fund in defense of mosquitos and other swamp life. Complementary projects are planned in Southern Sudan and in Ethiopia to control the Nile.

But to carry out such projects basic infrastructural work must be done to open Sudan to the rest of the continent: both an East-West cross-continent motorway and railway system, and a North-South motorway which would at least link Alexandria to Khartoum.

Egypt's own challenge

Sudan's recent steps toward full Islamization may yet create a new crisis which will dangerously postpone any such projects, as it threatens Egypto-Sudanese integration and sows the seeds of severe unrest in the southern Sudanese Christian regions, traditionally the targets of Libyan operations. An unstable Sudan is an immediate threat to Egypt, which faces

its own problems, as *EIR* has documented in a series of articles in December 1982 and January 1983.

Egyptians want to think big, though at present Egypt is small, with only 4 percent of its territory either inhabited or cultivated; 96 percent has yet to be conquered for mankind. A major step in that direction was the Aswan High Dam, completed by the mid-1960s. Those who scream today about the dam's side-effects on the Nile river and the crops because fertile sediments are removed, forget a simple fact. The Aswan Dam was not originally designed as a high technology project to stand in the middle of a desert with no major infrastructure around. In fact, projects for industrial centers were planned, just as remedies for the sediment problem were planned. But pressures from the International Monetary Fund and the June 1967 war dealt these projects a death blow. For more than 15 years everything was halted in favor of the security and war efforts.

As the Aswan Dam was the major project of the 1950s and 1960s, the key project for the coming two decades has to be a new Nile River linking up southern Egypt from the Aswan region or above up to the Mediterranean via the Egyptian Western Desert, flooding the Qattara Depression with fresh water. As studies have shown, it does not matter what kind of soil the Western Desert has, for once the water starts to flow, the soil will change rapidly. This has been proven by the various development projects in the Eastern desert between the Nile and the Red Sea, where in the space of two years entire desert areas have been transformed into highly productive arable land producing more than three or four crops a year. Such a project is Saheliyya where *EIR's* correspondents visited last December, but many others are in process. Before a second Nile can be created, these projects, however small, may double Egypt's usable land in 10 to 15 years, a crucial step as new cities must also be built for the 70 million Egyptians expected by the year 2000!

Egypt's role in African development

Egyptian technicians have achieved great expertise in these projects. Methods originally used in the American "Imperial Valley" have been imported and successfully implemented in the Egyptian desert. Egypt is in a position to train thousands of experts not only in the Sudan but all over Africa. Already, Egyptian technical help can be found in many countries in Western and Central Africa both in agriculture and industry. Indeed, Cairo may be diplomatically shunned by the postures of the Middle East, but it represents one of the major international centers of Africa. So far such help has remained bilateral, and now more than ever there is a need for greater regional cooperation. For example in the Sahara, all the countries involved in the fight against the desert need to close ranks and share experience. Only in such a context with Asia and Latin America will South-South cooperation be a success. This challenge is already emerging; the Western countries will be judged by their ability to meet it.

The Baluchistan gambit

The Soviets are supporting "independence" of Pakistan's province to further their own drive to dominate the region.

As noted in this week's Special Report, the summer issue of the Soviet journal *Asia and Africa Today* contains an endorsement for the independence of Pakistan's western province, Baluchistan. *Asia and Africa Today* is the journal of the Soviet Orientology Institute, the same institute that ran the Russian side of the "Great Game" for the control of the region with the British Empire during the 19th and early 20th centuries, and the Institute's article revives the Game. Leaking its own desires to redraw the map, the article complains that "With calculated disregard for traditional ethnic and cultural links, the British colonial power arbitrarily divided the Baluch lands; the territory west of the Goldsmith line went to Persian Baluchistan, that north of the Durand line to Afghan Baluchistan, and that south of the Durand line to British Baluchistan."

This time the name of the "Game" is, which empire will pick up the key strategic pieces of a shattered Pakistan. The ultimate target is the world's largest republican nation-state, India. The Indian government has already been forced to declare martial law in the region of Punjab on the border with Pakistan, where the Sikh separatist movement, run from London and Switzerland, is demanding the secession of the region.

Meanwhile, a corroborating signal of Soviet intentions toward Pakistan came from London, where leaders of the "Baluchistan Liberation

Front" are making plans for civil war against dictator Zia ul-Haq. Atallah Khan Mengel, a former minister of Baluchistan, vowed to a meeting of the "Front" on Oct. 9: "I will return to Baluchistan, but it will be an independent Baluchistan, free from Punjab rule, which has brought Pakistan to the brink of disintegration." The Zia regime is dominated by people from the eastern province of Punjab.

Mengel indicated that he expected help from the outside "to take on the Pakistani army and to liberate Baluchistan."

In an interview with *EIR*, another leader of the Baluchistan Front, Qadar Bux Nizamani, stated: "We are not interested in democracy in Baluchistan," casting aside pretensions of democratic resistance to Zia's hated dictatorship. "We are only interested in becoming independent."

Nizamani says he "expects help from Afghanistan and the Soviets, because they know that our main enemy is the United States. In fact the United States has a major naval military base close to Gwardar [close to the Straits of Hormuz] and they know we are opposed to it."

Since 1979, when the Soviets moved into Afghanistan, their ability to play the "Baluchistan card" has been steadily built up. Soviet military infrastructure in Afghanistan is not required to fight guerrillas; it reflects Moscow's long-term plans to dominate the region, from the Persian Gulf to the Indian Ocean. According to re-

ports from London, the Soviets have constructed military air bases throughout the country, guarded with regiments of SAM 2s, 3s, and 6s which can match the most modern Western strike aircraft.

By taking full control of Baluchistan, the Kremlin will have fulfilled three goals in its drive for empire: a strategic provocation against an important American ally in Asia, the fulfillment of its longstanding desire for access to a warm-water port on the Indian Ocean, and the launching of the destruction of the nation of Pakistan.

On this last question, the aims of Moscow and its Pugwash back-channel partners in London and Washington are in full agreement.

In 1977, Zia ul-Haq was put into power by Henry Kissinger, who forced the ouster and subsequent murder of democratic leader Z. A. Bhutto. Now, after six years of a brutal Islamic dictatorship, Kissinger and company are ready for the next stage: the destruction of the Pakistan's territorial integrity and its existence as a nation-state.

The Soviets and their puppet Muammar Qaddafi are funding and otherwise manipulating the Pakistani Movement for the Restoration of Democracy, which has led the resistance to Zia. In parallel deployment, the Swiss-based Nazi International, through its Society for Endangered Peoples, is funding separatist regional movements. Given that 80 percent of Pakistan's economy, and most of its governmental and army is concentrated in the hands of Pakistanis from the eastern Punjab province, there is fertile ground to turn the movement against Zia into separatist movements against the Punjab. There are signs emerging that leaders in the Sind province, where Zia is using increasingly harsh repressive tactics, are prepared to follow Baluchistan's lead in demands for separatism.

Behind the abortion battle

Prospective changes in the civil code have heated up a fundamental conflict over population policy.

The changes proposed in Mexico's civil code last August, which include expansion of the categories in which abortion would be legally sanctioned, have sparked a debate in the country over demographic policy.

President Miguel de la Madrid, in a startling campaign address in Tabasco in early 1982, had first broached the idea of "taking a national reading" on the abortion issue. He did not advocate specific liberalization measures, but made it clear he favored some loosening up, by the mere fact that he brought the issue up.

It is not clear yet how the debate will be resolved—nor if it can be resolved without the deep rifts and bitterness plaguing Mediterranean Catholic countries such as Spain and Italy.

Some voices of opposition, such as the Church's, were expected. The Mexican Church issued a communiqué Sept. 27, charging that those who were presenting population growth as a disaster were using falsified statistics. The statement warned that respect for life is the first precept of society, and legalizing abortion would lead to other anti-life measures such as eugenics.

Other major sectors opposed to the changes are peasant and worker groups who trace their philosophy to the Argentine adage of the 19th century, resurrected by President Luis Echeverría in the 1970s: "To govern is to populate."

Mario Hernández Posadas, head of the National Peasant Confederation (CNC), the official peasant wing of the ruling PRI party, prefaced his an-

nouncement of a National CNC Plan of Guidance and Family Planning, with sharp words:

"We must be very careful because there are countries which, in their efforts to control births, have ended up without a youth. At this moment it is a problem for them, because being a nation of old people represents a problem. Before everything else, we must guarantee the wellbeing of future generations. Demographic policy must be set according to possibilities and not lacks."

A few weeks before, the Women's sector of the CNC had declared that they opposed abortion for being contrary to the traditions of Mexico. What is most important now, the women said, is to think about producing more food to satisfy the needs of the Mexican population.

The sharply defined opposition to Malthusian doctrine contrasts greatly with the activities of the Minister of Education, Jesús Reyes Heróles, who has attempted to turn educational curriculum into a litany of the sins of "overpopulation" and "greedy human beings."

But the heart of the official promotion of anti-natalist sentiment resides in the Ministry of Health and Welfare (SSA).

For some years the ministry has functioned in close collaboration with the networks of the former governor of Mexico State, Gustavo Baz, who introduced methods of psychological conditioning in mental health programs which borrowed from the clinical brainwashing techniques of Brit-

ain's Tavistock Institute. Among other protégés of the Baz networks is former Mexico State governor and former mayor of Mexico City Carlos Hank González, who is scrambling to strike deals with a hostile de la Madrid.

The ministry today, under Dr. Guillermo Soberón (former director of the National Autonomous University) and his deputy minister Dr. José Laguna García, have insisted that the medical system was placing an excessively high value on advanced treatments and technologies. The immense pressure for Mexico to cut imports, enforced by the International Monetary Fund, has provided the appropriate screen for such "barefoot doctor" approaches.

A long list of vitally needed medicines and medical equipment has been cut from SSA's import authorization schedules. Dr. Laguna has been overheard declaring baldly, "We must choose which sick we are going to save." In some major downtown Mexico City hospitals, mortality rates have jumped 20 percent since the onset of the IMF restrictions in December 1982. Doctors in these hospitals say that the increase is attributable to the shutoff of imported medicines and equipment, as well as overcrowding.

The latest move by the Malthusians, working with "triage" and "lifeboat ethics" propagandists in anti-population institutes in Washington and the U.N. bureaucracy, is the release Oct. 22 of a new movie, *Abortion: Song to Life*. The actors are all drawn from popular Mexican TV soap operas produced by Mexico's monopolistic private media empire, Televisa. Televisa, which pioneered putting "subliminal" population reduction messages into its soap operas, recently inaugurated special programming on its "culture channel" devoted to the resurrection of the legitimacy of euthanasia.

International Intelligence

West German press report Soviet ABM buildup

Three of the four leading West German daily newspapers have tallied the Soviet military buildup, concluding that more than 2,000 additional warheads have been deployed since 1978.

The *Süddeutsche Zeitung* reported on Oct. 26 that SA-12 anti-missile missiles are being stationed clandestinely and can be fired from the same launching pad as the SS-20.

Die Welt and the *Frankfurter Allgemeine Zeitung* reported the warhead count. There were 827 warheads on SS-4s, SS-5s, and SS-20s in 1978; the total increased to an estimated 1,301 in 1983. And there were already 62 SS-21 systems stationed in East Germany and Czechoslovakia by July 1983. The SS-21 has a range of 120 kilometers.

West Germans were told for the first time that the stationing of SS-22s started in 1979, and of SS-23s in 1979-80.

Cultists fuel the Sudan destabilization

Following the recent introduction of fundamentalist Islamic law by Sudanese President Gaffar Numeiry, a rebellion is being whipped up in southern Sudan by Christian-animist cult groups.

An African affairs newsletter reports that "Anyanya II" (the successor group to the one that led the southern forces in a decade-long civil war in the 1960s in Sudan) is planning the "secession of southern Sudan" and is preparing "widespread and coordinated armed insurrection." *Anyanya* means snake poison.

The newsletter reports that defectors from the Sudanese army have joined the rebel cult, which is receiving logistical and material support from neighboring Ethiopia. The Soviet Union, Israel, and certain Venetian-run intelligence networks share control over the security services in Libyan-allied Ethiopia.

Numeiry has not become a true Khom-

eini fundamentalist, to the distress of anti-growth policy makers in the West. The British and Dutch monarchies' World Wildlife Fund and the Nazi International's Society for Threatened Peoples in West Germany have issued statements attacking the government for its plans to go ahead with an ambitious canal project in southern Sudan. The project will destroy precious swamp areas, they complain.

Since the area where the canal is to be constructed along the Sudan-Uganda border is a prime area for arms shipments to the Anyanya-II, the question arises whether these advocates of population reduction are cooperating with Soviet-linked networks seeking to destabilize the Sudan for their own strategic reasons.

North Koreans threaten Reagan's Asia trip

Outlets for the North Korean regime of Kim Il-Sung have declared that President Reagan's early-November visit to Seoul, South Korea, will be an "act of war" as provocative as the visit of John Foster Dulles just before the outbreak of the Korean War.

The North Koreans indeed seem to be preparing the ground for terrorism against Reagan. North Korean clandestine radio on Oct. 16 declared in a broadcast to South Korea: "Wherever he goes, an aggressor and warmonger will not be able to escape from the denunciation of the people concerned. If he comes to South Korea, do you think he will be safe?" one speaker asks. The second speaker answers: "It can never be."

Jesuits bless Craxi's flagellation of Italy

The Jesuit order has made an unseemly dash for the rooftops to broadcast its approval of the new Socialist austerity regime of Bettino Craxi.

"But it's the Italians who don't want leadership," complains *La Civiltà Catoli-*

ca, the Jesuit periodical. Father Giuseppe De Rosa writes that Italians demonstrate "very little sense of responsibility" in opposing the government's decision to strangle the economy. The Jesuits repeat their age-old concern: "How to change the heads of these stubborn Italians who don't want to accept heavy sacrifices."

Having elected a Father General not favored by the Pope, the order has become bolder in its endorsement of genocide. On Oct. 8, Club of Rome founder Aurelio Peccei was interviewed on Vatican radio, which is run by the Jesuits, who were thereby able to promote, but disclaim responsibility for, the theses of the Club of Rome on the inevitability of famine. Peccei advocated drastic reductions in consumption of meat and grain in favor of a diet based on "natural fruits of the earth," and a retreat from modern agriculture, which "consumes too much energy and uses overly large machines."

Sperber: development, not peace protests

Manes Sperber, a German-Jewish writer who lives in Paris, gave a remarkable speech when he received the Peace Prize of the German Book Trade at the International Book Fair in Frankfurt on Oct. 16.

The 78-year-old writer declared: "Yes, I am against any kind of war, but I know, and previously I knew during the decades of the Third Reich, that a totalitarian regime feels threatened as long as it has not extended its unlimited might over its direct and indirect neighbors and one day over the whole planet.

"During the 1930s people like me were called by Goebbels and his scribblers 'warmongers' whenever we warned against giving in to the growing demands of Hitler and warned that capitulation would make war inevitable at the end. . . ."

The fact that the Russian regime is regaining its ideological strength "is proven unintentionally today by those who are marching through the capitals of the democratic European countries to protest against the stationing of defensive weapons against

Briefly

● **THE SOVIETS**, according to Lebanese intelligence sources investigating the Oct. 23 Beirut massacre, "gave the Syrians at least 2,000 kilograms of plastic explosives, which in turn were given by the Syrians to the Iranian Shi'ites, with full knowledge of what they would be used for."

● **THE SHAMIR** government in Israel, according to European sources, thinks the Oct. 23 Beirut massacre "will help along the process of breaking up Lebanon and a general splintering of states in the region," and Shamir is "fully committed to the idea of [former Defense Minister] Sharon that Israel's security lies in breaking up neighboring states. In any case, many people now think that the Shamir government is in reality only a transition to a Sharon government."

● **LEFTIST EDITORS** in France are concerned about the Soviets. Serge July editorialized in a *Liberation* editorial that the Beirut bombing coup "shows how the killers have done everything to place Western nations in a state of shock. . . . Withdrawal of the troops would be a capitulation. . . . We see the intent of the Kremlin to weaken Reagan and Mitterrand." In *Quotidien de Paris*, editor Philippe Tesson describes the murders as an operation to "destabilize the West, when it is economically and militarily weak. . . . Now, Western leaders must show their determination, without making any compromise, to save European security."

● **MOHAMMED MEHDI** Navab-Motlagh, Iranian ambassador to Bonn, stated on West German television Oct. 26 that "we will stop the oil production of the entire Gulf" if Iraq acts against Iranian oil installations. Asked what Iran's response would be if the United States and its allies retaliated against Iran, he warned: "We will use any means. We will stop the entire production of oil from the region. If Iran is going to be destroyed, we are perfectly willing to threaten World War III."

blackmail.

"Whoever wants to make believe that an unarmed, neutral, capitulated Europe would secure peace for all time is mistaken, and misleads others.

"Unlike many of my contemporaries, I am convinced that the destitution which so many people, especially in Asia, Africa, and America, are suffering can be abolished with the help of the peaceful application of fission and fusion power, which can turn even the Sahara into a blossoming garden and turn the awful starvation of the region of the Sahel into a fruitful area of well-fed people. Yes, I believe in the message of my forefathers, the coming of eternal peace, the transformation of swords into ploughs."

The mind of Islamic fundamentalist terror

A European source gives *EIR* the following profile of the Shi'ite Islamic fanatics who are believed to have murdered the U.S. and French soldiers in Beirut Oct. 23:

"You can't underestimate the factor of craziness and fanaticism among the Shi'ites in Lebanon at this point. Elements among the Shi'ites are capable of *anything*. Last week, in Nabatiyeh, in the Israeli-controlled part of southern Lebanon, there was the feast of al-Ashoora. . . . One hundred and fifty thousand people were brought into a frenzy, beating themselves with the flat parts of their swords, to cut the top their head, so that the blood would flow down over their white robes.

"Some idiots in Israel decided to show they had order over this craziness, and drove an armored column into the mobs. . . . These Shi'ites are happy to die, they are mystics who believe in reincarnation, and the fanaticism is manipulated very well out of Teheran."

The name of Baalbek, the city where the Islamic Amal group thought to be responsible for the Oct. 23 massacres in Beirut are based, means literally "City of Baal"; the belief in forms of human sacrifice and blood cults associated with the pagan god are a key element in producing terrorists in this region.

Israeli television recently ran clips from a Syrian film of a Syrian government-sponsored event commemorating the tenth anniversary of the October 1973 Arab-Israeli war.

The film, according to the Oct. 14 *Jerusalem Post* "showed 16-year-old girls—trainees in the Syrian Ba'ath Party militia—fondling live snakes as President Hafez Assad and other Syrian leaders looked on approvingly. Martial music reached a crescendo as the girls suddenly bit the snakes with their teeth, repeatedly tore off flesh and spat it out as blood ran down their chins, as the leaders applauded."

Colombian war on drugs: official names names

Undaunted by death threats and assassination plots against him, Colombian Justice Minister Rodrigo Lara Bonilla has apparently decided that the only good defense is a rigorous offense. Thus, Lara declared the third week in October that his office could prove that at least 6 of Colombia's 14 professional soccer teams were up to their sweaty collars in drug-money laundering. Further, Lara named the teams.

Few authorities in any country have had the political backing or the courage to take on the mafiosi of the sports world. Nor did it escape insiders' attention that the director of the World Soccer Cup is Henry Kissinger.

Lara warned the congress that the Colombian trade in bazuco—reefers made with coca paste, i.e., unrefined cocaine base—has expanded into Europe. In Colombia, deaths and suicides are said to be increasing due to use of the readily available paste.

Lara also warned that poppy cultivation has been discovered in eastern Colombia, and vowed that he would not allow the heroin trade to get a toehold in Colombia. Criticized by Gaitan Mahecha—his homosexual predecessor in the justice ministry who advocates marijuana legalization—for neglecting other duties to spend time on fighting the drug trade, Lara responded, "In fighting the drug traffic, it is less a question of time and more a question of testicular fortitude."

Washington: Is somebody starting to wake up?

by Richard Cohen in Washington, D.C.

Some time during the week of Oct. 17, someone woke up in Washington. Sources close to the White House believe that before the Oct. 23 massacre of U.S. and French troops in Beirut, two events precipitated what quickly evolved into a drastic shift in the Reagan administration's strategic policy.

The first event involved the successful Syrian effort to torpedo Lebanese reconciliation talks scheduled to be held at Beirut National Airport. Senior White House sources had told me that Syrian acquiescence to the reconciliation talks, considered a desperate necessity by administration planners at the time, had been bought by White House pledges to accede to a disastrous de facto partition of Lebanon.

Indeed, in the period leading up to Soviet-encouraged Syrian efforts to pull the rug out from under the fragile reconciliation process, administration officials, intoxicated by promises coming through Henry A. Kissinger's back channels to Damascus, believed that Syria could readily be pried from its Soviet connections and could even be used as a liaison with Khomeini's Teheran.

On the night of Oct. 19, in a nationally televised press conference, Reagan sent out the first signals that a shift in policy was in the ofing by openly attacking Syrian sabotage.

Grenada: breaking the web of controls

The second event, which followed on the heels of Reagan's press conference, was the coup against the prime minister of Grenada, Maurice Bishop, who was summarily executed. As President Reagan was to later report in an Oct. 27 address to the nation, "In the last year or so, Prime Minister Bishop gave indications he would like to have better relations

with the United States. He even made a trip to our country and met with senior officials of the White House and the State Department." Several White House sources have confirmed that Bishop held a three-hour meeting with former National Security Adviser Judge William Clark, and, according to unconfirmed reports, Bishop had fashioned a deal whereby he would gradually disengage from his Soviet and Cuban connections. Washington intelligence sources unanimously say that Bishop's ouster was orchestrated out of the Soviet embassy in Grenada.

My sources believe that the crucial decisions were made sometime during Saturday, Oct. 22. On Oct. 25, nineteen hundred U.S. Marines and Rangers backed up by 300 troops from six Caribbean nations invaded Grenada—and the pro-appeasement elements of the news media were unable to blow the whistle ahead of time. By the night of Oct. 27, virtually all military objectives of the invading forces had been reached. The invading forces had captured 600 Cubans, mostly soldiers, 30 Soviet advisers, and a massive armory of weapons and sophisticated military communications equipment, which prompted President Reagan in his Oct. 27 televised address to the nation to say "It looks like we got there just in time."

White House sources report that the President's remark reflected an assessment that the Soviets and Cubans were on the verge of completing a full-scale military base at the time of the invasion. As we go to press, these sources say that further revelations will be forthcoming.

The U.S. action ordered by the Commander in Chief represented the first serious exercise of aggressive U.S. force in the post-Vietnam period. It shattered in one day a web of

controls which had virtually paralyzed the presidency in the exercise of foreign policy since the process of Kissinger-organized global U.S. retreat began in the early 1970s. The mission completely ignored the "best advice" of Washington's political pundits, who had warned for 10 years that any President who sends U.S. troops to war is finished politically.

The counsel of the triumvirate of White House Chief of Staff James Baker III, his assistant Richard Darman, and White House Communications Director David Gergen, which had threatened to entangle the Reagan re-election drive in a morass of appeasement, was thus thrown aside. The action also sliced through the crippling War Powers Act and the post-Vietnam doctrines of the Harriman-McNamara Democrats and the Kissinger Republicans. And while the *New York Times*, the *Washington Post*, and a host of other Eastern Establishment outlets slowly began their morning-after assaults on the President and his decisions, Reagan masterfully took to the national airwaves on Oct. 27 to seize the high ground and make clear what amounts to a new doctrine.

Setting forth the pattern

In a background briefing just prior to the President's address, a senior White House official emphasized that the shooting down of KAL 007 on Sept. 1 by the Soviet Union, the attempted assassination of President Chun of South Korea in Rangoon, the overthrow of Bishop, and the Oct. 23 massacre of U.S. Marines and French troops in Beirut were all part of one package crafted by the Soviet Union and Soviet surrogates. The official went on to forecast that it is "probable we will see more lower-order probes—insurgencies, terrorism, liberation struggles—in areas ever more vital to U.S. interests" by the U.S.S.R. in the immediate future. The source reported that U.S. policy would be to "deter and cope with" these Soviet moves.

In his speech, Reagan explained both the U.S. action in Grenada and his intention to keep U.S. forces in Beirut following the terrorist kamikaze assault on Marine headquarters which killed 225, by emphasizing a crucial feature of his new doctrine. "Some two months ago, we were shocked by the brutal massacre of 269 men, women, and children, more than 60 of them Americans, in the shooting down of a Korean airliner. Now, in these past several days, violence has erupted again, in Lebanon and Grenada." Then at the end of his speech, the President re-emphasized: "The events in Lebanon and Grenada, though oceans apart, are closely related. Not only has Moscow assisted and encouraged the violence in both countries, but it provides direct support through a network of surrogates and terrorists."

The second element of Reagan's new doctrine is that, following the military action in Grenada, the United States will continue to forcefully counter Soviet provocations. In the President's words: "We are a nation with global responsibilities. We are not somewhere else in the world protecting someone else's interests. We are protecting our own. . . .

There was a time when our national security was based on a standing army here within our own borders and shore batteries of artillery along our coasts. And, of course, a Navy to keep the sea lanes open for the shipping of things necessary to our well being.

"The world has changed. Today, our national security can be threatened in far away places. It is up to all of us to be aware of the strategic importance of such places and to be able to identify them. In these last few days I have been more sure than I've ever been that we Americans of today will keep freedom and maintain peace. I've been made to feel that by the magnificent spirit of our young men and women in uniform. . . ."

On Oct. 25, a day after the Beirut massacre, President Reagan previewed one element of his new doctrine. Addressing a group of out-of-town reporters, he stated that U.S. Marines were in Beirut to protect the "vital interests" of the United States and that they were on the battleline with an unnamed "force" that had previously taken Yemen and Ethiopia. The President was clearly referring to the Soviet Union. Defense Secretary Caspar Weinberger had told nationwide television audiences on Oct. 23 that the Soviets were joined in the action by Ayatollah Khomeini's Iran. On Oct. 24, Secretary of State George Shultz informed the Senate Foreign Relations Committee that the Soviet Union, Iran, and Syria were all responsible for the attack.

In his Oct. 27 address, the President announced that the United States will not retreat in the face of this Soviet-backed operation as many in Congress are promoting, stating, "We have strong circumstantial evidence that the attack on the Marines was directed by terrorists who used the same methods to destroy the U.S. Embassy in Beirut. Those who directed this atrocity must be dealt justice. They will be."

White House sources believe the terrorist group to be the Iranian-backed Amal Shi'ite group. Intelligence networks have been humming with rumors of future U.S. actions that might involve Iran. Some believe those actions could include a re-assessment of U.S. arms policy to Iraq, a country against which the United States was only recently lobbying in a desperate attempt to stall French shipment of Super-Etendard jets and Exocet missiles to Baghdad in order to pay Teheran's ransom for keeping the Persian Gulf open.

On Oct. 25, following the U.S. invasion of Grenada, Shultz identified the second cornerstone of Reagan's new doctrine, saying, "Those who want to receive the message [from the invasion] will have to receive it."

What Reagan made clear well before the combined weight of Harriman Democrats, Kissinger Republicans, his political advisers, and the media could muster a campaign to put the genie of U.S. force back in the bottle is a commitment to use it again if need be. That is all the more vital because intelligence sources confirm the warnings from a senior White House adviser that the kinds of Soviet actions which provoked the Grenada invasion will continue to escalate.

Rallies build support for ABM defense

by Mary McCourt

"Every serious patriot will now dedicate his or her efforts to assisting this President to adopt the right decisions on time," *EIR* founder Lyndon LaRouche stated when he announced his candidacy for the Democratic presidential nomination (see *EIR*, Oct. 11). LaRouche called for "a mass rally in Washington D.C. to show President Reagan that massive bipartisan support exists for his new strategic doctrine [to develop defensive ABM energy-beam weapons], and for the 1939-43, style 'crash program' needed to get this economy of ours moving again."

This national mobilization, LaRouche asserted, must begin now, not after the November 1984 elections, if the United States is to survive the current crisis.

The National Democratic Policy Committee (NDPC), a political action committee founded by LaRouche in 1980 to give mainstream Democrats a voice in the party, will sponsor a national demonstration in Washington on Dec. 7—Pearl Harbor Day. The first local rallies to create this national demonstration were held Oct. 22 in New Jersey, California, and Washington State.

The NDPC will hold additional rallies around the country, spokesmen report, to expand the reaction of the American population to the Soviet-backed terrorist assault on U.S. Marines in Lebanon and to the Soviet- and Cuban-backed coup in Grenada into support for the President's beam-weapons strategy—including rebuilding the United States' greatest defensive capability, its economic power. Only such an economic mobilization can end the current Malthusian anti-industrial control of world economic policy, which is the ultimate source of the world strategic crisis.

'Appeasement is not the solution'

Thomas Dunn, mayor of the industrial city of Elizabeth, New Jersey, opened the Oct. 22 rally of 75 people on the steps of the Union County Courthouse in Elizabeth by denouncing the nuclear freeze movement as dangerous to national security: "We should have learned 40 years ago," Dunn began, "that appeasement is not the solution to Hitlerism. Most of the well-meaning people demonstrating for the nuclear freeze are being duped: the ulterior motives in their movement spell unilateral disarmament and appeasement."

Dunn, a former state leader of the Democrats for Nixon, continued: "We are here today to lend support for President

Reagan to secure a mandate for a strong national defense program. . . . The veterans here today learned during World War II that for the U.S. to survive, we need a strong national defense. We cannot afford to appease the Hitlers, the Andropovs."

Mel Klenetsky, a former candidate for U.S. senator in New York who is the national campaign chairman of Lyndon LaRouche's Democratic presidential bid, reviewed the international economic, monetary, and strategic crises and stressed that the Soviets regard the coming period as their opportunity to decisively defeat America and secure global hegemony for decades to come.

"At this point, it is very clear that the Soviet Union is not the peace-loving nation that the American public has been led to believe by many in the freeze movement," said Fred Henderson, a committee spokesman quoted in northern New Jersey's widely read *Sunday Bergen Record*. "At this point, appeasement is not the approach. What is important is the strengthening of American defense." The region's *Daily Journal* also covered the rally.

Mayor Dunn and Klenetsky were joined on the speakers' podium by Myron Leskiw, honorary chairman of the New Jersey Republican Ethnic Groups Federation; Warren Davies, national committeeman from New Jersey for the American Legion; Robert Gallagher, beam-weapons expert from the Fusion Energy Foundation; and Elliot Greenspan, director of the New Jersey NDPC. Davies read the resolution passed by the American Legion's national executive board meeting Oct. 12-13 calling for an operational laser defense system capability within five years and "complete protection against nuclear war by the middle of the next decade." He indicated that the 2.6-million-member organization would use its resolutions to force congressional support for the program.

Building toward the Pearl Harbor Day rally, Mayor Dunn announced plans to sponsor a town meeting or debate on the issue of national defense, with participation by the groups involved in the rally.

The New Jersey American Legion had supported a resolution submitted to the state legislature by the NDPC calling for a crash beam-weapons development program. The resolution, which was passed by the New Jersey assembly in April, is pending before the state senate. It is this kind of bipartisan defense of the national interest that will transform a political situation in which, as Davies stressed, "The good people who want a strong nation do not demonstrate . . . only the nay-sayers."

In Seattle, a rally sponsored by the NDPC and City Council candidate Mark Calney was held Oct. 22 in front of the headquarters of Target Seattle, a giant "people-to-people" weeks-long event organized to bring Soviet spokesmen to the area to promote their "peace-loving" image to gullible U.S. supporters of the freeze. In Los Angeles, 90 people rallied for the beam-weapons mobilization, and another rally was held in San Francisco the same day.

Where are the black, labor, and Hispanic constituencies?

The Florida Democratic Party's 2,000-plus delegates' straw poll, crafted to give a victory to favorite son Reubin Askew, a former governor of the state, was remarkable for whom it didn't include as well as whom it did.

A series of changes in the party rules created a "delegate selection" process in which only 12.5 percent of the delegates were not selected by party units, provoking screams of "fix" from an authority—Superfixer Alan Cranston, who had ably rigged the Iowa and California straw polls. Askew won the straw poll, boycotted by Senators Hart and Hollings as well as Cranston, with 45 percent to Mondale's 35 percent, and 15 percent for John Glenn.

In itself, the fact that the Florida delegates were selected by the party apparatus does not account for the virtual absence of black and Hispanic representation. One of the very few Hispanic officials present insisted that the Manatt Democratic National Committee is "excluding both the Hispanics and the poor."

And though Mondale's come-from-behind 35 percent was the work of organized labor, our correspondents met Florida labor leaders who had no inkling of any Democratic convention going on. Labor's pro-Mondale work was spurred by Askew's overt anti-union policies, not by enthusiasm for Fritz.

The delegates unanimously passed a resolution in support of a "mutual and verifiable nuclear freeze as a step toward comprehensive, negotiated arms reductions." Having proposed to disarm the United States in the face of wild Soviet provocations, the session proceeded to condemn the Soviet destruction of the unarmed civilian KAL 007.

While a resolution was passed calling for a National Industrial Policy to modernize basic industries and encourage R&D, the convention also voted to de-authorize the Florida Barge Canal; the Green Caucus's propaganda for "anti-pollution" efforts was passed out in the party's official press packet. When the convention ended, one delegate asked an onlooker, "How do things look?" "Good for Reagan" was passed up and down the line for the phone.

Seven dwarfs against the MX missile

In a repeat performance of the Sept. 20 Harriman-Manatt declaration of unanimous Democratic support for the nuclear freeze, the Andropov Seven issued a highly unusual joint declaration on Oct. 26 calling on Congress to refuse funding for the MX missile.

The MX is a cold-start missile which is essential to the now overpowered U.S. land-based deterrent.

The seven candidates declared in a co-signed letter to Rep. Joseph Adabbo (D-N.Y.), chairman of the House Appropriations Subcommittee on Defense, that "If elected to the presidency, none of us will request funding for this purpose. We do not need to waste the taxpayers' money on a vulnerable weapon which does not contribute to the national security of the United States. . . . We strongly urge Congress to vote against the fiscal year 1984 procurement funding for this ill-advised program."

Will these policies play in Peoria?

Let's take a look at the Democrat who won the biggest victory of 1983, in the Oct. 22 Louisiana gubernatorial primary. Edwin Edwards, former Democratic governor, trounced Republican incumbent David Treen with a 68 percent vote.

Treen was a Volcker Republican who stumped for high-interest rates to wring inflation out of the economy. Edwards campaigned vigorously against Carter both in 1976 and in 1980; family members endorsed Republicans rather than support the Carter disaster.

Though he was frequently hit with corruption allegations, none of the tar stuck as the state's population turned out heavily to vote for someone they perceived as able to get people back to work and take the state forward.

Such a pledge of industrial recovery based on an economic policy that repudiates Volckerism, and taken to farmers, labor, business, and minorities, would work wonders for any Democrat. Instead, the party is offering Neville Chamberlain formulas and economic programs that shut out every productive constituency.

You can exclude constituencies at a convention but not in an election. That's why, according to many insiders, Ted Kennedy decided not to run this year. But he has former Kennedy aides placed in each one of the campaigns, and if a draft materializes on the convention floor, there will be strings enough to pull.

According to publisher Rupert Murdoch's sources, Ted Kennedy's advisers all pick Reagan to win. That, though few see the question quite that way, depends on whether he accelerates his beam weapons program to deal with the strategic and financial economic crises that will be sprung soon enough.

House Committee would halt ASAT procurement

The House Appropriations Committee is sending a defense appropriations bill to the floor which would eliminate advanced procurement for the ASAT anti-satellite system and demand that the President submit a comprehensive report to the Congress on "U.S. policy on arms-control plans and objectives in the field of ASAT and space weapons . . . to negotiate a verifiable agreement with the Soviet Union to ban or strictly limit existing and future ASAT systems" by no later than March 30, 1984. The House is set to begin floor consideration of the defense appropriations bill on Oct. 26.

An amendment sponsored by Rep. Matthew McHugh (D-N.Y.) would have stopped the testing of the ASAT as well, but a compromise killed the procurement while allowing testing to continue. The Soviets have already tested and deployed an anti-satellite system capable of threatening U.S. systems in space.

Other leading opponents in the Appropriations Committee of proceeding with procurement were Reps. Lawrence Coughlin (R-Pa.), Joseph Addabbo (D-N.Y.), Norman Dicks (D-Wash.), and the ranking Republican on the defense subcommittee, Rep. Jack Edwards (R-Ala.). While Edwards' office claims he supported the compromise so that ASAT testing would not also be lost, Edwards, in a recent town meeting in his district, said that the President's March 23 proposals for strategic defense "would never work," and that he did not support them. The ASAT system has been viewed by many as a test case for weapons in space.

ASAT proponents are deciding on a strategy to preserve the ASAT procurement. Some favor an attempt to amend the defense bill on the floor,

which, if the last ASAT vote is an indication, would pass by a 40-vote margin. Others, fearing a debate on arms-control strategy, want the House to pass the bill as is and knock out the House version in the House Senate conference. The Senate has approved ASAT advanced procurement and no moves are underway there to ban these systems.

House sets hearings on beam weapon defense

The Investigations and Research and Development subcommittees of the House Armed Services Committee have scheduled a joint hearing on Nov. 9 on the People Protection Act (H.R. 3073) for directed energy beam defense. These will be the first House hearings on beam weapons since the President made his policy proposal on March 23. Introduced by Rep. Ken Kramer (R-Colo.), the act seeks to accelerate the strategic defense beam weapon program by encouraging organizational changes and greater unified effort by the Defense and Energy Departments and NASA.

Apart from Defense Department witnesses, those expected to testify include Dr. James Fletcher, who headed the task force that has now reported to the President on strategic defense; Dr. Edward Teller, who recently called for a "new Manhattan Project"; Dr. Colin Gray; Dr. Buzz Aldrin; and Reps. Ken Kramer and Newt Gingrich (R-Ga.).

Clinch River breeder defeated in Senate

The years-long effort of environmentalist networks backed by the Soviet KGB to defeat the Clinch River Breeder Reactor finally succeeded on Oct. 26, thanks to the assistance of

"free enterprisers" of the Heritage Foundation circuit. By a vote of 56 to 40 the Senate defeated a private sector cost-sharing plan which would have allowed completion of the project. Construction on the breeder was scheduled to begin this fall. The project is vital to meet future U.S. energy needs and advanced nuclear capabilities.

President Reagan intervened forcefully into the debate by sending a letter to Energy Committee Chairman James McClure (R-Id.) which said, "It truly would be ironic if on this 10th anniversary of this [Arab oil] embargo, during a time of heightened tension in the Middle East, we refused to complete this project at a cost equivalent to approximately eight days of imported oil. . . ."

McClure, one the Senate's leading advocates of Clinch River, has stressed the same theme of Mideast instability and the danger to U.S. national security. McClure blamed not only his colleagues, but also the American people for their shortsightedness on critical national issues: "I am very much concerned that the attention span of the American people, directed as it is by the American media, is about that of a 3-year old. I have a 3-year-old granddaughter who has greater consistency of purpose than this Nation seems to have in meeting our energy crisis. We do have an energy crisis—past, present, and future."

Leading the floor fight against Clinch River were Dale Bumpers (D-Ark.) and Gordon Humphrey (R-N.H.). Bumpers is notorious not only for his participation in the Claiborne Pell-led delegation to Moscow in August which embraced Yuri Andropov's not-so-generous offer to ban (American) weapons in space, but for his political compatibility with his wife, Betty Bumpers, founder of the KGB's "PeaceLinks" women's group.

Humphrey is steered by the Heritage Foundation and his staff member Henry Sokolski, also close to the Heritage group. Each of the presidential candidates present (Glenn, Cranston, and Hart) voted against Clinch River.

Supporters of Clinch River knew that they had to win in the Senate since support for the project has long since been undermined in the House. The strategy was to pass the necessary amendment in the Senate and then seek de facto House approval during conference committee action between the two houses. While supporters will look for a way to revive the project, most view the defeat as final.

D Decline of agriculture exports debated

The precipitous drop in the value and volume of U.S. exports of agricultural products came under Congressional scrutiny in hearings before the House Agriculture Committee on Oct. 18. Virtually every witness—from the administration to Congressional witnesses to agricultural spokesmen—pointed to the international debt crisis as the fundamental reason for the collapse in U.S. exports.

But the solutions proposed have been worse than the problem in most instances. Block, in testimony at the Oct. 18 hearings, and again on Oct. 25 before the same Committee, called for Congressional approval of the International Monetary Fund (IMF) bailout bill as the answer to the U.S. export collapse. Block showed the dangerous Malthusian thinking which has infected the administration as it continues to support the austerity policies of the IMF, by arguing that the problem of hunger in Africa stems from the "rapid population growth" which has curbed the continent's ability to produce food.

A State Department spokesman testifying at the Oct. 25 hearings, Mr. Streeb, argued that the problem of world hunger is related to many other factors: "It is linked to limiting population growth, to health measures and to the prevention of further environmental destruction."

But it was Under Secretary of State for Economic Affairs, W. Allen Wallis, who laid out the most chilling implications of the current regime of austerity. Wallis argued that "Demand will continue to grow relatively slowly for at least the next few years, and certainly will grow much more slowly than production, which almost everywhere is increasing." Demand, to the mind of the book-balancers, clearly means what countries can pay for under current conditions of indebtedness, not what their increasingly undernourished populations need to stay alive.

Congressional alternatives to the agricultural export collapse have been shortsighted at best. Rep. Cooper Evans (R-Iowa), who testified on Oct. 18, eloquently laid out the magnitude of the debt crisis and then proposed to sidestep it by arranging barter deals with countries which do not have the foreign currency to purchase U.S. farm products. Senate Agriculture Committee Chairman Jesse Helms (R-N.C.) has proposed to extend the PIK (Payment In Kind) program to those who export American farm surplus. Under PIK, farmers are given government-owned surplus crops to sell in exchange for cutting back on production, on the perverse assumption of an "oversupply" of products.

House slaps Philippine government

The House of Representatives passed House Concurrent Resolution 187 on

Oct. 25, deploring the assassination of opposition leader Benigno Aquino and calling for U.S. policy to "support genuine, free, and fair elections to the National Assembly [of the Philippines] in May 1984." The passage of this resolution, which restates obvious U.S. intentions, is widely interpreted by Capitol Hill observers as a not-so-disguised slap at the Philippine government and its President, Ferdinand Marcos.

The resolution was sponsored and initiated by Rep. Stephen Solarz (D-N.Y.), in his capacity as chairman of the Asia and Pacific subcommittee of the House Foreign Affairs Committee. An opponent of U.S. military presence overseas generally, Solarz was nevertheless one of the most outspoken advocates of U.S. military assistance to the British during the Malvinas war.

The resolution passed by an overwhelming 413 to 3, with five members voting "present," because the administration and its allies in the Congress were able to arrive at a more "balanced" resolution as that originally proposed by Solarz.

But as Rep. Eldon Rudd (R-Ariz.), one of the strong opponents of the resolution, put it, the resolution "contains a thinly veiled message that is likely to do nothing more than make both the Marcos government, and all of its enemies—radical or not—even more intractable. By explicitly stating our resolve 'that the Philippine Government's actions [be taken] into account in our relations,' are we merely stating the obvious, or are we making matters worse by appearing like the arrogant colossus of the North?"

"I am afraid that the resolution will be interpreted by all Philippine factions in this negative light, not as the type of diplomatic encouragement critically needed at this crisis point in the Philippines," he said.

National News

LaRouche Democrat wins Louisiana party post

The results of the Oct. 22 state wide elections in Louisiana will not please Democratic Party chairman Charles Manatt. The vote produced a victory for LaRouche Democrat Martha Rabb for Democratic State Central Committee, and a significant vote for the other candidates backed by the National Democratic Policy Committee (NDPC).

Immediately after winning, Rabb issued a statement calling on all Louisiana Democrats to support President Reagan's beam weapons program and reject the Manatt-and Andropov-promoted nuclear freeze movement.

The success of the NDPC candidates coincides with a sweeping victory for former Democratic governor Edwin Edwards, who won an unprecedented third term as governor over pro-Federal Reserve incumbent Republican David Treen.

The NDPC slate consisted of citizens who responded to LaRouche's call for a movement of candidates to shake up the country. None had run for office before. State Senate candidate Richard Torregano summed it up: "I'm running this time so others will join us and run next time."

In Lafayette, the NDPC-backed state representative candidate, Hal Vaughan, was officially endorsed by the the local Democratic committee. Plans are underway to form a slate of candidates for the 1984 elections.

NDPC spokesman Bruce Director commented: "Lafayette came through the state in 1824. The LaRouche faction is picking up where he left off."

FEF unveils crash beam program in D.C.

The Fusion Energy Foundation (FEF) presented its proposed crash program, starting at \$10 billion per year, for the United States to develop defensive beam weapons over the

next three to five years, at a Washington D.C. conference on Oct. 26.

The FEF conference occurred soon after the Fletcher Commission urged the President to move ahead with such a beam defense program.

The meeting also announced the release of a paperback book titled *Beam Defense*, written by the FEF's staff of experts and published by Aero Publishing Company.

The conference featured Dr. Steven Bardwell, a physicist from the FEF and a co-author of *Beam Defense*, Criton Zoakos, *EIR* editor-in-chief, and Col. Marc Geneste, a career officer with the French Army who served in World War II, Indochina, and Algeria. Colonel Geneste, who had addressed the Bonn meeting, helped develop the French neutron bomb and was part of France's Atomic Energy Commission.

Among the audience were representatives from about 18 embassies, congressmen and senators, and representatives from the House Foreign Affairs Committee, the Science and Technology Committee, and the Education Committee. Eight departments of the U.S. government were represented, with heavy emphasis on areas involved in military R&D and applications. Ten corporations sent representatives, as did five associations. A national UPI news wire on the book and the crash program helped generate widespread publicity for *Beam Defense*, which is available at B. Dalton bookstores.

Cleaning up after Carter in Grenada

The Carter administration's major drug and cult promoter, Dr. Peter Bourne, and his father Geoffrey Bourne, former director of the Yerkes Primate Center, have been playing an important role in Grenada's political life through their connection to St. George's Medical School.

The school—one of a number of such "offshore" institutions which have mushroomed in the Caribbean over the last decade, and often function as drug-running bases—is reported to be performing brainwash-

ing experiments on the local population. Geoffrey Bourne has been vice-chancellor of St. George's for six years, and his son Peter became a visiting professor after his former psychiatric patient, Jimmy Carter, had to remove him from his post as White House adviser on drug abuse when he got caught pushing pills.

The two Bournes reportedly maintained close contacts not only with ousted Grenada Prime Minister Bishop, but with the two other key actors in the Soviet-backed coup against Bishop, Deputy Prime Minister Coard and Commander of the Army Austin. Geoffrey Bourne compared the U.S. military operation in Grenada to the Soviet invasion of Afghanistan.

St. George's has supplied many of Grenada's medical personnel, and students are required to participate in the Grenadan community health plan—where, according to Bourne, they have been working for the last two years under Cuban doctors.

Abscam comes to North Carolina

Soon after the political corruption trial of Lt. Gov. James Green of North Carolina began on Oct. 20, the state government's key prosecution witness submitted a sworn affidavit revealing that he had lied to the FBI about Green. The prosecution was forced to drop one count of the five-count indictment.

Green, leader of the conservative Democrats in the state, is charged with conspiring with Howard F. Watts of Clarkton, to receive bribes; twice consenting to receive a series of \$10,000 monthly payments; and consenting to receive, and later receiving, a \$2,000 bribe which had been mailed to Green under the guise of a contribution from a fake political action committee, Americans for Quality Government, set up by the FBI for this sting. Green in fact refused the mailed bribe by returning it to FBI undercover agent Drdak as soon as it arrived.

A serious consequence, if not aim, of the "Colcor" sting operation has been to undermine of Green's plans to run for governor in 1984. Current North Carolina governor

James B. Hunt, architect of the 1972 McGovern reforms of the Democratic Party, plans to run for the U.S. Senate in 1984, since he is unable to run again for governor. Hunt's challenge to incumbent U.S. Sen. Jesse Helms (R-N.C.) could upset the political scene, especially if at the same time like-minded liberal Rufus Edmisten, currently the state attorney general prosecuting Green, and now running for governor himself, were to win the top post in the state.

Green's case was set up by the FBI, then handed over to Edmisten's State Bureau of Investigation for prosecution.

U.S. News spreads water crisis psywar

"Statistically, the U.S. should not have a water problem at all," begins a recent *U.S. News and World Report* cover story. Nonetheless, "many experts . . . predict that 'Water will be the resource crisis of the '80s.'"

Designed to prepare Americans for yet another crisis of "limited resources," the article provides a Strategic Bombing Survey-style map of the United States, with points of conflict over water designated by explosions. An attempt by the city of El Paso, Texas to buy water from the state of New Mexico is described by a New Mexico irrigation district official as "nothing less than a well-planned invasion by a foreign country."

Other panic-mongering pressure-points include California, where an "expert" asks, "Does it make any sense to have millions of people living in Southern California, where the water has to be brought immense distances at incredible cost?"

The conclusion of the article is that, regardless of the outcome of specific fights, "America's consumers will be paying sharply higher prices for water in coming decades."

However, the article cannot quite evade reality. The obligatory section on solutions, which lists home use cutbacks, agriculture shifts, and recycling schemes for industry, concludes: "Even conservation, however, may not be able to stretch water supplies if

people and industry continue streaming into the desert Southwest in the coming decades. This is why many experts still advocate seemingly wild schemes such as bringing water from the Arctic to literally make the deserts bloom.

"One project, the North American Water and Power Alliance, would bring water from northern Alaska and Canada to the Southwestern desert through a series of canals, tunnels, reservoirs and existing rivers. Besides providing water, it would generate millions of kilowatts of electricity."

Arms controller: Soviets have deal with Kissinger

A well-known figure on the arms-control circuit said in private conversation recently that he is aware that the Soviets have a deal with Henry Kissinger to gain Kissinger a larger role in the Reagan administration. The deal will only be good until November 1984.

The response of the Harriman Democrats will reportedly be to "make the Soviets a better offer and then take the White House."

The former negotiator also stated that the beam-weapons strategic defense program represents a serious commitment by President Reagan. The central Harriman strategy for blocking the program is to encourage the White House to continue what it is currently doing—keeping a low profile, rather than reviewing the public presidential commitment to such weapons systems. Then, if Reagan is ousted in the election, the program can be killed.

Meanwhile, the arms controller noted, Kissinger and the "saner people" in the administration will be useful in holding the administration in check. He said that there is no question that the Soviets are into challenging the United States everywhere across the board, and that the U.S. Euromissile deployment will be met by deployment of Soviet submarines off the U.S. coast, if they aren't there already, as well as placement of SS-20s in positions in Western Siberia where they can hit the United States.

But this, said the Harrimanite, is all Reagan's fault.

Briefly

● **JOHN NUCKOLLS** has been named associate director for Physics at Lawrence Livermore National Laboratory. The pioneering laser-fusion and nuclear-weapons physicist will bring the lab's inertial fusion target design division, which he has headed since its creation in 1980, from the nuclear design department to his new department.

● **JAMES COOPER**, the secretary of the North-American Man-Boy Love Association (NAMBLA), was convicted on Oct. 21 of sexually assaulting a 15-year old New Jersey boy after seducing him with lavish dinners and wine. NAMBLA has been defended in the past by prominent New York politicians such as state attorney general Robert Abrams, and deputy mayor of New York City Robert F. Wagner, Jr.

● **NORTH DAKOTA** LaRouche Democrat Annabelle Bourgois announced her candidacy for the Democratic nomination for governor of North Dakota on Oct. 20, creating a splash in the state press. A family farmer from Baldwin, North Dakota, she ran for U.S. Senate in 1982 and received 8,200 votes as an independent. Her campaign slogan "You don't have to be gay, kill babies, or speak Russian to be a Democrat" is ruffling feathers in the state.

● **THE SOVIET DELEGATION** to Target Seattle will not attend the event after all, the *Seattle Post-Intelligencer* announced on Oct. 27. Target Seattle, which began Oct. 28, is a peace movement promotion of the Soviets as "just folks." The Marc Calney for City Council campaign had mobilized opposition to the propaganda effort. According to the *Post-Intelligencer*, "Earlier, it was hoped that the Soviet representatives would be able to attend Target Seattle, possibly including Soviet diplomat Valentin Berezhev, an expert on the U.S. and Canada. But, Target Seattle leaders were told about three weeks ago that no Russians would attend."

Beam-weapons defense is feasible: The great cyclotron controversy

by Robert Gallagher

Various physicists close to the Soviet-controlled Pugwash Conference on arms control such as Richard Garwin of IBM, Hans Bethe of Cornell University, and Kosta Tsipis of the Massachusetts Institute of Technology, have asserted that President Reagan's program to develop directed-energy beam technologies for anti-ballistic missile (ABM) systems is "impossible" or "not feasible."

Identical claims have been made in the past by theoretical physicists that were rapidly swept aside by scientific and technological achievements. An instructive example of such refutation of this "flat earth" school of physics is the course of a similar controversy over beam technologies touched off by Bethe in 1937, when he asserted that there was a "relativistic" limit to the energy to which circular accelerators, such as Ernest Lawrence's cyclotron, could accelerate ions—charged atomic particles such as hydrogen nuclei (protons).

The case of the cyclotron controversy is paradigmatic for policy makers, physicists, and others seeking to implement the Reagan directive. It demonstrates that the algebraic methods associated with theoretical physics can provide no basis for evaluating the feasibility of a beam-weapon ABM defense or for solving any remaining problems. Only geometrical methods based on the primacy of circular rotation are applicable to the study of relativistic and other high-energy-dense regimes. The cyclotron controversy proves this for anyone who cares to look. Relativistic phenomena express themselves in the visual universe through rotational motion or other harmonic orderings.

Bethe, on the other hand, has publicly rejected the geometrical method of the Leibnizian scientific tradition that provided the basis for all technological advances since the steam engine. In an interview published Dec. 3, 1979, Bethe himself complained to *New Yorker* magazine about the Ger-

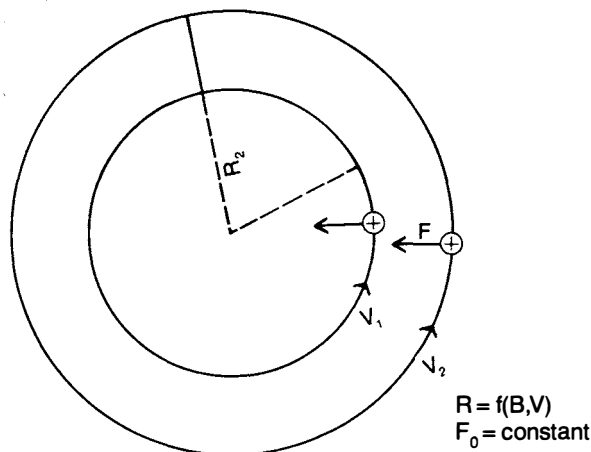


Figure 1. Rotational movement of charges between magnets. A charged particle moving between the poles of a magnet is turned to move in a circular path by a magnetic force F . With a constant magnetic force turning the particle, the greater its speed, the greater the radius of its circular path. In the figure, the ion with a greater speed, v_2 , travels in a wider circular orbit. The magnetic force is directed inwards toward the center of the orbit. Lawrence realized that magnets could be used to set up "containers" of magnetic force within which to repeatedly accelerate ions to greater and greater speeds in a circular path.

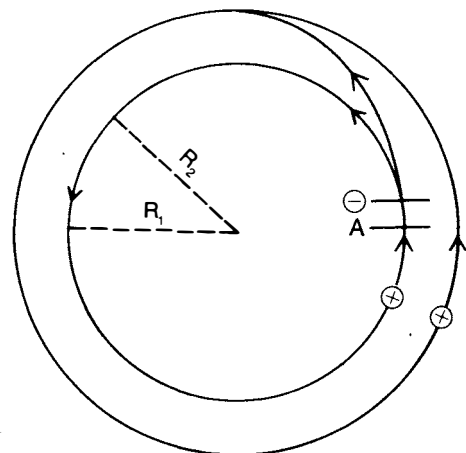


Figure 2. Voltages accelerate charged particles. A positively charged ion is accelerated by a negative electrical potential or voltage. In the figure, an ion is accelerated by the voltage at A to move at a greater speed in a wider circular orbit. The period, or duration of one orbit, is the same as before acceleration. The number of orbits per second is the ion's orbital frequency, known as its "cyclotron frequency." This is constant if there is a constant magnetic flux between the poles of the magnet.

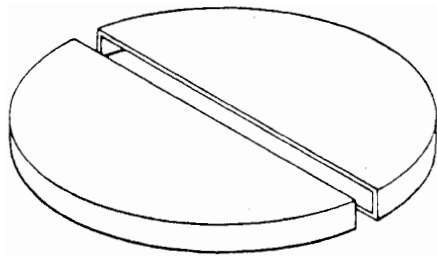


Figure 3. Semi-circular electrodes of the vacuum chamber of a cyclotron. The beam travels inside in a circular path.

man 1920s Gymnasium's geometry curriculum established by Felix Klein: "I wasn't particularly interested in geometry—ever. What I was interested in was algebra." It was Klein's emphasis on geometrical method that made possible modern aerodynamics that has since taken us into space.

Bethe had to wait nearly 30 years to receive the Nobel Prize for work he did in the 1930s on stellar fusion because his blunders on the cyclotron had damaged the credibility of his work.

Cyclotron harmonic resonance

Accelerators perform work upon beams of atomic particles by raising the beams' frequency of rotation as they propagate through space. All modern accelerators make use of the principle of harmonic resonance to perform this work. They are all harmonic oscillators.

In 1931, Ernest O. Lawrence and M. Stanley Livingston demonstrated the invention of the "cyclotron" circular particle accelerator with the generation of a beam of 1.2 million electron volt (MeV) protons. (One electron volt is the kinetic energy of an electron accelerated across a voltage of 1 volt.)

The design of the cyclotron was based on Leibniz's principle of least action: that the action of circular rotation is the only form of action that is self-evident in visible space. To understand the controversy touched off by Bethe it is necessary to grasp the simple physical principles that underly the operation of the cyclotron.

The cyclotron is based on the fact that a charged particle moving in a circular path under a constant magnetic field completes the same number of orbits per second regardless of its speed if that speed is not a large fraction of the speed of the light (see **Figure 1** and **Figure 2**). On this basis, Lawrence conceived of the cyclotron in which magnetic forces confine beams of particles to travel in circular paths in a squat circular vacuum chamber (see **Figure 3**). An accelerating voltage is applied across the gap between the two semi-circular halves of the accelerator chamber (see **Figure 4**). In order to repeatedly accelerate the beam, the cyclotron rotates the polarity of this voltage at the "cyclotron frequency" with which the beam orbits the circular chamber (see **Figure 5**). The rotation of the voltage is tuned to the cyclotron frequency. This condition is "resonance."

Machines developed prior to the cyclotron (such as electrostatic generators) accelerated particles *once* across a large voltage in a linear path. Applying the principle of least action

through circular rotation, Lawrence accelerated ions to high speeds through repeated accelerations across a small voltage. The cyclotron is based on an elementary spiral work function.

Beams of accelerated ions from the cyclotron unlocked the atom and provided a means to study nuclear fission. By the late 1930s, under the direction of a cadre of physicists Lawrence trained, most principal physics labs in the United States and Europe had built cyclotrons as a tool to study radioactive disintegration of particles. Throughout the decade, Lawrence and his associates built a series of more powerful cyclotrons, achieving proton energies of 14 MeV by 1939.

The impact of cyclotron technology reached beyond physics. Lawrence and his brother John, a physician, founded a new branch of medicine by applying cyclotron ion beams to treat cancer. At first there was considerable resistance from the medical profession. But in 1938 the Lawrences cured their mother, aged 65, of terminal cancer with cyclotron ion beam therapy. She then lived to the age of 83.

In 1939, Lawrence received the Nobel Prize in physics for his invention.

Bethe's dissonance

In the midst of the acclaim over the benefits of Lawrence's discovery, Hans Bethe asserted that there were absolute limits to the operation of the cyclotron or any other

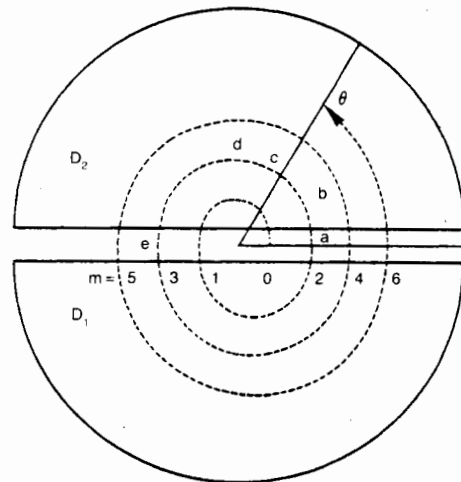


Figure 4. View of the cyclotron accelerator chamber from above. The accelerating voltage is applied across the gap between the two semi-circular electrodes of the chamber. To accelerate the particles, the polarity of the voltage must rotate (see Fig. 5) so that the electrodes (D_1 and D_2) are alternately negative with respect to each other during acceleration. For example, an ion passing between the two halves of the chamber at "a" is accelerated by a negative voltage. D_2 is negative relative to D_1 . By the time the particle again approaches the gap between the electrodes at "e", the polarity of the voltage has rotated: D_1 is negative relative to D_2 and the particle is again accelerated. By the time the particle has reached "4", the voltage has rotated again. As a result, the ion traces out successive semicircles in a spiral within the accelerator chamber. With each acceleration and gain in speed, it "jumps" up the magnetic potential to a wider circle. Notice that the path the beam takes between the gaps is always a semi-circle. If the voltage did not rotate, the particle would be alternately accelerated and decelerated.

Rotation of voltage on cyclotron

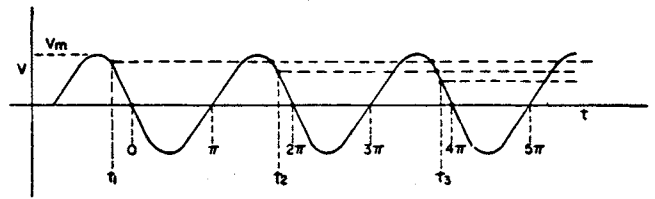
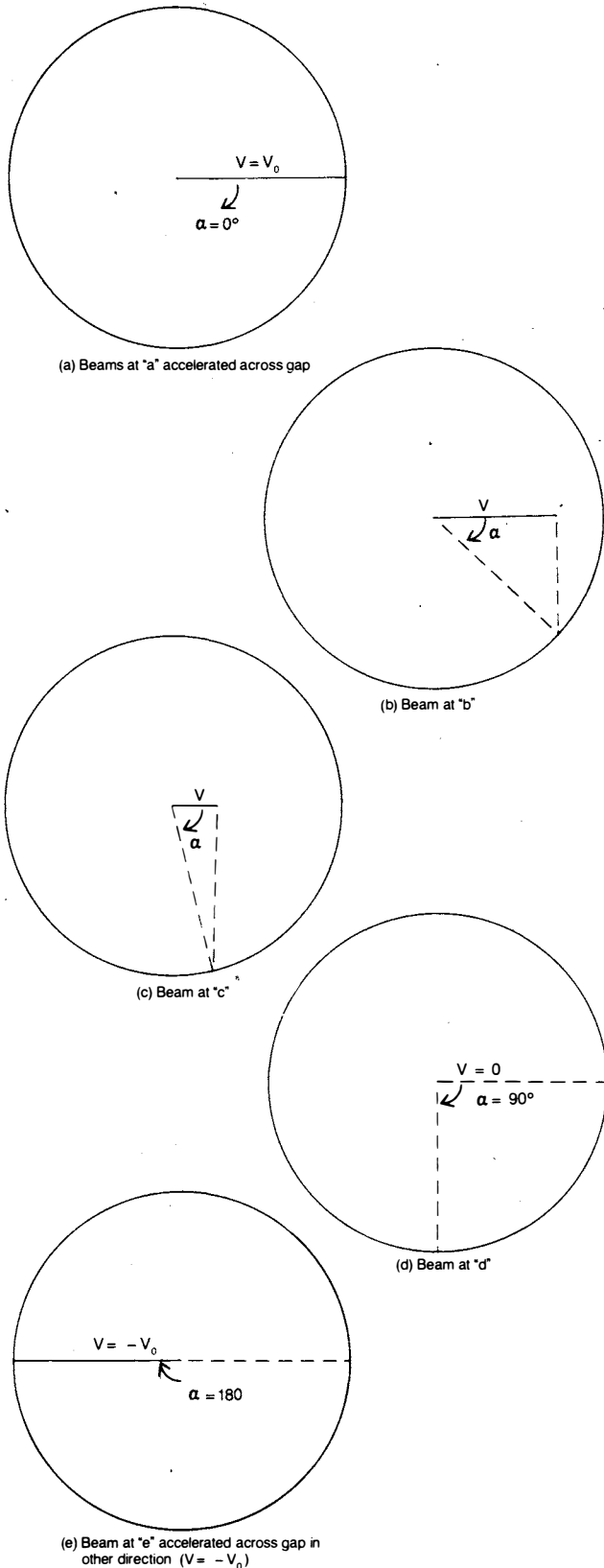


Figure 6. Loss of phase between the rotating voltage and the beam in the cyclotron. The sinusoidal wave represents the rotation of the voltage. Notice that in successive accelerations at t_1 , t_2 and t_3 , the beam trails the voltage peak more and more. Ultimately, it will cross the accelerating gap when the voltage is zero and as a result not be accelerated.

machine based on its principle of resonance. He expressed this thoughtless prophecy in a series of articles written with Morris Rose, an assistant, in *Physical Review* in 1937 and 1938.

Bethe's argument was as follows: At speeds that are a significant fraction of the speed of light (i.e., so-called "relativistic velocities"), the beam appears to slow down. When this occurs, the beam falls out of resonance with the rotating voltage that accelerates the beam (see **Figure 6**). The faster the particles are accelerated, the more they get out of phase with the rotation of the voltage, and the less and less the cyclotron accelerates the beam until finally it would no longer accelerate it at all. (This effect was well known by Lawrence and his associates.)

Bethe claimed that it was impossible to surpass this "limit," that there was no way to modify the cyclotron to restore resonance without defocusing and losing the beam. He expressed his results in the form of some mathematical fakery to "prove" that the problem could not be solved.

Bethe assumed that the only possible solution to the phase dilemma would be to increase the strength of the magnetic forces confining the beam as it swept out wider and wider circular orbits so that the beam would be pulled back into phase. This was already known to result in defocusing the beam (see **Figure 7**). Bethe's only contribution was to further document this negative result. He showed that increasing the

Figure 5. Rotation of accelerating voltage in the cyclotron. This sequence of figures shows the rotation of the polarity of the accelerating voltage through two accelerations of a particle in the case where the particle always crosses the accelerating gap when the voltage is maximum. Figure 5a shows the voltage at maximum V_0 as it accelerates the beam across the gap at "a" in Fig. 4. As the beam turns around the circular chamber, the voltage rotates so that its polarity is reversed and has a maximum value when the beam reaches "e"—accelerating the beam again as a result. Figs. 5b, c and d show the rotation of the voltage and the decline in its amplitude to zero while the beam passes "b", "c" and "d" in Fig. 4. Fig. 5e shows the voltage rotated 180 degrees as the beam crosses the gap at "e". The voltage is always its maximum V_0 times the cosine of the angle of rotation, α . The rate of rotation of the voltage is tuned to the orbital or "cyclotron frequency" of the beam. In future accelerators, the voltage rotated at an octave or harmonic of the cyclotron frequency.

magnetic forces at the periphery of the chamber by only one percent would result in exponential spreading of the beam and its reduction to one billionth of its former intensity. In the cyclotron, to maintain a focused beam, the intensity of confining magnetic forces is made to decrease with radius.

For purposes of documentation, we quote from his *Physical Review* articles:

“We see that either the resonance or the focusing is destroyed by the relativistic change of mass irrespective of the special choice of the magnetic field. . . . Thus it appears that the cyclotron cannot be made to give much higher energies than those obtained thus far. . . . Various possibilities for improving either the focusing or the resonance by changing the design of the cyclotron were considered but there are objections to each of them.” For cyclotrons with a maximum accelerating voltage of 50,000 volts, Bethe and Rose asserted that “the maximum attainable energies” were 15.6 MeV for protons, 22.15 MeV for deuterons and 44.3 MeV for alpha particles. British Nobel Laureate physicist James Chadwick, the discoverer of the neutron, echoed Bethe’s argument in a 1938 *Nature* article.

Are ‘relativistic effects’ limiting?

Bethe’s assertion was that the harmonic laws upon which the cyclotron was based were valid only at low energies, that the harmony of the universe—demonstrated successively by Plato, Nicholas of Cusa, Kepler, Leibniz, and Carnot—broke down as the beam approached the speed of light.

In fact, the opposite was the case: As a particle beam becomes relativistic, it *characteristically* exhibits additional harmonic motions.

Commenting on the algebraic method characteristic of Bethe, *EIR* founder Lyndon LaRouche has recently stated: “It is a fool’s enterprise to attempt to wring out of such mathematics any evidence bearing upon causation: One would have better luck attempting to wring blood from a stone.”

American and Soviet physicists developed several solutions to the limits enunciated by Bethe. They were based on

the discovery that the accelerating beams develop two additional forms of harmonic motion and so exhibited self-organizing processes. Methodologically, the solutions rested on the work of Leibniz and Carnot.

Leibniz’s fundamental principles of physical geometry were the principle of continuity, the principle of conservation of *vis viva*, and the principle of least action. Carnot’s 1783 *Essai sur les machines en général* and other writings provided their elaboration in his theory of machines.

The principle of continuity states that matter is characterized by self-organizing processes and that such processes are the key to identifying the continuous path of physical transformation between two qualitatively distinct physical regimes, such as “relativistic” and “non-relativistic.”

Virtual motions

To address the conceptual problems of engineers and physicists in applying this principle to machine design, Carnot developed the concepts of “virtual” and “geometric” motions based on Leibniz’ principles. Leibniz defined “virtuality” as “the momentary transition determined by force and the necessity of its change.” Otherwise, “there is nothing real in motion itself.” In other words, work brought forth “virtuality” in matter, its tendency towards change.

Carnot applied this understanding of the self-organizing tendency in matter to machines. He wrote that the virtual motion of any system of bodies (such as a particle beam) is that which it would exhibit at any moment if it were no longer constrained (for example, by the forces exerted by the accelerator), “if it were free,” he stated. His criticism of 18th century engineers was that they did not design machines in accordance with the fact of virtuality. As a result, contemporary machines quickly reached “limits” or *singular states* in their action because their action was in part directed against the virtual motions they brought forth in matter.

Carnot emphasized that for maximum power, machines must apply forces or execute motions that were consistent with virtual motions. Such motions are “geometric.” They

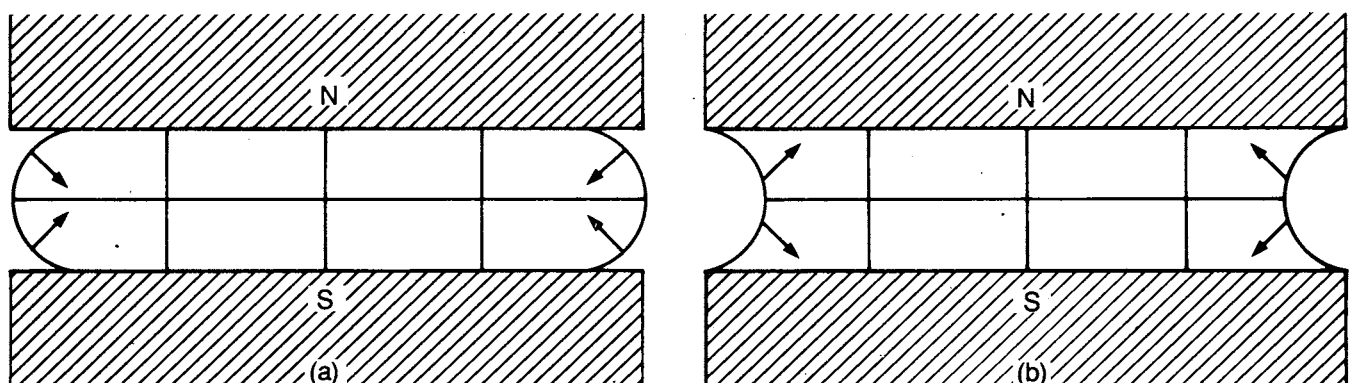


Figure 7. Focusing and defocusing of the beam in the cyclotron. The figures show a vertical section of the cyclotron magnets and the accelerator chamber between them. If the strength of the magnetic force declines slightly with radius, the beam is focused towards the median plane of the accelerator chamber. Fig. 7a shows that the magnetic field lines are convex at the periphery of the chamber in this case and the focusing forces always directed towards the mid-plane. Fig. 7b shows the concave shape of the field at the periphery and the direction of the focusing forces—if the magnetic field increases slightly with radius. The beam is always defocused. Bethe argued that this effect made it impossible to restore resonance in the cyclotron or any machine based on its principle of resonance.

would not act against virtual motions, and essentially established the boundary conditions under which virtual motions would evolve. Geometric motions would not “change the reciprocal action of the different parts of the system”—as Carnot stated in his 1803 *Principes fondamentaux de l'équilibre et du mouvement*—so that under application of geometric motions, the system can evolve *continuously* from one state to another. As he elaborated:

Any motion that, when imparted to a system of bodies, has no effect on the intensity of the actions that they exert or can exert on each other in the course of any other motions imparted to them, will be named geometric.

The key to machine design is to identify the geometric motions that will carry the machine past singular limits of action that would otherwise appear. Carnot emphasized that one distinct physical regime or machine state is the projection of a preceding one via a projective transformation carried out with geometric motions. Furthermore, he stressed that efficient action was always quantized and that in continuous-process machines, the action must change only by quanta or “by insensible degrees,” as he wrote, since this would be consistent with the evolution of virtual motion.

Carnot demonstrated to the engineering community of Europe that machines designed with such a geometric method would exhibit conservation of *vis viva*: They conserve the self-organizing processes exhibited as virtual motion. Such processes are formally termed “adiabatic.” Carnot’s son, Sadi, applied his work to develop a theory of the adiabatic operation of heat-powered machines.

Harmonic ‘self-focusing’

At the end of World War II, two physicists, V. Veksler of the Lebedev Physical Institute in Russia, and E. McMillan, a collaborator of Lawrence, both simultaneously published solutions to Bethe’s difficulty, solutions based on the fact

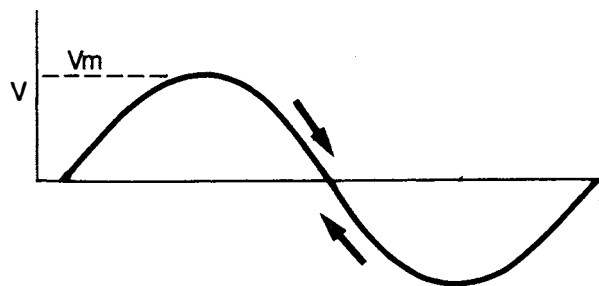


Figure 8. “Self-focusing” of the beam in the cyclotron. Veksler and McMillan showed that loss of phase would result in alternate acceleration and deceleration of the beam so that its phase with the rotating voltage would swing back and forth about a phase with $V = 0$. To continuously accelerate the beam it is only necessary to increase the intensity of the magnetic flux in small steps so that the beam’s phase swings about a positive voltage and is always accelerated. (Modified from Ref. 4.)

that the beams exhibit “self-focusing.” Veksler dubbed his accelerator designs “adiabatic” after Carnot.

Contrary to Bethe, Veksler showed that the loss of resonance was predictable, that during each circuit of the beam within the cyclotron, it went out of phase with the rotation of the accelerating voltage by a quanta of virtual action dependent on the maximum accelerating voltage and the magnetic flux intensity. This phase rotation would stop when the phase finally coincided with zero voltage at the accelerating gap so that there was no net acceleration. McMillan further demonstrated that when resonance was thus “lost,” the beam simply swung between accelerating and decelerating phases *with the harmonic motion of a pendulum* (see **Figure 8**).

The required geometric motion to return the beam to phase was simply to give it a small kick with each orbit by stepping up the intensity of the magnetic forces confining the beam so as to rotate the beam back to an accelerating phase with the voltage. The end result of these geometric motions was that the beam always swung about an accelerating phase. McMillan represented this geometric approach with a model (see **Figure 9**). He and Veksler showed that step-modulation of the frequency of rotation of the voltage would also serve as a geometric motion to restore resonance.

The quantum of least action

Veksler emphasized that the critical element with either magnetic or electric force variation was for the steps or “quanta” to be “sufficiently small compared with the total field,” or as Carnot argued, the variation must be “by insensible degrees.” Beam-focusing is maintained as in the cyclotron with magnetic forces that always decrease with radius even though they increase with time. Two of McMillan’s associates wrote, “The apparent difficulty [of loss of phase] is converted to an aide, allowing a theoretically unlimited number of successive accelerations.” The singularity that arose in the conventional cyclotron was surpassed.

Immediately, McMillan introduced variation in the frequency of the accelerating voltage into the 184-inch diameter Berkeley cyclotron. The machine—renamed the synchrocyclotron—achieved energies of 200 MeV for deuterons applying a maximum accelerating voltage of 15,000 volts, less than one-third of that Bethe asserted would be required to achieve a “maximum” energy of 22 MeV.

In 1952 the Berkeley proton synchrotron—based on variation in both the magnetic forces and the rate of rotation of the accelerating voltage—produced protons of 6.2 billion electron volts (GeV). The machines demonstrated that—contrary to Bethe’s lattice of algebraic constructs—relativistic regimes of the universe are harmonic.

Variation of the magnetic forces permitted the use of a donut-shaped accelerator vacuum chamber (see **Figure 10**) since the beam can be kept orbiting at a nearly constant radius.

Does mass increase with velocity?

The limits of the synchrotron were known before the first

machine was built: Because iron magnets saturated at about 1800 Gauss, there was a limit on magnetic field intensity; higher energies could only be obtained by increasing the radius of the toroidal accelerator chamber. Then American physicists designed machines around the second additional harmonic "virtual motion" that the beam exhibited only at relativistic speeds. To do so required subjecting one of the central tenets of Einstein to criticism.

D. W. Kerst first demonstrated in his circular Betatron electron accelerator that beams of accelerating particles spiral (rotate) about their mean circular path in the machine. (See **Figure 10**). This movement was named "Betatron oscillations." They are the principle geometric correlate to higher beam energies.

But the magnets of the synchrotron were designed on the assumption that the least action path for the ions was a simple circle, not a spiral path. As a result, the magnets "fought" against the natural spiral motion of the beam. Accelerators that would surpass the limits of the synchrotron must accelerate the beam along its "natural" spiral trajectory.

The fact of Betatron oscillations explain why accelerating beams took longer to make one orbit of the cyclotron as their energy increased. As the machine accelerated a beam to higher speeds, the rate of these Betatron oscillations increased. As a result, the path that the beam travels in the

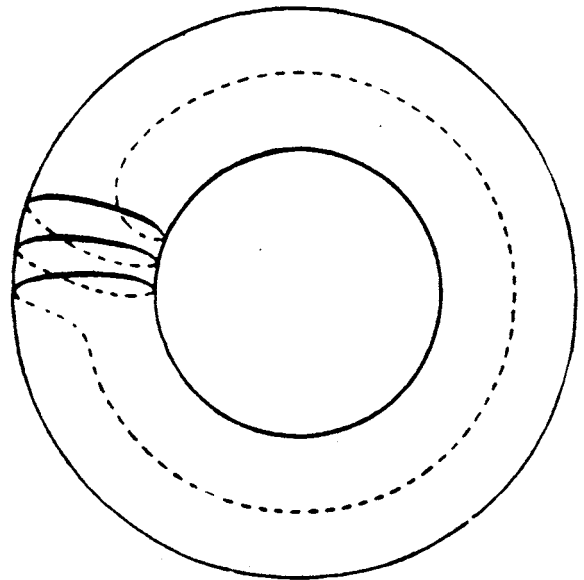


Figure 10. Betatron oscillations are a spiral rotation (solid lines) about the mean circular path (dotted line) that a beam takes around the donut-shaped accelerator chamber shown above.

machine lengthens (see **Figure 10**). Its period of orbit *must* increase!

This geometric explanation of a "relativistic effect" showed that the popular fiction that mass (or inertia) increased with speed (velocity) is meaningless. If this doctrine was to have any value, it would form a basis for problem-solving. It does not. Because it reduces relativistic effects to the point, the particle, the notion that mass increases with velocity can only justify the view that the problem of increasing beam energy in the cyclotron was unsolvable. Bethe used precisely this approach.

In fact, the apparent increase in inertia of the beam was based only on its evolution into a new geometric form, its (Lorentzian) contraction into a coil or spiral. The beam increasingly behaved as a wave, not as a mass of particles. Because it contracted with every orbit, it lost phase with the cyclotron.

The path of least action

In 1950, Nicholas Christofilos, an engineer who designed accelerators as a hobby, proposed a magnet system for a synchrotron that would accelerate particles along a spiral trajectory in an application to the U.S. Patent Office. The system would achieve synchrotron energies with "smaller magnet weight and smaller cost." Christofilos based his theoretical treatment on Bernhard Riemann's harmonic function theory. His patent application was immediately classified.

In the magnet system proposed, accelerated particles would be subjected to harmonically rotating magnetic forces all along their path. The action of these forces produces motions that are geometric relative to the beam's virtual spiral rotations.

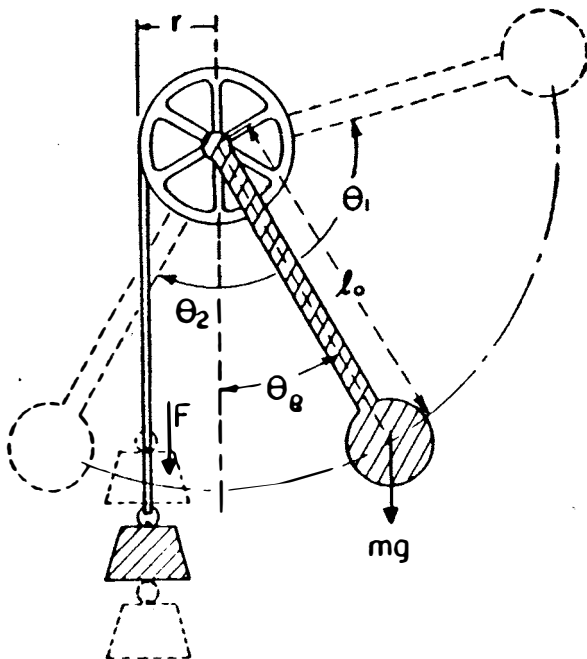


Figure 9. Geometric motion in the synchrotron. The diagram shows the pendulum model of the rotation of the phase between the beam and the accelerating voltage in the synchrotron. The weight that prejudices the movement of the pendulum to the right represents the geometric action of increasing the magnetic field strength in quanta to keep the beam at an accelerating phase with the voltage. In the cyclotron, there is no such geometric action applied so that at relativistic velocities, the pendular motion of the phase is about a voltage of zero, or no net acceleration. (Ref. 4).

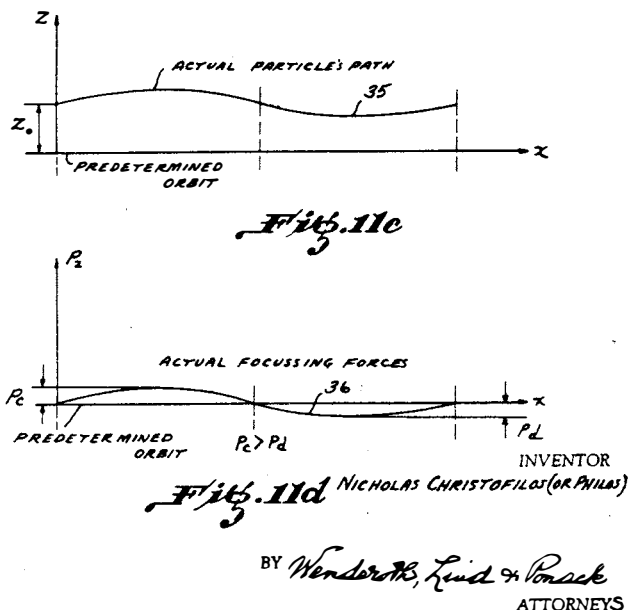


Figure 11. Geometric motion in the alternating gradient synchrotron. These figures are from Christofilos' original patent application. Fig. 11c shows the resulting spiral path of the beam; 11d shows the rotational magnetic force applied, geometric relative to the (virtual) spiral rotation of the beam (Ref. 3).

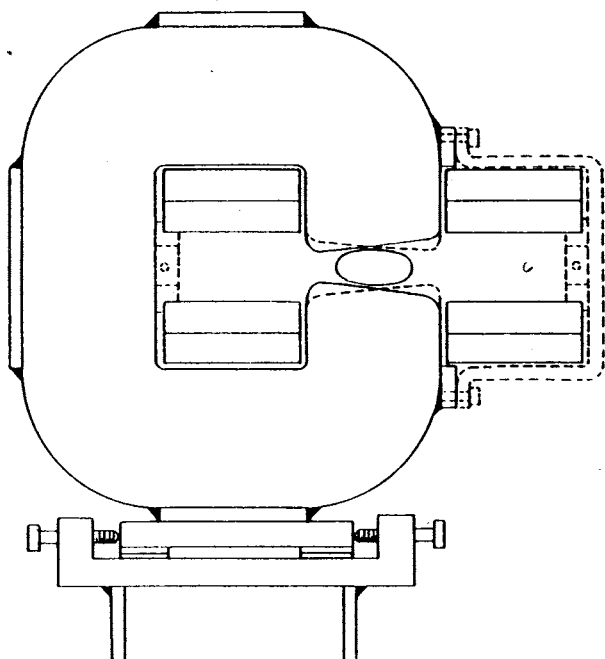


Figure 12. Magnet from an alternating gradient synchrotron. The magnet poles form the sides of a rectangular hyperbola. The dotted lines indicate the poles of the other member of an alternating gradient magnet pair in which the orientation of the poles is reversed. If the North Pole is above the South in the first magnet, it is below in the second of a pair. Note the elliptical cross-section of the accelerator chamber between the magnet poles. (Ref. 3).

Figure 11 from Christofilos' original patent application shows the rotating magnetic forces and the resulting spiral movement of the beam in his design. In the new machine, the rotating forces are produced by magnets whose poles form sides of a rectangular hyperbola and whose poles alternated in orientation along the toroidal chamber of the accelerator (see **Figure 12**).

Christofilos' design for a quadrupole magnetic lens from his 1950 patent is employed in the radio frequency quadrupole accelerators that form the basis of the particle beam weapons programs in the United States and Russia.

Stanley Livingston and Ernest Courant independently discovered the principle of Christofilos' design and built an accelerator based on it at Brookhaven. It achieved 32 GeV protons in 1960.

Less quarkery, more geometry

The attainment of higher energies is not an end in itself. The importance of the breakthroughs described here is that they show that development of smaller, relativistic particle accelerators for beam weapons is feasible. The application of the principle of least action produced accelerators that achieved successively higher particle velocities and currents with lower accelerating voltages and lower magnet weight per length of the accelerating chamber. Table I presents this historical fact. Our goal is to apply the least action principle to develop relativistic particle accelerators that you can fit in a tank.

The first step toward this goal will be for physicists to abandon the cults of algebraic analysis and "high energy physics." High energy physics is a fraud. Its study of subatomic particle interactions has become a form of voodoo: It assumes the ontological primacy of the point, the particle, to the rotational motion that is primary.

Today, most physicists regard Betatron oscillations as some form of "instability" or "experimental artifact," rather than a characteristic of particle beams. The situation is similar to that which exists in the U.S. magnetic fusion energy program where practitioners are applying the brute force of strong magnets to confine a plasma, rather than designing machines to bring out the "virtuality," or self-organizing tendency of

Table 1
Least action parameters of accelerators

Machine	Max. Voltage (kilovolts)	Magnet. flux (Gauss)	Mag. wt. per meter (tons)	Max. "energy" (MeV)
Cyclotron (Berkeley)	100	15700	25	8.5 d+
Proton synchrotron (Brookhaven)	1	14000	29	3,000 p+
A-G synchrotron (Brookhaven)	80	13000	4.5	30,000 p+

Note: d+ = deuteron beam, p+ = proton beam.

the plasma to perform work upon itself.

The simplest geometrical constructions provide more guidance for mastering "relativistic effects" than Einstein's mass-energy doctrine. The cone represents the self-similar rotational action fundamental to the universe and characteristic of a work function that *progresses from non-relativistic to relativistic regimes*. A simple comparison of the cyclotron to the synchrotron illustrates this.

In the naive view, geometry is comprised of the study of three spatial and one time dimension. Under this prejudice, physicists view processes as dynamical interactions of particles and forces in visual space. Such a view was the basis of Bethe's outlook. In first approximation, the actual dimensions of physical geometry are not mere spatial coordinates, but the degrees of variation in the physical processes themselves.

In any cyclotron, the magnetic forces confining the beam are constant, the maximum beam energy is determined by how far out the beam can spiral, that is, by the mere size of the vacuum chamber. The cyclotron frequency, or rate of acceleration is also constant. The action of the cyclotron is limited.

The breakthroughs of Veksler, McMillan, and Christofilos in developing the synchrotron permitted a dramatic in-

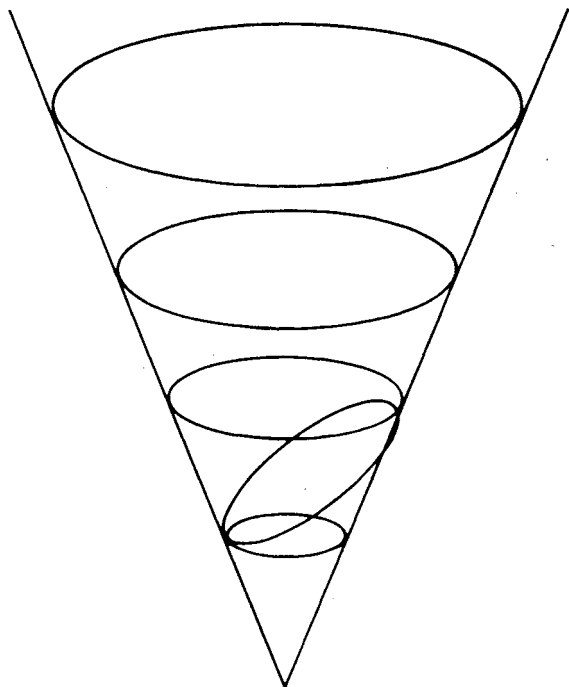


Figure 13. Conical model of the proton synchrotron. The cone represents the characteristic geometry of a (self-similar) work function effective in both non-relativistic and relativistic regimes. A quantum modulation of the strength and the rate of rotation of magnetic forces and of the rate of beam acceleration boosts it to a higher rate of "Betatron oscillations", or energy. This action is represented by an ellipse and the work performed by the volume between two such successive "energy" circles.

crease in the ability of an accelerator to perform work upon the beam. The principal degrees of freedom (leverage) in the geometry (or phase space) of action of the relativistic synchrotron do not exist in the cyclotron:

- 1) The rate of increase of magnetic forces;
- 2) The (related) increasing rate of rotation of the accelerating voltage (the increasing rate of beam acceleration); and
- 3) The rate of rotation of magnetic forces.

In the Brookhaven Labs' proton synchrotron, magnetic force strength increases 50-fold over the course of the acceleration as the number of accelerations per second, the beam's now variable "cyclotron frequency," increase 10-fold. Increasing the strength of magnetic forces in small steps or quanta corresponds to a gradual expansion of the size of the magnetic "container" to accommodate the increasing energy of the beam—unlike in the cyclotron where the size of the container is fixed by the constant magnetic force applied.

In the Brookhaven alternating gradient synchrotron, the rate of rotation of the beam (Betatron oscillations) is an order of magnitude greater than in the proton synchrotron or cyclotron.

The geometry (or phase space) of the cyclotron is a cylinder; its action is limited. The geometry of the synchrotron is that of the self-similar expansion of the cone. The expansion of the cone represents the increasing frequency of rotation of the beam under the expansion of the "container" of magnetic forces. Accelerating voltages boost the beam to a higher (Betatron) frequency of rotation up the cone as this "container" expands. This action is represented by an elliptical cut through the cone designating the "jump" from one energy circle to another one (see Figure 13). Were it true that the physical geometry of a relativistic beam is conical, we would see this projected in some way into visual space. We do. The cross-section of a particle beam's Betatron oscillations in the alternating gradient synchrotron of Christofilos is an ellipse.

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Editorial

Schmidt, McNamara, and hot autumn

In late October, former German Social Democratic chancellor Helmut Schmidt keynoted a West Berlin event commemorating the United Nations' award of the Dag Hammarskjöld prize to Robert McNamara. Schmidt, the man who initially proposed the stationing of the "Euromissiles," now argues that all nuclear weapons are of "political" rather than military value, since "they would never be used." Schmidt and McNamara both call for a conventional military buildup instead.

The giveaway in Schmidt's presentation was that he also launched into a tirade against President Reagan's policy announced March 23 for developing a defensive beam weapons system to make the nuclear arsenals obsolete. Schmidt and the currently dominant faction in his Social Democratic Party have thus openly joined forces with the Andropov leadership in the Kremlin, and the Western peace movement funded and controlled by Andropov, precisely when the Soviets have embarked on a global terrorist rampage.

Robert Strange McNamara earned his extra middle name of "Body Count" when, as U.S. Defense Secretary during the Vietnam War, he became notorious for his smug announcements of the Vietcong death tally. Now Mr. Body Count has become a man of "peace." He gives interviews to European magazines advocating, in effect, the decoupling of Europe from the United States, which is the explicit demand of the "peace movement" now moving into its most violent phase.

Let there be no illusion that the flop of the Oct. 22-23 weekend's demonstrations in Europe—meant to culminate a week's disarmament activities—spelled the end of the European "hot autumn." Although the crowds that convened in Germany, Italy, Britain, and elsewhere to protest the planned stationing of new U.S.-built Euromissiles fell far short of the numbers the "peacenik" leaders had predicted, the terrorist wing in heavily-targeted West Germany has already seized the forefront and plans to launch what its leaders termed Chilean-style guerrilla activity.

The pro-terrorist mouthpiece, *Tageszeitung*, carried interviews in its Oct. 22 edition declaring the coming "decentralization" of the disarmament movement

and the "spontaneous resistance" to follow. As those words were printed, the training center of German military counterintelligence (MAD) in Bad Ems was hit by arson. Nor is Germany the sole target; the Martin Marietta Corp. in Orlando, Florida (a defense contractor) has been blockaded. A German disarmament leader, called in to address the protestors, appealed to "the American people to join the resistance against the death industry."

The U.S. Euromissiles are scheduled to begin arriving in Britain on Nov. 1 and in West Germany later in the month. In preparation for the planned emplacement, Moscow issued a series of threats and announcements of countermeasures. The Soviet Defense Ministry reported Oct. 24 that it is beginning construction of launch platforms for the new tactical SS-21 missiles in East Germany and Czechoslovakia, ostensibly in retaliation for the Euromissiles.

Yuri Andropov himself sent a message to the West via TASS that "the Geneva talks will become obsolete at the same moment the American missiles are stationed," and added that the Soviet Union would then be forced to station new missiles as well. In fact, these missiles have been under development for the past 10 years. Only in the mythology of Soviet public relations is their deployment a retaliation.

What McNamara and Schmidt have in common with Andropov is that they all embrace the Malthusian premises of the Pugwash Conference set up by Lord Bertrand Russell, the godfather of the "peace movement," who wrote that famines, wars and plagues were distasteful but "necessary" means of reducing the population. In the 1940s Russell advocated a preemptive nuclear strike against the Soviet Union to guarantee the world rule of an Anglo-Saxon empire. In the 1950s, after the Soviets developed the atomic bomb, the Pugwash networks agreed to split the world between two empires, the Western and the Eastern.

McNamara's embrace of the nuclear-freeze movement emanating from Moscow is no Damascus-road conversion of a former warmonger. Helmut Schmidt and his SPD should stop pretending; they are endorsing the body-count concept, raised to global holocaust.

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