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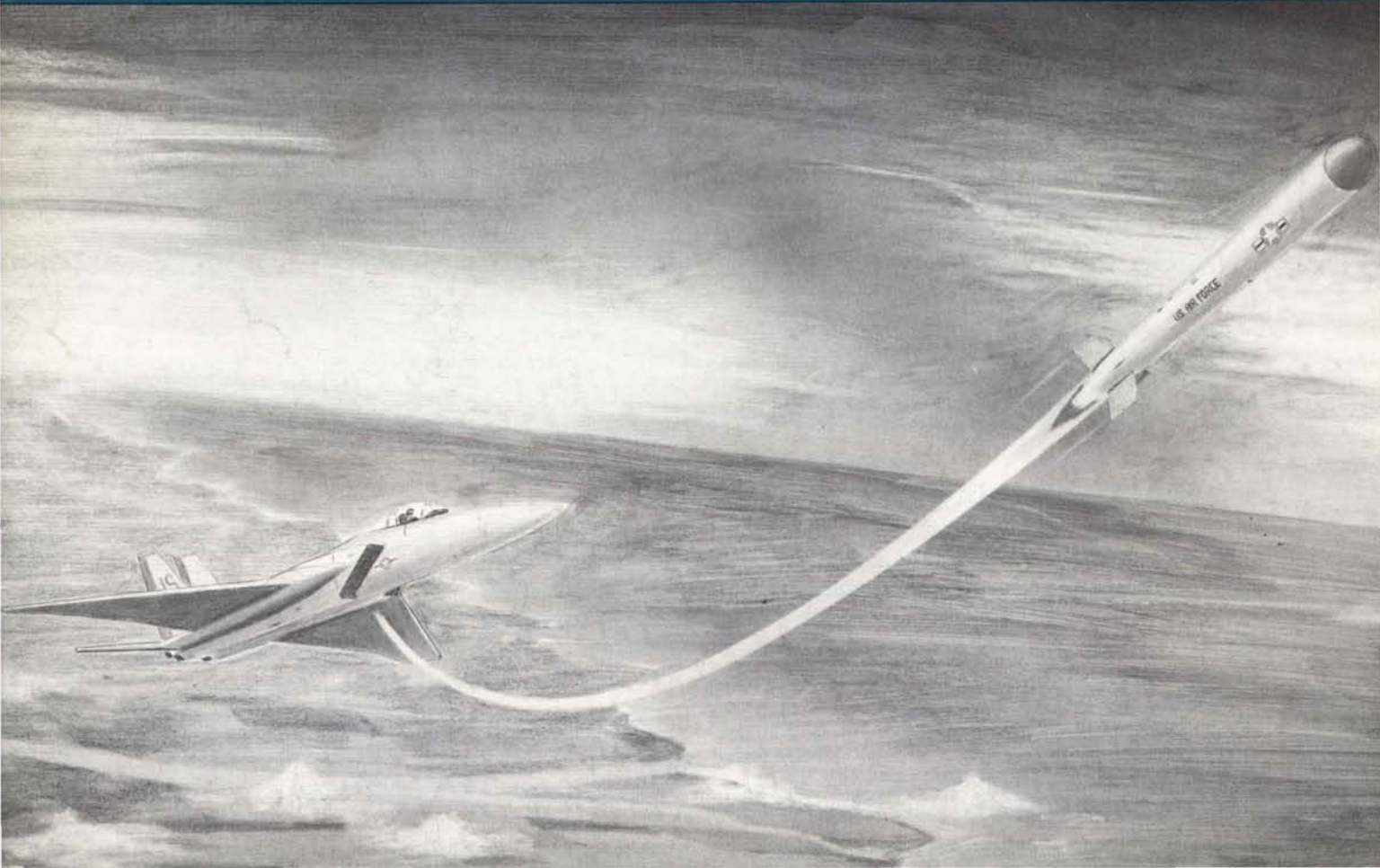
Executive Intelligence Review

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Contadora: solution to the Central American mess
Carrington steers Germans against beam defense
Trilateral Commission's secret economic plans

**Will the U.S. challenge
Soviet militarization of space?**



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banks, and place top-down control over U.S. credit under a handful of financial conglomerates which are modeled on the turn-of-the-century Morgan syndicate and created by "deregulation." This cartel will impose economic austerity on the United States, slashing the defense budget, and giving the Federal Reserve Board the power to dictate reduced levels of industrial production, wages, prices, and employment.

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EIR

From the Managing Editor

Intelligence is ammunition: this week we provide you with a full transport on the question of Western defense and Soviet war-fighting capabilities. Our Special Report presents the efforts of Secretary of Defense Caspar Weinberger, now the only Reagan administration official who is battling for the beam-weapons Strategic Defense Initiative (SDI). Editor-in-Chief Criton Zoakos writes, "On one score there should be no doubt left: The single most decisive issue in the current world strategic crisis is whether or not the United States will be able to rally itself and prevent the Soviet Union from 'stealing the march' and establishing an unchallenged monopoly in strategic anti-missile defensive systems, to add to its already overwhelming superiority in strategic offensive weapons."

We present the evidence that the vaunted U.S. lead in x-ray laser technology has vanished, while the Soviets have achieved the "operational capability to destroy satellites" identified in a recent White House report. Let nobody seek consolation in the news that the Pentagon is requesting an additional \$3.6 billion for FY 1985 to bring the U.S. military space programs to the \$12.9 billion level, of which a mere \$900 million is designated for the Strategic Defense Initiative. Compare that to, say, the Environmental Protection Agency budget—and to the \$200 billion crash program for an across-the-board buildup based on a drive to develop beam weapons proposed last month at our Paris conference by *EIR* founder Lyndon H. LaRouche, Jr. In our National coverage, we document how far President Reagan has moved from his commitment to the SDI. And in our International section, we report on the West German government's moves to oppose the SDI, at the behest of Kissinger Associates' Lord Carrington, the most visible "mole" in NATO. *EIR* warned last year that certain people in Washington were foolishly counting on the Christian Union leaders in Bonn not only to see through the deployment of the Euromissiles but to back the SDI, heedless of the nest of appeasers and neutralists within the "conservative" West German parties.

The most noteworthy counter-blow to all this is the 225,000 votes cast and officially counted in Pennsylvania on April 10 for a slate of candidates headed by LaRouche, running on a platform of all-out mobilization of U.S. military and economic capabilities. You'll find that story in our National section.

Susan Johnson

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Correction: The byline on last week's "Report from Bonn" column should have been Michael Weissbach.

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Henry Kissinger and the new Dope, Inc.

by David Goldman

Shearson Lehman/American Express, the projected corporate name for Wall Street's largest merger, is a phoenix which has arisen from the ashes of a global money-laundering operation which, a decade ago, was associated with such names as Investors Overseas Services (IOS), Tibor Rosenbaum's Banque du Crédit Internationale, Roberto Calvi's Banco Ambrosiano, Resorts International, David Graiver's American Bank and Trust, and other entities with ties to the deceased financier of organized crime, Meyer Lansky.

IOS's Robert Vesco is now a fugitive under virtual Cuban political protection; Rosenbaum died in an Israeli prison after the 1975 failure of his bank; Resorts has taken a low profile; Graiver is reportedly in hiding after his staged "death" in a Mexico plane crash; and Calvi, the financier of Italy's infamous Propaganda 2 masonic lodge, died in 1982 at the end of a rope under London's Blackfriars Bridge, the apparent victim of freemasonic revenge.

But all these capabilities—what Jeffrey Steinberg and this author dubbed "Dope, Inc." in a 1978 bestseller—have been reborn under a single umbrella, under the control of the institutions we identified six years ago as the leading "respectable" institutions behind organized crime and narcotics traffic.

Henry Kissinger was brought onto the Amex board in March 1984. A fellow board member at Amex is Kissinger Republican Anne Armstrong, also the chairman of the President's Foreign Intelligence Advisory Board, who brought Kissinger onto that body one week before Kissinger joined the Amex board.

Most of the old "Our Crowd" investment bankers—Loeb Rhoades, Kuhn Loeb, Lehman Brothers—are now grouped around the new American Express entity, itself controlled by

two of the shadiest financiers in the world. Lebanese Edmund Safra, a product of the Propaganda-2 apparatus at the Banca Commerciale Italiana, and United Brands director Carl Lindner, the heir to the old United Fruit alliance of New England bluebloods and New Orleans hoodlums, each control roughly 4% of the stock of the parent company.

From the West Indies to William Street

The march from the shady offshore havens to the premier position on Wall Street depended on one great strategic change in the position of the United States: America's fall from net creditor to net debtor status in the world financial system, as presidential adviser Martin Feldstein has noted before several congressional committees. Once the United States became dependent upon foreign inflows to finance a trade deficit of \$120 billion per year, a current account deficit of \$80 to \$90 billion per year, and a budget deficit (including "off-budget" items) close to \$300 billion per year, the world of flight capital—of gray and black money—merely needed the appropriate opportunity to assert its leading position in American financial markets.

The underground economy

With unusual frankness, the International Monetary Fund in an appendix to its 1983 *World Economic Outlook* asserted that funds equal to about a quarter of world trade now cross national borders untracked by governments. As *EIR* has exposed in detail, this includes flight capital, narcotics revenues, illegal arms, smuggled gold, contraband high-value agricultural products like coffee, and human beings, and it represents a \$300 to \$400 billion per year flow of funds, the margin of available cash in the world economy. This is the

pool of international funds the United States is now drawing on to finance its external and internal payments deficits, and that defines an American weakness.

The \$300 to \$400 billion a year flow of untraceable money corresponds to hidden trust assets which, as *EIR* first reported in 1981, control roughly \$200 billion of American equity unregistered with U.S. authorities, as well as substantial portions of the "visible economy." It also represents a Soviet strategic capability. The British, Swiss, Hong Kong, Singapore, and other investment and commercial banks who provide the "shells" through which such funds are invested untraceably are the Soviets' partners in what is euphemistically known as the "underground economy."

The extraordinary capacities of Amex

The new American Express empire begins with the Trade Development Bank of Geneva, Edmund Safra's vehicle. Safra sold out to Amex in January 1983 in return for 4% of the firm's equity as well as the presidency of the Amex international banking subsidiary. Safra's banking career began as an adolescent in wartime Marseille, according to his lifelong friend Franz Pick, in the gold-smuggling black market. Under the sponsorship of old-line Venetian-Jewish Mediterranean financiers such as the Recanati family of Milan and Salonika, Safra was apprenticed at the Banca Commerciale Italiana in 1948 at age 16, just as the Propaganda-2 lodge was founded at the bank's headquarters.

In a May 1979 profile, *Institutional Investor* wrote of Safra, "Inevitably, Safra's incredible track record, unusual business mix and passion for secrecy has spawned considerable speculation and innuendo about what he's really up to. A loan syndication officer at a major American bank remarks that 'whenever you mention Safra's banks in a meeting, everyone sort of grins. It's assumed they have shady connections.' With his heavy involvement in the gold market and his Middle Eastern origins, some outsiders surmised that he was a heavy speculator whose banks stockpiled smuggled gold. . . .

"Part of the stigma attached to [Safra's] Trade Development Bank stemmed from the bank's gold-dealing activities . . . the ways that TDB allegedly got hold of the metal were regarded as somewhat suspect. Large amounts of it were said to have been spirited out of Africa, particularly Nigeria; one former Republic National Bank [another Safra institution] executive remarks that 'The first time I ever saw a gold vest was in TDB in Geneva' (the vest, worn around the body, can be used to transport gold ingots surreptitiously)."

Safra's gold operation involved underground links to the Soviets, it seems; the same *Institutional Investor* quotes a TDB executive saying, "In the beginning of the 1960s, the barter business was huge and we did a huge business with a lot of countries, from Russia down to Greece. It used to be my hobby."

Safra's known longstanding ties to the Russians complement those of the top Amex directors who brought him on



David Graiver of American Bank and Trust

board. The attorney and board member responsible for the merger with Shearson is Kenneth Bialkin, former national chairman of the Anti-Defamation League (ADL) as well as co-chairman of the Jerusalem Foundation, and a close friend and associate of Hamburg financier Erich Warburg. Bialkin's ADL colleague Ted Silbert still faces a civil suit by the Italian government alleging corrupt connections to P-2 financier Michele Sindona. And Warburg is considered even by friends in Hamburg to be embarrassingly close to Soviet financial interests in the West. Bialkin is also closely associated in various dirty financial deals, e.g., the Gulf Resources Co. in Texas, with identified Nazi International financier networks, including Britain's Clore family and the Keyser Uhlmann investment house.

When Safra moved into New York in 1965, he chose as principal partner New York wheeler-dealer Theodore Kheel in the takeover of Republic National Bank, which Safra still controls. Kheel became notorious in 1975 as the principal sponsor of swindler David Graiver, a P-2 financier from Argentina who disappeared after looting several hundred million dollars from his own American Bank and Trust in New York.

Safra is one of the two principal stockholders in American Express, and the chief of its international banking subsidiary. He now has more at his disposal than smuggled gold bars: the closest equivalent to anonymous currency, American Express travelers' checks, and a favored means of moving untraceable international money.

The other principal stockholder, Carl Lindner, is also principal stockholder of United Brands, the grandmother of the Latin American narcotics traffic; Lindner is a business partner of alleged Detroit organized-crime figures at both United Brands and other ventures.

Trilaterals: Europe and Japan should supply Soviets with high technology

by Susan Johnson

Last week, *EIR* reported on two major demands of the Trilateral Commission's "Draft Task Force Report, Democracy Must Work: A Trilateral Agenda for the Decade," circulated privately at the commission's meeting in Washington, D.C. on April 1-3 in Washington, D.C. Those demands: 1) that the United States cut its budget deficit by slashing defense spending and entitlements programs for the elderly and ill; and 2) that the Europeans and Americans spread out their colossal unemployment through work-sharing and early retirement schemes, under the banner of the "leisure society"—as if the tasks of world development do not require the full effort of every human being. "Trilateral" refers to the United States, Western Europe, and Japan.

Below we present excerpts from the report's prescriptions for the economies of Europe, Japan, and the underdeveloped nations. The authors say the report is aimed at influencing the 1984, 1985, and 1986 summit meetings of the seven leading industrialized Western nations.

The Trilateral Commission continues to operate despite the fact that its members (among them the executive board's Henry Kissinger) and their higher-level sponsors (the centuries-old imperial families of continental Europe) sabotaged U.S. defense capabilities, destroyed the dollar-gold reserve standard, contrived the oil crises of 1973-74 and 1979, and dictated the Federal Reserve's post-October 1979 destruction of the U.S. industrial base.

Despite the Trilaterals' claim that high interest rates are the result of the U.S. budget deficit, that deficit in truth was largely *caused* by the collapse in government revenue, increase in government transfer payments, and decreasing productivity incurred under the industrial depression which Federal Reserve chairman Paul Volcker deliberately triggered.

The nominal authors of the report, British Social Democratic leader David Owen, Carter National Security Adviser Zbigniew Brzezinski, and Club of Rome spokesman Saburo Okita of Japan, acknowledge that the report owes much to

the work of their aides: Charles Morrison of the Japan Center for International Exchange and the East-West Center in Honolulu; Masahiro Sakamoto of the Japan International Trade Institute; Michael Stewart of the British Foreign Office; and Carol Rae Hansen of Harvard, the State Department, CIA, and NSA. The report's dull, fatuous style is the bureaucrat's of those who wish never to be held responsible for the consequences of the measures they advocate.

The Western economies: *The authors hail the growing ratio of non-productive employment to productive employment, and assert the unlikelihood of a global economic collapse. EIR's LaRouche-Riemann econometric model has conclusively demonstrated that it is precisely a proliferation of "service" overhead while the industrial base shrinks that ensures a collapse.*

An encouraging trend, widespread throughout the trilateral regions, is the shift to service industries. Part of the natural evolution of Western industrial societies, it offers scope of absorbing large numbers of unemployed. In the U.S., for example, nearly all the increase of 13 million jobs between 1973 and 1983 was in three main service areas: wholesale and retail trading; finance, insurance, and real estate; and professional, scientific and miscellaneous services. Compared to some European countries, especially Britain, a much higher proportion of the increase in the demand for services fed straight through into an increase in employment. . . .

Although rising demand for both public and private services has led to an expansion of employment in the services sector, much of this extra employment has been provided by women not previously in the labour force, and has thus far failed to lead a corresponding fall in unemployment. . . .

The overriding international economic issue is one of achieving stable and sustained economic growth. . . . There are at least five reasons why the growth of the GDP might be

expected to be slower over the next decade. Two of these are essentially a consequence of national income accounting conventions, and should not be regarded as a cause of concern. First, output in many parts of the service sector is difficult to measure, and is often assumed to move in line with inputs, so that the figures show no increase in productivity. With an increasing proportion of the labour force being employed in the service sector, this is bound to have the statistical effect of slowing down the growth of the GDP. The same effect will result from . . . a move towards shorter lifetime hours of work. . . . A voluntary increase in leisure, at the expense of work and income, must increase people's welfare, or they would not choose it; but it reduces the GDP. . . .

[Other reasons:] the removal of barriers to trade and capital flows. . . has largely come to an end. . . . the slowing down of the growth of productivity, particularly in the American economy. . . [and wrong] macroeconomic policies. . . .

The most extreme danger, a major collapse of the world economic system, is also the least likely. One can distinguish between two potential causes of collapse. The first is a major shock, such as the actual default of a major debtor country, leading to a chain-reaction of defaults. . . . The second kind of collapse could come from. . . a series of irresponsible or disfunctional policies, such as the competitive protectionist measures which various governments took in the early 1930s. . . . A much more likely danger is a fizzling out of the current economic recovery and relatively slow growth throughout the rest of the decade. . . . [I]n the longer term, the slow growth danger becomes less and less distinguishable from the economic collapse scenario because slow growth weakens support for international economic institutions and strengthens the forces conducive to collapse. . . .

Western Europe: *The European Community should become a "technetronic" giant, with capital provided by Japan. It should also beef up its economic and political ties with the Warsaw Pact—becoming in effect a high-technology satrapy for the Soviet Union, to fuel its war machine.*

Unless the countries of the European Community take steps to enhance their scientific and technological development, it appears likely that Europe will be unable to keep pace with America's and Japan's plunge into the technetronic age. . . .

Despite the two oil shocks of 1973 and 1979, wage-earners in Europe managed to maintain the increase in their purchasing power, in spite of the slowdown in growth, far more than in the U.S. or Japan. This European preference for consumption has led to low profitability, low investment and to the inhibition of economic growth. There is also a growing technological gap between Europe on the one hand and the U.S. and Japan on the other. Meanwhile, the cost of the social services in Europe has been rising considerably faster than national income. . . .

There are certain sectors in which Europe as a whole is in the forefront of technical advance. These include nuclear energy and all the technologies connected with the nuclear fuel cycle; biotechnology, especially where the food and pharmaceutical industries are involved; even robotics and numerically controlled machines, mainly where high precision or high flexibility instrumentation is required; and professional electronics, especially when applied to the public service sector. . . . The other area of European strength. . . is a proven ability to inject emerging technologies, such as lasers and microprocessors, into traditional industrial fields. This integration. . . has allowed the revamping and rationalisation of mature industries which only a few years ago seemed condemned to migration to the Third World.

The relative weakness of Europe. . . is due to its low standing in a variety of solid state technologies: Very Large Scale Integrated Circuits and semiconductors. . . and the development of large-scale computers are not areas where Europe has been able to compete. This is an ominous trend for Europe and clearly much must be done. . . .

Above all, Europe must. . . seize on the opportunities offered by the microelectronic revolution. One priority here is greater collaboration with the Japanese or North American firms which are at the frontier of the high-tech developments of the late 1980s and 1990s: In particular, joint ventures in which Japanese capital and technology are combined with European labor to produce the goods and services of the future could be of benefit to both regions. Another way forward—not inconsistent with the first—would involve much greater rationalization of industry on a Europe-wide scale, so that a plethora of national firms would give way to a smaller number of large European firms. . . .

Americans must come to appreciate that European history and geography mean that their complex relationships with Russia should not be automatically labeled as neutralism or characterised as "Finlandisation." . . . The division of Europe is resented by many West and East Europeans, with the German desire for closer national links serving as the major catalyst for change. How such change may occur will determine whether the relationship between the East and the West remains stable or becomes increasingly turbulent. . . .

Efforts by the trilateral countries to intensify their economic, scientific, and cultural ties with East Europe can contribute to gradually binding East and West Europe more closely, progressively undoing the division of Europe that has existed since 1945. Present tension in East-West relations, notably between the U.S. and the Soviet Union, should not inhibit such efforts. Indeed, over a longer period of time such efforts can also create the basis for a more wide-ranging pattern of economic relations with the Soviet Union itself while in the meantime contributing to the gradual undoing of the existing division of Europe.

The cost of defending the West must be more equally

shared among the trilateral countries. . . . Clearly, anything which persuades the United States administration to slow down the growth of its defence expenditure will be a helpful element in the crucial task of reducing the budget deficit. . . . There is a second argument for transferring some part of the existing defence burden from the U.S. to Europe. There is growing unease in Western Europe about. . . the prospect that NATO might feel it had no alternative, in the event of a conventional invasion from the East, to the early use of these nuclear weapons. If a greater European defence commitment were to take the form of a strengthening of its conventional forces, the prospect of ever having to use nuclear weapons would be reduced. . . .

Japan: *The Japanese should not attempt to build up their export of capital goods to develop the Third World, but should fund the IMF and other anti-growth agencies to bail out the creditors, finance Kissinger's plan for Hong Kong-style economies in Central America, and should abandon their domestic markets and monetary control to trilateral influence.*

Japan's economic recovery continues to lag behind North America's, and given Japan's massive merchandise trade surplus and continuing trade frictions with its trilateral partners, an export-led recovery is internationally inexpedient. An expansionary economic policy on the part of Japan is now needed. . . . More rapid growth in Japan can help to stimulate the world economy through rising Japanese imports, particularly if Japan makes further efforts to reduce the difficulties which other countries sometimes encounter when attempting to export to Japan. . . . Japan could increase substantially its contributions to the international financial institutions such as the IMF, the World Bank (including IDA) and the regional development banks; and could also assist in reinvigorating Europe, by direct investment accompanied by an injection of advanced technology and management skills. Finally, Japan should continue its efforts toward internationalisation of the yen, so that it becomes a more important reserve and trading currency. . . .

West Europe and Japan should give serious consideration to becoming associated. . . with longer-term socio-economic development plans for the Central American and Caribbean regions. . . .

Energy: *There are too many poor people in the world, consuming too much wood. Nuclear power is out of the question.*

The very long lead-times involved, and the irreversibility of the build-up in the atmosphere of the carbon dioxide that results from the burning of fossil fuels, and of the danger represented by the increasingly widespread use of nuclear—particularly breeder—reactors makes the question of a global strategy to develop inexhaustible energy sources such as solar

power an increasingly urgent item on the international agenda. . . .

The world's "other energy crisis," wood shortage rather than oil shortage, is exacerbated by population growth and is already radically altering the world's ecosystem. . . . "Non-commercial" energies are still used by half the world in preparing food. . . . If present trends continue, a full 40% of the animal and plant varieties alive today will be extinct by the end of the century as their habitats disappear. . . .

Third World: *The International Monetary Fund policy makers must remain in charge. The fundamental problem is overpopulation.*

Too often the vital relationship between economic growth in the developed and in the developing worlds is overlooked. . . . Developing countries provide the market for about one quarter of OECD exports. . . . [The lack of capital for growth] must be met by collective international action: through regional development organisations, governmental lending, Western investment, and private bank involvement. . . . Likewise, worldwide organisations such as the IMF. . . will have to coordinate giving for critical areas of special concern, such as Africa. . . .

The most insidious danger is demographic, for it threatens to undo every other gain in health, medicine, and technology. Although the birth rate has actually declined in all regions of the Third World since 1960, and this reduction appears to have accelerated, the world's population will exceed 6 billion by the year 2000. . . . The problem will be compounded in the developing countries by the continued explosive growth of urbanisation. . . .

LDC debt: *Only if the U.S. budget deficit is cut can there be lower interest rates for the Third World. Everyone must sacrifice to maintain the present system.*

At the present time, rescue operations by the banks, international agencies, and governments do little more than stave off an ultimate economic or political reckoning. . . . Thus a critical question in the medium term. . . is how to assure adequate capital infusions for growth, assuming that commercial bank lending will be much more restricted than in the past. . . . The importance of a reasonably rapid and sustained rate of growth in the trilateral countries. . . can scarcely be exaggerated. . . . Thus these projections [of higher interest rates increasing debt burdens] strengthen the argument. . . for a reduction in the size of the American budget deficit and hence a fall in U.S. and world interest rates. . . .

All three parties will have to bear some of the costs of putting the situation to rights: the developing countries, some degree of austerity; the banks, some writing-off of loans; the taxpayers of the OECD countries, increased funding of the international financial institutions. . . .

Oil trade shifts to African west coast

by Konstantin George

When the United States withdrew from Lebanon, a "Saigon II" abandonment of the strategic Mideast architected by Henry Kissinger and his British "New Yalta" superiors like incoming NATO Secretary General Lord Peter Carrington, important shifts began to occur in the world oil trade. The pullout symbolized Kissinger and Carrington's endeavors to deliver the Mideast to the "Soviet sphere of influence."

The Persian Gulf region is synonymous with oil. Any strategic vacating of the area must be mirrored by major occurrences in the oil industry. In looking for Kissinger's footprints in the international oil trade, one finds some stunning moves since the Marines left Beirut.

A discussion with an official of the West German foreign ministry (Foreign Minister Hans-Dietrich Genscher is very close to Kissinger and Carrington) about the "hypothetical" case of Persian Gulf oil being shut down through Iranian or Soviet action, yielded the following response: "If the Persian Gulf is closed off, it will not affect us. We've shifted our oil dependency away from the Mideast to the North Sea and Africa."

Soon after the Beirut humiliation, Henry Kissinger was named as a consultant to Standard Oil of California (SoCal), and its subsidiary, Chevron. Until then, SoCal had the main weight of its overseas operations in Saudi Arabia, where it forms one of the partners in Aramco. Then in February, SoCal, in the biggest merger ever in oil history, acquired the mammoth Gulf Oil corporation, and in so doing shifted the weight of its overseas oil drilling to Africa. SoCal has acquired through Gulf the major Cabinda oilfields in the Angolan enclave north of the Zaire River (oilfields well protected by several thousand Cuban troops, an arrangement with the Soviet Union that Henry is sure to keep), and Gulf's extensive holdings in Nigeria.

SoCal's new partner, Gulf Oil, is the traditional property of the Mellon family in Pittsburgh. The Mellons are a nasty bunch—in the 1930s through their bauxite-aluminum monopoly (Alcoa, etc.) they worked out international cartel arrangements highly favorable to Nazi Germany on the production and importation of strategic light metals (aluminum,

magnesium), especially vital for the aircraft production requirements of the Göring Plan war buildup. These cartel arrangements of the Mellon family's Alcoa with the German Vereinigte Aluminium Werke complemented the more notorious Rockefeller (Standard Oil)-I.G. Farben deals.

Spheres of influence then and now

So today, key interests among the Anglo-American oil giants and today's *Mitteleuropa* networks, successors to the various 1930s stripes of fascism—brownshirt, blueshirt, clerical—find many common interests, including that of accommodation with the Soviet Union. The pullout from the Mideast, in terms of dependency on the region's oil, has been accomplished at breakneck pace over the past 18 months by the English, German-speaking, and Scandinavian parts of Europe, where the British monarchy and its oligarchical laws have the greatest power.

The year of the big shift in German oil purchases was 1983. Purchases from Saudi Arabia collapsed from 17 million tons in 1982 to only 7 million tons in 1983, or in deutschemark terms, from 11 billion to only 4 billion. Oil imports from Oman likewise went through the floor, from 1 billion DM in 1982 to only 140 million DM in 1983. The German trade boom with Khomeini's Iran did not affect the geography of oil dependence, as the boom consisted of 7.7 billion DM in German exports to Iran, and about 1 billion DM worth of oil purchases.

Of Germany's top eight oil suppliers, only one, Saudi Arabia, is from the Mideast. Germany's number-one supplier—also true for the Netherlands—is Great Britain (which is self-sufficient), while Sweden now is also primarily served by Britain's North Sea oil, in this case through Norway. Germany's number-two and -three suppliers are on the African continent—Libya and Nigeria, respectively.

This is not the first time in this century that the oil-producing regions of the Mideast have been offered to the Soviet sphere of influence, in return for some kind of raw materials regroupment in Africa. "Secret Protocol Number One" of the Hitler-Stalin Pact is revealing in this respect. Point one of the Protocol: "Germany declares . . . the main thrust of its territorial aspirations lie in central Africa"; and point four: "The Soviet Union declares that the main axis of its territorial aspirations lies to the south of the territory of the Soviet Union, in the direction of the Indian Ocean." Soviet Foreign Minister Molotov's note to the German Ambassador Graf von Schulenburg, dated Nov. 26, 1940, reiterated the point: ". . . the aspirations of the Soviet Union in the area south of Batum and Baku [Turkey, Iran, Iraq] lie in the general direction of the Persian Gulf."

In the present scramble to accommodate the U.S.S.R., these old notions of spheres of influence and "strategic raw-materials preserves" have again turned up, in the wake of the Soviet occupation of Afghanistan, the Khomeini takeover in Iran, and the Lebanon "Saigon II" disaster.

The EDB ban hits soybean farmers, forebodes U.S. food shortages

From the headlines in the national media, the public might assume that when the Environmental Protection Agency banned the use of the pesticide EDB for stored grain and grain milling equipment on Feb. 3, 1984, a grave risk was eliminated from our daily lives. The opposite is the case: as the Alabama case presented here demonstrates, *not* using the pesticide ethylene dibromide is probably a greater risk.

The real damage to consumers over the chemical EDB is that the American people have come to believe news reporters and environmentalists instead of scientists about the risks involved from modern technologies like pesticides. What the media scare stories don't tell you about the traces of EDB found in processed grain products like cake mix and flour, is that 90% or more of the tiny traces of the chemical is "cooked out" when the product is baked.

The scaremongers also don't tell you that although EDB has been used for 40 years, there is no scientific evidence showing that small amounts of EDB—parts per billion—cause cancer in humans, although it is a carcinogen in laboratory rats. According to one scientist at the University of California, a rat would have to eat a 1,000-pound muffin laced with 5,000 parts per billion of EDB every day in order to increase its chances of getting cancer from a normal 30% to 50%.

The EPA has set a suggested standard of 30 parts per billion for the allowable residue of EDB in ready-to-eat grain products. One part per billion is like 1 pinch of salt in 10 tons of potato chips, or 1 second in 32 years, or 1 inch out of 16,000 miles.

There is no question that EDB is a toxic chemical. It efficiently kills bugs, and it is particularly effective as a fumigant for stored grain, elimination of fruit flies from harvested citrus fruits, and as a soil fumigant for row plants like peanuts or soy beans.

Has this usage of EDB increased the risk of cancer to the population? The inventor of the international test used to determine whether substances are carcinogenic to humans,

Dr. Bruce Ames, who heads the biochemistry department at the University of California, says that eating a peanut-butter sandwich is more risky than eating EDB-laced muffins. Why? Because of the natural carcinogens potentially present in peanut butter. "We're getting 10,000 times more of nature's pesticides than we are of man-made pesticides," say Ames.

EDB was suspended as a soil fumigant in September 1983. In the interview below, Dr. Bill Gazaway discusses how the ban will severely affect the soybean crop in Alabama, because it is the most effective and economical pesticide that can be used there for soil fumigation. Gazaway is a plant pathologist at Auburn University in Alabama, who works with the Alabama Cooperative Extension Service advising farmers and agribusiness throughout the state on pesticides and plant disease.

Q: How will the EDB decision affect Alabama's soybean growers?

A: Presently we're using EDB quite extensively in the southern tier of the state, where the peanut root-knot and soybean cyst nematodes are the primary problems.

Statewide, roughly 28.6% of all soybean fields are infested with these soybean cyst nematodes, and we just ran a recent survey which shows that most of the soybean fields in the southern area are infested with the root-knot nematode. This means that in our major producing areas in the south, you almost cannot grow soybeans without running into the root-knot nematode problem.

That does indeed create a serious problem, since most of our soybean varieties do not have good resistance to root-knot nematodes, particularly the peanut root-knot nematode. This means that either we're going to have to rotate with other crops, or we're going to have to use nematocides. And the only effective nematocides against high cyst or root-knot infestation are the ethylene dibromide (EDB) compounds.

What it boils down to is that we are out of effective weapons to combat this problem, particularly in southern

Alabama, and this is getting to be such a problem that frankly I don't know whether our soybean farmers are going to survive.

Q: You mentioned that crop rotation could be an alternative, and I know that in Mississippi crop rotation was effectively used to combat both the cyst nematode and stem-canker disease.

A: Yes, but that is not the complete story. Rotation can be used to combat the soybean-cyst nematode, which predominates in Mississippi. In Alabama, the root-knot predominates in the southern counties where a major portion of our soybeans are grown.

For one thing, the soybean-cyst nematode feeds and multiplies on relatively few other host plants or crops, which makes crop rotation effective. In contrast, root-knot nematodes attack many different crops, which means that rotation is not as good in trying to control the root-knot as it is in controlling soybean-cyst nematodes.

The same is true with use of resistant varieties. We simply are finding out in Alabama that some of the root-knot-tolerant or so-called resistant varieties are not holding up under the pressure that we have in Alabama.

When rotation is not effective, when resistance is not effective, what do we have left? We have nematocides—and the only nematocide that is effective, again, is EDB.

Q: As of September, the EPA banned using EDB. And I understand the situation is further complicated by the spread of the stem-canker disease.

A: Stem canker is an alarming complicating factor in south Alabama where the cyst nematode is a problem. Effectively, what stem canker does is negate all the weapons that we had formerly used to control soybean cyst. You can rotate your crops, but the problem is to find a market for that crop with which you're rotating. A farmer says, "Oh, yes, we'd like to rotate, but what are we going to do with it?" A lot of our farmers, particularly the smaller farmers, are simply not set up to rotate crops. . . . They simply are one-crop farms. I realize that that is not a good system no matter what you do, but still, that's the fact.

With stem canker coming in, they could have used—could have, I repeat, used—EDB to control cyst and root-knot, which would have allowed them to continue using stem canker resistant varieties.

Q: So in order to use a soybean variety that's resistant against stem canker, the farmer needs EDB?

A: Yes, the two soybean varieties resistant to stem canker are susceptible to the soybean cyst and peanut root knot so they cannot be used effectively where high populations of these nematodes are present.

Q: How prevalent is stem canker?

A: Stem canker is present in every major soybean producing county in the state except for Baldwin and Mobile counties on the Gulf. The counties to the north of there are heavily infested with stem canker so it's probably just a matter of time before these two counties are infested.

Q: What monetary loss do you expect from the EDB ban?

A: We're assuming this year that the *gross* loss is approaching 11.7 million bushels, and if you figure the cost at \$6 a bushel, that is a \$70.5 million loss. At \$7 a bushel, that is an \$82.3 million loss. Now of course, you would have to subtract the cost of ethylene dibromide. If you were to subtract that, the net return would range between roughly \$60 million and \$70 million in losses.

Q: In terms of the economy of the state, what does this mean?

A: It's our major crop in the state. So it simply would hit us very, very hard. It would be very difficult for us to recover that loss.

Q: What do the farmers plan to do?

A: The farmers right now don't know what to do. We're in a situation right now where we're going to try to look at a field-by-field situation. We're going to certainly ask them to rotate as best they can, knowing full well that this is not going to be the complete answer, because of the difficulty of rotating in those fields in south Alabama where there are either mixed populations of root-knot and cyst nematodes, or where you have straight populations of root-knot nematodes.

Otherwise, I don't know; I simply don't know what we're going to do at this time. . . . These people are going to be in trouble.

I was rather optimistic about the eventual outcome of the problems that we're now experiencing, simply because once people start paying extremely high prices at the grocery and then once food shortages develop, we will have a return to rationality.

Q: But it seems to me that realization is going to hit too late. With agriculture, a start-up time is needed. If you kill off your livestock, for instance, as cattlemen are doing, it takes a good 18 months before you can build back the herd.

A: I think the lack of sensitivity on the part of the general public to the plight of our farmers is incredible. They've taken farmers for granted much too long. It's the one part of the capitalist system that has seemed to work, up until now. . . . Sooner or later the farmers are simply going to come to their end. And we're going to develop food shortages. There will be a reversal, but I don't know whether it will be too late or not.

The case for gold

A rare statement of opinion on the part of our distinguished columnist, who has surfaced once again.

My view has been, since I agreed to put my thoughts in print for this publication, that the role of a journalistic commentator is to provide useful information perhaps not obtainable elsewhere, and *caveat emptor*. Gold is, after all, not an investment—it is a sterile metal—but a form of insurance policy against monetary turbulence.

However, under the circumstances, it seems reasonable to argue that those who do not now own gold might do well to purchase some in the \$370-to-\$380 range [gold closed at \$379 when Montresor's column went to press—ed.].

There are three basic directions which the world economy might take, and two of them would be good for gold; the third, although bad for gold, could not last long. That is, the Federal Reserve Board might decide to force into the United States the volume of capital flows obtained last year when more foreign savings were available in general, this by pushing interest rates up fiercely. Under such circumstances, the price of gold might drop nastily, but the impact of such a policy upon the creditworthiness of the entire world would militate against its long duration.

Otherwise, the European portfolio managers who have been the dollar's greatest support will begin to withdraw funds, let alone place new ones, and diversify into gold, among other vehicles; or, the Soviets will demonstrate even to the Swiss that it is bad business to make quiet deals with the Russian Empire, and, by some terri-

fying action, persuade them to run for safety. Under either of these conditions, gold should improve substantially.

What prompts me to draw attention to the obvious is less any single event than the awful malaise detectable at the American Treasury, at the International Monetary Fund, in London's City, and other centers of financial policy.

The resolution of the Argentine crisis at the end of the last quarter sets in motion a possible confrontation between the United States and its chief debtors which can benefit neither, but might well trigger a general monetary crisis of dreadful proportions. It appears to be time to take out one's insurance.

One unpleasant indication of the possibly central role of gold is the recent action by the Colombian government to purchase all the gold that narcotics traffickers can bring into the country from Panama.

With the collapse of dollar credit operations in Latin America, locally produced gold has become something of an international currency, along with bags of coffee, American \$100 bills, and other relatively transportable items that can be used to bring funds across international borders. The subject of a wire-service item on April 7, the example is instructive.

Like most Latin American currencies, the Colombian peso is available on the street at a 40% discount. The government is, therefore, buying gold in pesos at a "premium" over the offi-

cial rate, paying about 30% over the dollar-equivalent official price.

In the past, the government used its *ventanilla sinestra* to obtain dollars obtained on an illegal basis, in order to build up its currency reserves. It has now shifted to buying gold obtained on an illegal basis, for roughly the same purpose.

Colombia's government does not have very much choice in the matter; it has been pushed in this direction by the decision of underground economy operators to shift into gold as a means of international payment.

Considering the difficulty of maintaining dollar accounts in the Caribbean and other offshore centers in an era of exchange controls, it is not surprising that the dollar (except as sheer currency) would lose ground in the Latin American narcotics traffic.

But these developments on the borderline of financial life indicate the broader problems involved. It is not merely that the bank accounts of those who smuggle drugs out of Panama are no longer secure, because narcotics-money transfers may no longer be mixed into the flow of flight capital from other sources. It is not merely that black money stands out because the flow of grey money has attenuated. The banking system which grew explosively with the 1970s offshore bubble is no longer viable, and the banks who built their branching networks abroad are over-extended.

This identifies the possibility of a general monetary crisis, with a much worse outcome for the dollar than sterling suffered (cushioned by the British Empire's colonial trading base) during the aftermath of July 1931. It is impossible to tell what will happen to gold in the short run; it is merely the case that the insurance policy is now priced relatively cheaply, while the dangers to be insured against have grown out of hand.

Institutions look for foreign equities

Higher interest rates haven't helped the dollar's parities. Even the mickeys are catching on to the crash potential.

Institutional money managers are usually the last to hear about anything. The extent to which leading New York fund managers are seriously considering portfolio diversification into British, Dutch, German, Swiss, and Japanese securities is, in itself, something of an indicator of the dollar's vulnerability to a major decline.

This interest in international diversification was evident at a seminar held by the British brokerage firm Phillips and Drew in New York on April 12 and 13. The British firm believes that the foreign portion of American institutions' holdings will double, to about 5% of the total, during the next several years.

Phillips and Drew's argument to the assembled money managers was simple: The dollar will fall, and a serious comparison of overseas equities and bonds (with an emphasis on equities) is warranted. Economist Brendan Brown presents this case with enormous reserve, arguing, "A major change in sentiment regarding the U.S. dollar may not become apparent until U.S. growth is slowing, concern over inflation is rising and action to cut the budget deficit is expected. It is at this point, namely the first quarter of 1985, that we believe such considerations, allied to rising interest rates in Europe, will lead to a significant fall in the value of the U.S. dollar, with the DM and some other European currencies gaining more than the yen."

Questions from the floor and private discussions among the British firm's officers indicate a growing be-

lief the dollar's major fall may occur much sooner, particularly if the Third World debt crisis forces an easing of Federal Reserve policy in order to protect the banking system. The possibility of a general monetary crisis, and the determining role of the debt problem in the currency markets, have pushed their way into the awareness of the institutions.

The failure of the dollar to respond much to expected interest-rate increases shows the enormous potential for the dollar to fall. So does the enormous rise in the Eurodollar yield curve. The yield curve showed a 2% discrepancy between overnight money and one-year money at the end of the week of April 9, indicating that dollar holders were unwilling to commit funds for more than the shortest periods of time.

As recently as March 15, overnight Eurodollars traded at 10.0%, while six-month Eurodollars were at 10.68%. The gap has now doubled. Part of the bulge in longer-maturity rates reflects funding pressures on an interbank market overshadowed by the Latin American debt situation. European banks are writing off their Latin American exposure and determined to participate in no more such bailouts, while the Latin Americans have roped themselves together through the Argentine package of March 31.

These developments on the credit market, like the market rates paid by Texaco for its \$800 million convertible Eurobond in March, reflect profound potential dollar weakness. Un-

less the Fed jerks rates sharply upwards, the dollar will decline during the second quarter, and the impact of any rise in rates will only be temporary.

German central bank chief Karl-Otto Pöhl stated the position of major European investors April 5. Pöhl predicted a monetary crisis should the United States fail to reduce its budget and current account deficits, saying that the financing of U.S. government deficits depended upon capital inflows, noting the fact that the United States had shut off lending to the developing sector and that American banks last year became net borrowers from the Eurodollar market for the first time in history.

This argument was restated by the International Monetary Fund staff during the April 14-15 meeting of the Fund's Interim Committee in Washington.

The West German central banker's statement is the toughest ever from that source, and Volcker's statement of American dependency on foreign capital inflows the most blatant. A "scissors" opened up in January on the financial markets, between rising interest rates and a weak dollar. The scissors will widen during the second quarter, although it is difficult to tell how much of the gap will be registered respectively in the interest rate and the exchange rate.

One caveat is that Soviet military moves aimed at Western Europe might provoke flight of funds away from endangered countries, e.g., West Germany, into the dollar. This, however, can also work the other way: To the extent that leading European financial interests who believe they have a deal with the Russians perceive success on the part of the American decouplers, Kissinger, Brent Scowcroft, et al., they may determine to run the dollar down in order to drive home the message of Karl-Otto Pöhl.

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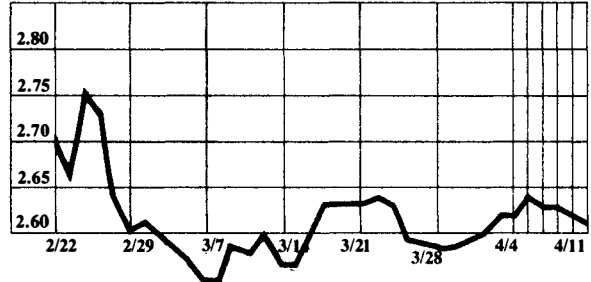
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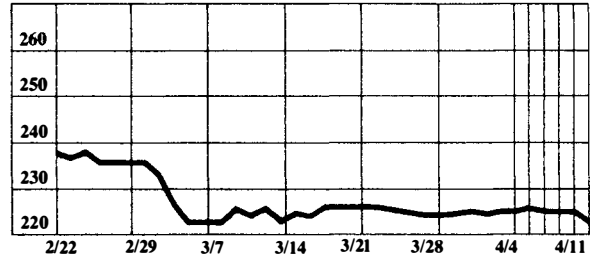
The dollar in deutschemarks

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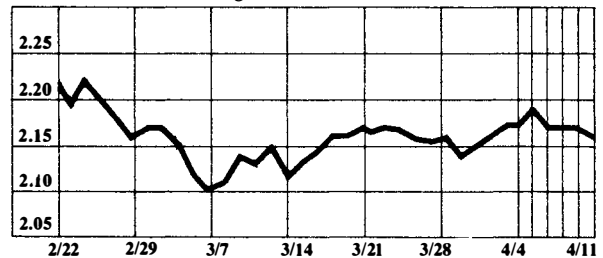
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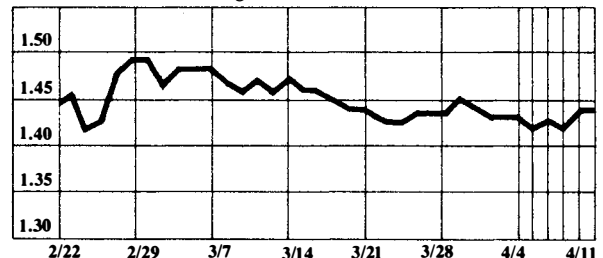
The dollar in Swiss francs

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The British pound in dollars

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Lorraine on fire

The suicidal French decision to further slash the steel sector has led to riots and a general strike.

Lorraine, the eastern steelmaking region of France, came to a halt on April 5. Shops, schools, and city halls remained shut and public transportation went dead in a general strike, while tens of thousands of demonstrators marched through the streets of Metz, Longwy, Thionville, and the towns of the steel valleys, where furnaces first went up in the 17th century.

For the past 10 years Lorraine has undergone the systematic destruction of its steel industry under the "post-industrial society" policies enforced by the European Commission, the instrument of the most backward-looking "families" of Europe. Now the final blow had been delivered: a plan to cut steel jobs by 28%.

Church bells rang and 25,000 marchers protested the "Steel Restructuring Plan" put forward by the Socialist government of François Mitterrand, which calls for the phasing out of 25,000 steel jobs within two years—most of them in Lorraine. One job lost in steel means three others lost in related sectors.

On the day the plan was proposed, riots had broken out. Rail installations were attacked, Socialist Party and steel company offices ransacked and put to the torch, statues torn off city squares, tax offices and public buildings defaced and damaged. Steelworkers and others clashed with the riot police; 15 were injured in Longwy, several severely.

"Lorraine Betrayed" was the banner headline of the region's leading

daily, the *Républicain Lorrain*. During the day-long general strike, the region was cut off from the rest of the country. "Lorraine Secedes," a newspaper wrote. Four Socialist members of Parliament quit their party; so did one Communist mayor of a nearby small town (the party is in a coalition with the Socialists).

On April 4, Industry Minister Laurent Fabius, visiting Metz, the capital of Lorraine, declared there would be no change in the steel plan.

On April 10, trade unionists in the Lorraine region declared: "No new industries will be created on the ruins of the steel industry," and announced a mass march on Paris April 13.

The Mitterrand government's decisions, taken under pressure from Finance Minister Jacques Delors and the European Commission, will cut one in four steel jobs from today's 90,000, after a loss of 40,000 jobs in the past 10 years. France's most modern mill, the specialty steel plant at Fos sùr Mer near Marseilles, will be shut down. The planned universal strip rolling mill at Rombas-Gandrange in Lorraine will not be built. A slew of other mills will be shut, and the government's inept plan will concentrate 27-30 billion francs of expenditure (15 billion for investment) on "plant modernization," only 7 billion in Lorraine. As prescribed by the European Commission, no state "subsidy" can be extended without capacity reduction. The EC plan calls for 5.3 million tons of capacity to be cut in France.

EC Commission deputy chairman Viscount Étienne Davignon, whose name has become synonymous with de-industrialization and economic devastation, has sponsored a Malthusian plan to massively contract Europe's steel production, under the pretext of "adapting to crisis conditions." Italy is reducing capacity by 5.8 million tons, Britain by 4.5 million, West Germany by 7 million. Luxembourg's output will shrink by 25%. Holland's Hoogovens company is reducing capacity by more than a million tons this year alone.

In Belgium, as a precondition for the government takeover of \$1 billion of its debt, the large Cockerill Sambre company is cutting capacity by 2.7 million, from 9.7 million tons, shedding 9,000 jobs and negotiating a 10% wage cut for the remainder of the workforce. In Germany, 30,000 steel jobs are slated to go, a spokesman for the Iron and Steel Association stated this month. Not yet a full EC member, Spain is following suit: 10,000 of the 36,000 employees of the three major steelmakers will be laid off within five years, 4,000 within six months.

Mitterrand promises that "no worker will be laid off," since early retirement and retraining schemes are planned. This has been received icily by steelworkers. A government that is cutting 30% of shipbuilding capacity at the same stroke, and plans to misinvest masses of taxpayers' money in post-industrial electronic gadgetry—under the influence of the President's bizarre adviser, video-game fan Jacques Atali—is not trusted to provide jobs.

While the Soviets are pouring their steel into military hardware—it takes a lot of steel to build a giant submarine or a tank—Europe's defense potential is being destroyed by Davignon and Company.

Business Briefs

Ibero-American Debt

Peru dismisses second IMF sympathizer

The government of Peruvian President Fernando Belaunde Terry forced Prime Minister and Foreign Minister Fernando Schwalb to step down April 10, prompting the International Monetary Fund to announce the "indefinite postponement" of a \$250 million loan to Peru until the economic policies of Peru's new ministers become clear.

Finance Minister Rodríguez Pastoras left office at the end of last month because of popular opposition to the IMF's austerity dictates.

Africa

Governments make urgent call for food aid

The government of Somalia is now desperately calling for aid because it has only 10% of the cereals it needs to feed its population this year.

In Mozambique, infant mortality has reached 240 per thousand, meaning that one quarter of all children die before reaching the age of one. The U.N. children's organization Unicef issued a press release March 19 announcing a program of aid to 15,000 people in Mozambique, mostly women and children, suffering from "severe protein deficiency. . . . Many of these children are in need of round-the-clock feeding, and many are so weak they will have to be spoon fed with special foods."

The government of Mali is calling for 330,000 tons of cereals to feed its population affected by drought, and it is organizing the rapid sale of many of the cattle owned by nomads in the Sahel, in an attempt to prevent the herds from dying slowly of starvation.

After a two-day meeting with the finance ministers of several African nations, French Finance Minister Jacques Delors stated April 10 that the "sometimes" draconian measures

demanding by the International Monetary Fund in exchange for loans could lead to the "political and social destabilization" of African nations. Delors stressed that Africa was going through "a terrible period."

The African finance ministers called for aid to Africa, to prevent its becoming "a continent forgotten by development." The U.N. Food and Agriculture Organization issued its fourth report April 8, stressing that the crisis now hitting Africa "risks reaching even more dramatic dimensions that the drought in the Sahel in 1973 and 1984," which killed at least 100,000 people.

The Club of Life has calculated that at least 43 million tons of grain are necessary to save the lives of millions of Africans threatened by famine this year. One million tons are needed before the end of April, especially in southern Africa, where there will be no harvest this spring.

Steel

Japan contract rejected by Brock and Draper

One month after Special Trade Representative William Brock and Eximbank chief William Draper III rejected financing for \$100 million worth of steelmaking equipment to the Pohang Steel Company of Korea, Japan and West Germany have filled the order.

The consortium, organized by Japan's Mitsui and Company, received an \$80 million contract from the Pohang Steel Company to construct a continuous casting mill. Korean Heavy Industries Construction Company and West Germany's Mannesman-Demag are also participating in the contract. The plant will be built at the Kwangyang integrated steel facility, to be completed by 1987. The new mill will put out 2.7 million tons of crude steel when operating at top capacity.

The swift action by Brock and Draper to block the export of steelmaking equipment cost the United States an estimated 11,000 jobs in the metalworking and heavy electrical industries.

European Labor

West Germany facing strike wave

Talks between employers and West Germany's biggest trade union, the metalworkers of IG Metal, broke down April 7, making it very likely that the country will shortly be faced with a strike wave. The disputed issue is the demand of the IG Metal leadership for a 35-hour week, the union's proposal to deal with Germany's severe unemployment problem.

Leaders of the 160,000-member printers union said the week of April 9 that they would call strike ballots "at certain companies" after talks with management on the 35-hour week also collapsed. Already an unprecedented wave of brief "warning" strikes at engineering companies in the southern state of Baden-Württemberg have taken place.

Leaders of the German peace and environmentalist movements have boasted to investigators recently that their coming offensive would surpass all previous ones, because it would have the support of the trade unions. Various union leaders have issued statements to the effect that the trade-union movement has the duty to expand its concerns to involve "peace" issues.

Gold

Investors predict price rise as dollar collapses

The spring issue of the *U.S. Economic-Gold Outlook* newsletter predicts a year-end rise in gold prices to some \$525-\$550 an ounce and higher prices in 1985 as the dollar collapses and inflation re-accelerates.

The newsletter calls the political environment increasingly uncertain as President Reagan's serious foreign policy mistakes hamper his chances for re-election, and as the voting population becomes far less sanguine on the question of the expansion of

the economy "part [of which] can be attributed to inflationary expectations"—with "present prosperity setting into motion forces that will bring the expansion to its end."

The re-acceleration of inflation and the weight of the budget deficit in relation to the overall size of the economy are making the dollar "a less attractive investment vehicle," the newsletter continues, and warns of the risk of a sharp deterioration in the value of the dollar as foreign investments decline—something that "of course would be destabilizing. But it could happen."

A cutoff of foreign investment funds will force the burden of financing the budget deficit entirely on domestic money markets, and force up interest rates—an "economic scenario which carries with it the hazard of credit failures on the part of less developed countries," and "severe repercussions to the American financial system. Policy makers would then have to resort to inflationary measures to stave off credit failures and the collapse of major commercial banks," the newsletter asserts.

It is in this context that the International Gold Corporation Limited predicts its rising gold prices, assured that institutional investors and money managers are "merely awaiting a greater sense of certainty that inflation is re-emerging and gold will be an appropriate investment."

Black Economy

D'Amato to move dope trade 'onshore'?

New York Senator Alfonse D'Amato (R) has announced his intention to introduce the "Drug Money Seizure Act," in an effort to shut down offshore drug-money-laundering operations.

But D'Amato's belated move to "break the back of the drug czars" can be read as a gambit by the New York financial interests who control him to facilitate a reorganization of dirty-money capabilities from offshore to "onshore."

D'Amato's call coincides with the

merger of American Express with the Lehman Brothers Kuhn Loeb investment firm.

Senator D'Amato has suddenly discovered that "drug dealers in the United States conceal billions of dollars in countries like the Bahamas, Cayman Islands, and others, where lax banking laws prevent scrutiny. These offshore bank accounts are the glue holding the major criminal operations together."

D'Amato's legislation, introduced on April 12, will strengthen the hand of the Treasury Department by 1) providing for a central subpoena power in the Department, enabling Treasury to review all suspicious cash, check, wire, and other transfers to offshore banks; 2) raising the civil penalty of only \$1,000 against financial institutions willfully violating the reporting requirements of the Bank Secrecy Act to the full amount of the overseas transaction involved; and 3) providing for the first time a civil penalty against individuals.

The provisions, laudable in themselves, would have little effect on the process of de facto deregulation which is turning large sections of the "legitimate" U.S. financial structure into a money-laundering operation.

International Credit

Brazilian finance minister: U.S. 'playing with fire'

Brazilian Finance Minister Ernane Galvêas warned the United States that it is "playing with fire" by permitting international interest rates to rise on the heels of U.S. interest rate hikes. Galvêas's statement was made over the April 7-8 weekend.

Economists estimate that the increase over the last few weeks has added nearly \$700 million to the \$11.5 billion debt service Brazil must pay this year.

Commenting on the implications of the rate hikes, the daily *Jornal do Brasil* editorialized that "the austerity programs demand much of the population. The underdeveloped economies are supporting, or in some cases financing, the recovery of the rich nations."

Briefly

● **BRAVO AGUILERA**, Mexico's Foreign Commerce Deputy Secretary, declared in a press conference April 13 that a Regional Generalized Tariff System for Mexico, Brazil, and Argentina will be created in June of this year. The system will reduce tariffs by 60%.

● **MIGUEL GONZÁLEZ Avelar**, head of the Mexican Senate, told the Mexican Congress April 12: "Nowhere have we talked about a moratorium. The state's will is to pay off its international commitment, but there is no doubt that foreign debt service could result in grave and sometimes unpredictable results for those countries. If the high floating interest rates . . . go up unrestrainedly, there is no way to pay, even though that is the intention."

● **RAUL ALFONSÍN**, the president of Argentina, characterized the world financial system as "quite perverse" in an interview with the Mexican daily *Novedades* on April 12.

● **PAKDEE TANAPURA**, EIR bureau chief in Bangkok, discussed the feasibility of a sea-level Kra Canal at a seminar of Thai military and business leaders the first week in April. A senior army commander who had called the canal too expensive and politically dangerous because it would divide northern and southern Thailand agreed to review his evaluation. Sources report that Malaysian Foreign Minister Ghazali Shafi recently devoted several paragraphs of a speech to urging Thailand to reopen an economic feasibility study of the Kra project, which would benefit all of Southeast Asia.

● **HARUO MAEKAWA**, governor of the Bank of Japan, said that central bankers at the April 2 monthly meeting of the BIS reacted calmly to the recent increase in the Fed's discount rate. At an April 11 press conference at IMF headquarters in Washington D.C., Maekawa said the rise will not adversely affect the world economy.

Will U.S. challenge Soviet militarization of space?

by Criton Zoakos

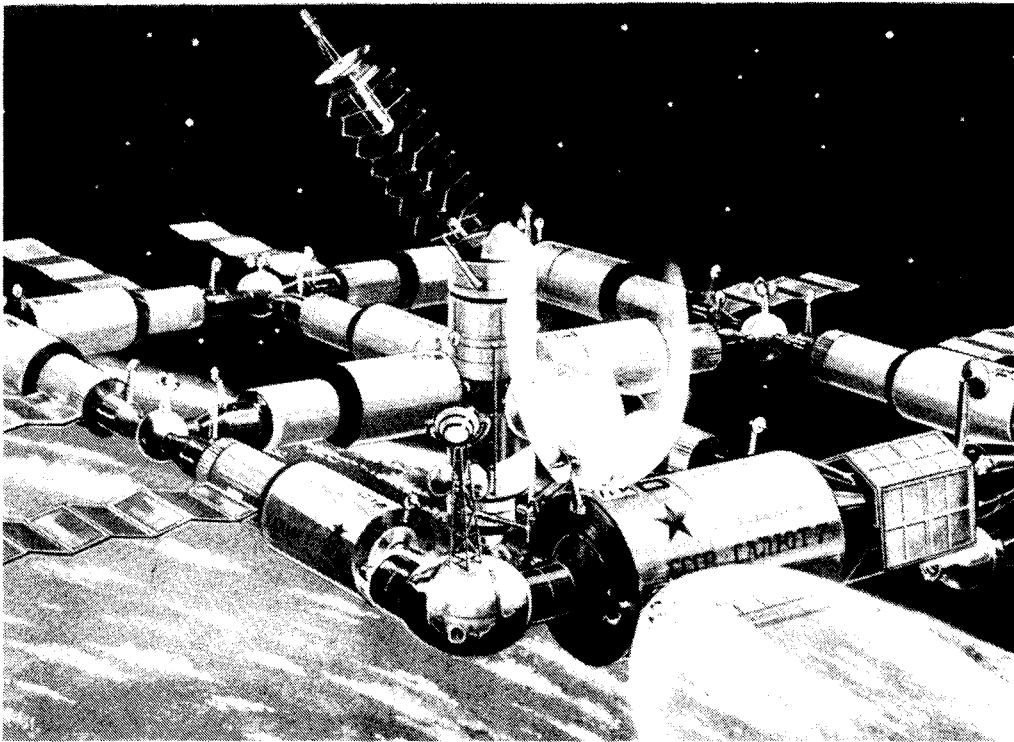
The United States' intelligence and national security officials in the course of the past six weeks have developed the self-deluding rationalization that the U.S. laser-beam-based antiballistic-missile defense program has "merely" been delayed "by about one year" after President Reagan's pathetic capitulation to the "palace guard" of Michael Deaver and James Baker III, who are in cahoots with Henry Kissinger's organization at the State Department.

In reality, what the national security of the United States is faced with is the fact that President Reagan's own "finest hour," his proclamation of the March 23, 1983 strategic doctrine of "Mutually Assured Survival," has been scrapped by President Reagan himself. It did not happen overnight with a single act, though specific events over the past two to three months bore singular significance in bringing down the program. Such an event was the President's compromise with the GOP Senate leadership which resulted in cutting the administration's defense budget request by about \$59 billion over the next three years. Such an event was the appointment of Henry A. Kissinger to the President's Foreign Intelligence Advisory Board. Also the President's meeting with Gen. Brent Scowcroft April 9 and the President's statement to the press that day in which he unambiguously announced that his views on the anti-missile defense program, now dubbed Strategic Defense Initiative (SDI), are identical with those of General Scowcroft.

Scowcroft's views on the matter are those of Henry A. Kissinger, and Kissinger wants the program stopped at all costs, as he has said on numerous public occasions.

In the course of this chain of capitulations by Reagan, congressional opposition was moving with determination. The House Armed Services Committee voted to cut the SDI appropriation for fiscal 1985 by 25%. Supporters of the program in the Senate reported that the opposition is organizing itself so effectively that "we should consider ourselves lucky if we have a military R&D budget on the same level that it was before Reagan announced the new policy."

During the same time span, no fewer than 57 congressmen formed a coalition against the "militarization of space," led by two KGB-linked California Democrats in the House, George Brown, Jr. and Ron Dellums. Henry Kissinger coordinated



Soviet Military Power

The Soviets have announced plans to have a large, permanently manned space station orbiting the earth in the 1990's. The Pentagon is sounding the alarm on the Soviet space program, but President Reagan has capitulated to the arms control crowd.

a ploy with West German Foreign Minister Hans-Dietrich Genscher whereby the government of the Federal Republic would launch a European-wide campaign against the U.S. Strategic Defense Initiative, threatening even to risk what remains of the unity of the alliance should the Reagan administration continue pursuit of its stated intentions. The little European "street theater" which Kissinger concocted with Genscher was meant to provide credible arguments to enable Senate Republican leaders like Charles Percy and Howard Baker, who oppose the President's March 1983 program, to go and "counsel" the President that if he insists on the SDI, he will jeopardize the NATO alliance.

From within the "palace guard," Michael Deaver and James Baker were primed to "explain" this whole stage-managed affair to the President. The rationalizations of "election-year exigencies" and the skillful manipulations of opinion polls combined with the political opportunism of a man who desires above all else to be re-elected, have produced what amounts to a national-security calamity.

Secretary of Defense Caspar Weinberger is at this time a lone voice in the administration, in combat against both a blinded and corrupt Congress and a Pentagon bureaucracy scrambling to cut funding for the SDI to preserve funding for current operations' maintenance and personnel. He has been betrayed by his President.

On one score there should be no doubt left: The single most decisive issue in the current world strategic crisis is whether or not the United States will be able to rally itself and prevent the Soviet Union from "stealing the march" and establishing an unchallenged monopoly in strategic anti-mis-

sile defensive systems, to add to its already overwhelming superiority in strategic offensive weapons.

How much time do we have left?

Admiral Elmo Zumwalt warned the U.S. Senate during testimony on Soviet arms control violations on March 28: "The Soviets now have an overwhelming strategic offensive superiority over the U.S., a true *first-strike* potential so long feared by American strategists. The Soviets are now over 10 years ahead of the United States in strategic offensive capabilities. . . . The Soviet Union is also 10 years ahead of the United States in anti-ballistic missile defensive capabilities. The Soviets may, in just another year's time, be able to defend over one-third of both their population and offensive forces from U.S. retaliatory deterrent. The Soviets may also at any time launch the first laser antiballistic-missile battle station into space, where they have long been superior in anti-satellite capabilities."

Without mincing words, let us state what ought to be obvious to those persons assigned the task of safeguarding the national security: Ronald Reagan has proven unfit to lead such a rallying of the United States. His political opportunism has rendered him morally unfit to withstand the pressures of a corrupt Congress, a misinformed population, and a treasonous elite of oligarchical families which pulls the strings of both the corrupt legislative branch and the prostituted press. With the voice of the ailing and aged Dr. Teller virtually drowned out, only Lyndon LaRouche remains of the three original architects of what once was the "Reagan Doctrine" of March 23, 1983. Either the American people will be rallied around him or Moscow will steal the march.

Pentagon documents Soviet war plans

The Pentagon's annual review of the U.S.S.R.'s military capabilities, *Soviet Military Power*, was released April 2 in Washington. It reveals how the Soviets plan to fight and win a global military conflict, and underlines the dominant political role played by the military in the Soviet Union today.

The report highlights the following aspects of Soviet war planning:

- **Space:** The Soviets are in the last phases of preparation for the launching of a large-scale manned space platform, a capability which has been developed in tandem with extensive military preparations for carrying out "space wars."

- **Ballistic-missile defense (BMD):** The Soviets have deployed an extensive battle-management radar system capable of controlling a full point defense of the Moscow command and control structures, and have coupled this with an operating anti-satellite ground-based laser capability now in testing/deployment phase at Sary Shagan. They also have been working since the 1970s on the deployment of space-based particle-beam weapons, one of which will be tested in an anti-satellite mode in the early 1990s.

Although the timetable for the deployment of these systems in a full ABM mode is relegated by the Pentagon to the 1990s, this is the first time that these weapons systems have been presented as an integral part of the Soviet strategic arsenal in official Pentagon publications of this type.

- **Spetsnaz forces:** The report contains a full review of the background and nature of the spetsnaz special commando forces, and their role in prewar sabotage/assassination operations. In addition, the review includes an analysis of the KGB border guard units and their strength concentrations in its assessment of Soviet troop strength. Both of these are a radical departure from past Pentagon analyses. The report states:

The U.S.S.R. maintains a complement of special purpose forces, known by the Soviet acronym spetsnaz. These special purpose forces are controlled by the Main Intelligence Directorate (GRU) of the Soviet General Staff and are trained to conduct a variety of sensitive missions, including covert action abroad. This latter mission was illustrated by their covert role, under KGB direction, in the December 1979 assassination of Afghan President Hafizullah Amin. . . .

During peacetime, the GRU carefully coordinates

reconnaissance programs that are geared to meet the intelligence requirements for Soviet forces in war. In wartime, spetsnaz forces would operate far behind enemy lines for extended periods of time. They would conduct sabotage, reconnaissance and attacks on a wide variety of military and political targets. . . .

- **Civil defense:** The report points out that the Soviets have over 10 million tons of hardware stored in invulnerable bunkers and enough military equipment to carry out a 30-day war following a full nuclear exchange. The *Washington Times* has reported that the Soviets are also completing construction of underground sea-level caverns for repair and storage of Typhoon class ballistic-missile-carrying submarines.

The military in the Soviet state

The Pentagon review describes in some detail the far-reaching role of the military in the Soviet state, confirming *EIR's* extensive reports on this subject. Thus:

In Soviet society, military forces exist not as a separate institution, but rather as an inherent part of the Soviet system. One is just as likely to find a uniformed soldier in the offices of a research institute as in the barracks of a field unit. . . .

The Soviet obsession with security has played a central role in influencing the Party's approach to the development of the Soviet State and the evolution of its Armed Forces. From the time the Communists first seized power, they have cultivated a special relationship with the Armed Forces. M. V. Frunze, the Bolshevik military leader who replaced Leon Trotsky in 1925 as head of the Red Army, argued that the next war could be won only through the "militarization of the entire population."

The Great Patriotic War, as the Soviets call World War II, bore out Frunze's predictions. The Soviets mobilized the entire country behind the war effort. That undertaking left a mark on Soviet society that is evident to this day. The Party and the government use this to remind Soviet citizens of the sacrifices made and to emphasize the importance of military preparedness.

The report also documents the nature of the Soviet war-winning strategy:

The Soviets perceive that any conflict between themselves and the West could easily escalate to the nuclear level. They also believe that territory can be held only with troops and that even on a nuclear battlefield final victory could only be won by ground armies reaching and controlling their ultimate objectives. Hence, Soviet doctrine calls for continuing conventional arms offensives during and after any nuclear phase of a general war.

Weinberger fights for the Strategic Defense Initiative

Defense Secretary Caspar Weinberger, in a series of recent interviews, has vigorously defended the administration's Strategic Defense Initiative, and given a comprehensive picture of his own view of Soviet strategic policy and of arms control. We publish first excerpts from his press conference April 10, announcing the publication of the 1984 edition of Soviet Military Power.

Q: Mr. Secretary, what message do you want this book to give to members of Congress who continue to slash away at your defense budget?

Weinberger: . . . We've heard a great deal about whether our percentage of defense budget increase should be 3.5% or 7% or what, and those aren't very relevant considerations when you're faced with a [Soviet] build-up of this kind. That is not a one-year phenomenon, but has been going on for 22 or 23 years and shows no signs whatever of slackening in any material or any real sense.

You can't decide that because you did 7% last year that it's all right for us to do 3% this year, or something of that kind. You have to look at the needs and necessity. . . . This book . . . has a great deal of comparative data, and we hope that what seems to me to be the inevitable and unfortunate lesson will be drawn from it, and that is that we have to make, all of us, all the NATO allies and ourselves, all nations interested in preserving their freedom, have to make very large and what are clearly very unwelcome efforts, to regain a sufficient degree of military strength to be able to feel that, with some confidence, we have deterrence. Deterrence, unfortunately, is not a static thing. It's a dynamic thing. It changes as the Soviet capabilities change, and they change very rapidly. . . .

First strike a 'real threat'

ABC television's "Nightline" program interviewed Weinberger April 8 on the Soviet Military Power report.

Q: You say in the report that the Soviets recognize the grave consequences of nuclear war, but you've said publicly many times that they think nuclear war is winnable. How do you reconcile that?

Weinberger: They certainly seem to think it's winnable. They're working on, for example, a re-firing capability—a second and third strike out of the same launchers. They have very large investments in civil defense, and in hardening their missile silos, and in protecting their governmental centers and their command-and-control centers, and things of that kind that would indicate that what they're planning to do is to have the capability of having a first strike and trying to absorb the retaliatory strike, and strike again.

Q: The report says that the Soviets consider a pre-emptive strike the most favorable circumstance if it comes to nuclear war—and they practice for that.

Weinberger: That is correct.

Q: Do you think that's the real threat?

Weinberger: I think that is certainly one of the threats, the idea that they would make a first strike and do it without warning and without notification and perhaps without bothering to declare war. These are all of the things that we obviously hope are not going to happen, they are all of the things that we hope we can prevent by our deterrent strength.

Q: But now the Soviets say, look at our [U.S.] cruise missiles, our nuclear-powered aircraft carriers, our two new generations of ICBMs, our new strategic bomber—we're just playing catch-up ball.

Weinberger: That can only be believed by someone who believes that the Korean airliner was shot down because it was a spy ship with 269 men, women, and children spies aboard. It's just not a credible kind of argument. . . . 'I think it can be done'

Weinberger was interviewed April 8 by David Brinkley and other journalists on ABC's "This Week" program.

Q: What is, in your opinion, the chance that a system like this would work—a system that will knock down enemy missiles long before they reach us?

Weinberger: Oh, I think it can be done. I don't have any doubt about it, but we can't do it now. There are a lot of things we can't do now or we thought we couldn't do when we first started on them, including going to the Moon and all the other things that we've done. I don't have any doubt that we can do it. What it takes, however, is a commitment, a resolve, and a recognition of what an enormously better world it would be if we could do this. That's why I don't understand why there's not just hesitancy, but strong opposition to even thinking about it or trying to do it. If you could do it you would have . . . as the President has said, removed the threat of these terrible weapons from the face of the earth.

Q: Isn't a lot of the objection based on the assumption that if we seem to be succeeding in this, some enemy might feel it necessary to strike us *before* we get it up, in place, and deployed?

Weinberger: The same argument would apply to the fact that the enemy sees us now regaining our military strength. There's always going to be a risk, in fact, and that's the whole essence of deterrence. With this system, you can preserve the peace by eliminating the threat of these weapons, which would certainly improve the world and give it a great deal more hope. It's a matter of whether it's better to destroy people or destroy weapons. Well, the President we've elected is trying to destroy weapons, and I think that it's a very noble purpose and I am delighted that we are embarked on it.

Q: If you're delighted and if that is the moral thing to do, what are we doing sticking with the ABM treaty, which really formalized the United States' resolve to base our security and our theory of deterrence on the vulnerability of our citizens?

Weinberger: I've never been a proponent of the ABM treaty. I've never been a proponent of the Mutually Assured Destruction or the MAD theory—the idea that both sides stop doing anything about their defense and that if both sides were tremendously vulnerable, everything would be all right. The real problem with that is, among other things, that the Soviets haven't adhered to the basic concept. They are doing a very great deal to try to defend themselves and they have in place the one system permitted by that treaty. But they are also, and have been now since 1967, working on this precise initiative which the President thinks we should embark on, and if they should get it first, it will be a very, very dangerous world. . . .

The Soviet war-winning strategy

Q: Aren't you saying when you emphasize the Soviet defensive measures that the Soviet Union is embarked on a war-winning strategy?

Weinberger: They *do* believe in war-winning strategy and they *are* embarked on it. All of their doctrine, all of their writing, the offensive nature of their weapons, the volume

and number of their weapons, their civil defense preparations, the hardening of their targets—*everything* that they're doing indicates that they think clearly that a nuclear war can be fought and won, and *we don't*. We have always said that a nuclear war cannot be won and therefore must not be fought. . . .

Q: You say that the [strategic defense] system may not absolutely work, although you say that's the goal. What if a few missiles get through? How many Americans die?

Weinberger: I don't know how many die, but the important point is not to have to have any [die] at all when you have deterrence, and you're dealing with trying to stop that; and if you have strategic defense, that's another means of trying to stop it. But if the Soviets get strategic defense and we don't, it would be very much like a world in which the Soviets had a nuclear weapon and we did not. You can't allow the Soviet Union with its offensive capabilities and its offensive world strategy to proceed on a path like this with any safety at all. That's half the reason to do it. The other half is, it's a very noble objective in and of itself—if we can succeed in it—and nobody knows that we can't. . . .

Q: Why not do it through arms control?

Weinberger: You have a very definite example of why not to do it through arms control. You have numerous treaties that the Soviets have signed and violated. You have an ABM treaty which was based on the idea that neither side would do anything about their defense, and here the Soviets have been working along vigorously trying to develop this kind of a defense. So, if you're willing to trust the fate of the world and the United States to your hopes that maybe the Soviets this time would be able to keep a treaty, well, frankly, I'm not, and the responsibilities I have don't permit me to do so.

I didn't say that we shouldn't *try* to get arms reduction. I didn't say we shouldn't try to get a verifiable agreement. But I'm not talking about the kind of verification measures we had before. I'm talking about better verification measures—measures that allow us into the Soviet Union to see if they're keeping their treaty. . . .

Q: Mr. Secretary, you said that you thought the situation might be that the Soviet Union developed a system of defense against missiles and we did not. Suppose we both wound up with it, where would we be then?

Weinberger: We'd be much better off. In fact, as the President said, we would be willing to cooperate with them. It's good for us to have a firm, reliable defense against these kinds of missiles. Then you would indeed have a situation in which it would be very clear that there would be no use for nuclear weapons. That would not make an end to war, but it would be a vast improvement if we could free ourselves of this terror that has been with us all these years. . . .

Will the Soviet Union deploy an x-ray laser by 1985?

by Robert Gallagher

Three and a half months after *EIR* forecast early deployment of a Soviet x-ray laser anti-ballistic missile device (*EIR*, Dec. 13, 1983), the popular aerospace industry magazine *Aviation Week and Space Technology* reported in its April 2 issue that the Soviets have a serious development program at the Lebedev Physics Institute and the Kurchatov Institute of Atomic Energy for a nuclear-pumped x-ray laser "similar in design to the device being developed in the U.S. by the Lawrence Livermore Laboratory."

The much-touted U.S. "lead" in x-ray laser technology appears to have evaporated overnight. Could it be that an x-ray laser is one of the many new weapons systems that Central Intelligence Agency officials warned last fall the Soviets would deploy in 1984 or 1985? At that time, the officials stated at a press conference that the Soviets had more military systems in research and development than at any time during the 1960s or 1970s. They reported that in the first eight months of 1983, there had been a "dramatic" increase in investment and floor space in military-oriented machining industries on the order of 40%. The CIA forecast that this engineering activity would result in deployment of a series of new weapons systems of all types in 1984 and 1985.

Aviation Week has sounded an alarm: "U.S. officials added that the Soviet Union is at least 10 years ahead of the U.S. in some important areas of directed-energy weapons technology that can be applied to a layered ballistic missile defense capability."

These reports demolish arguments by the Union of Concerned Scientists and others opposed to a U.S. ABM effort that the x-ray laser device is not feasible. Richard L. Garwin of IBM, for example, put forward this argument last April, using an article by Lenin Prize winner F. V. Bunkin of the Lebedev Institute published in the Soviet *Journal of Quantum Electronics*. Bunkin is currently one of the coordinators of the successful Soviet x-ray laser program! (*EIR* refuted Garwin's argument in our July 19, 1983 issue.)

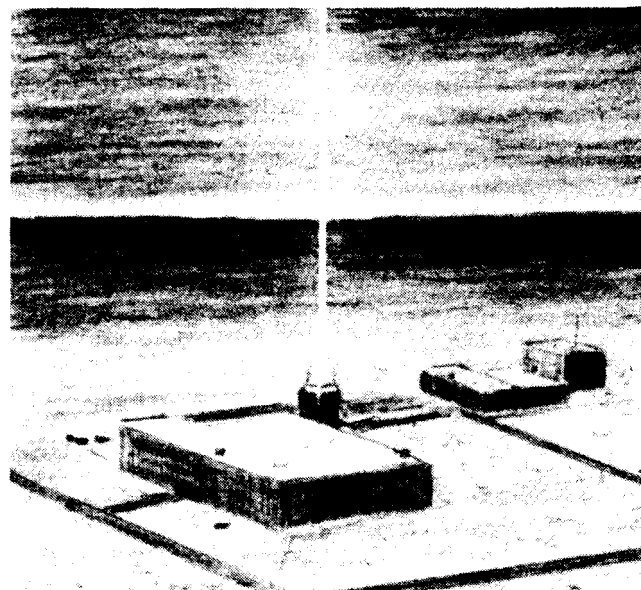
Other top Soviet nuclear physicists have hastened to back the arguments of Garwin et al. that an American beam-weapon program is a waste of effort. Yevgeny P. Velikhov, vice-president of the Soviet Academy of Sciences, signed a declaration in April 1983 denouncing President Reagan's March 23 policy for development of directed-energy antiballistic-

missile systems. He repeated the same at the Erice conference on nuclear-weapons policy in Italy in August. He then made a surprise appearance in Washington in December alongside Sen. Edward Kennedy and astrologer Carl "Nuclear Winter" Sagan to again denounce the Reagan initiative—but evaded questions on the Soviet program.

A top priority program

The Soviets have made development of an x-ray laser a research priority of their Academy of Sciences for over a decade. A. A. Rukhadze at the Lebedev Physics Institute in Moscow and Ya. B. Faynberg of the Physicotechnical Institute in Khar'kov have led scientists in this effort since the early 1970s. A 1975 Rand Corporation report, "High Current Particle Beams: I. The Western U.S.S.R. Research Groups," noted:

Both Rukhadze and Faynberg are concerned with novel methods of pumping lasers emitting in the ul-



This directed-energy R & D site at the Sary Shagan proving ground in the central U.S.S.R. could provide some anti-satellite capabilities today and possibly ABM prototype testing in the future.

Soviet Military Power

traviolet portion of the spectrum. Rukhadze's technique employs exploding wires [as does the Lawrence Livermore device—RLG] and is found to be superior to conventional flash lamps in terms of delivered energy and ultraviolet conversion efficiency.

Rukhadze concentrated much of his team's work on using relativistic electron beams to pump the lasing medium. Rand further reported:

According to Soviet statements, ultra-relativistic electron beams can convert 1% of their energy into x-ray beams whose power can reach one trillion watts with a [beam] divergence of 1°. Injection of such high power x-ray beams into dense gases [e.g., a zinc plasma—RLG] may produce stimulated x-ray emission [i.e., lasing—RLG].

At the same time that Rukhadze's group at Lebedev pursued such applications of directed-energy beams, Academician Velikhov led a group of scientists at the Kurchatov Institute in development of nuclear explosive pumped systems to provide pulsed power for directed-energy beams and—it appears now—to provide energy for x-ray lasing. For this work, the Soviets developed huge spherical blast chambers capable of withstanding small nuclear blasts. U.S. Air Force Gen. (ret.) George Keegan revealed in 1977 that such systems exist at Semipalatinsk, U.S.S.R. for driving directed-energy devices and that nuclear debris emitted from the site indicates that testing began in the early-to-mid 1970s.

Aviation Week's report shows that the Soviets have done the predictable: they have combined the work of the Rukhadze and Velikhov groups to produce a nuclear-pumped x-ray laser device. F. V. Bunkin at the Lebedev Institute is coordinating work on the device and the Kurchatov team is providing "technical support" in the area of "nuclear-weapons plasma." This report is just the tip of the iceberg of Soviet directed-energy weapons work. As they move more and more programs into an engineering phase—where the existence of a program necessarily becomes known to many people and hence more difficult to keep secret—more and more will become known in the West.

Other Soviet breakthroughs

The Soviets have made three other breakthroughs in technology required for an energy-beam defense. All are in areas in which the United States supposedly held an "undisputed" lead and in which the Soviets were presumed to be so far behind that they couldn't be expected to field a layered defense system within a decade.

Computers: The Soviets have developed a computerized guidance system for a new generation of cruise missiles with an accuracy close to that claimed for the U.S. ground-launched cruise missile. *Aviation Week* reported Jan. 2 that the development "has taken the Defense Dept. and the intelligence

community by surprise," and that one official "called the rapidly developed guidance capability 'scary,' adding that the advance of technology also is showing up in a number of other areas as well as fighter aircraft and antiballistic missile defense."

Adaptive optics: One Soviet program has applied adaptive optics to solve the problems of beam divergence and breakup in propagation through the atmosphere, according to a report in *Aviation Week* last December. Presidential science adviser George Keyworth announced last fall that U.S. scientists had just solved this problem. The Soviet program is developing a system for laser communication with submarines. The system is reportedly composed of a ground-based blue-green laser and an orbiting mirror which directs the beam down to submerged submarines. Bunkin is also heading up this program and has made trips to the Lebedev Institute field station at Feodosiya near Sevastopol on the Black Sea for tests. Bunkin's program is about five to ten years ahead of the similar program managed by the Defense Advanced Research Projects Agency. DARPA does not even contemplate a date for orbiting a test mirror.

Laser Optics: Two other Lebedev Institute scientists, Subariev and Faisulov, have solved a problem in laser optics relevant to beam collimation, according to a *Novosti* release last month. The solution reportedly involves uses of a crystalline substance as a mirror with time-varying properties. (Both these developments and the U.S. advance in optics will be treated in a future report.)

Such developments are just a small piece of the picture and are either unclassified (such as the Subariev work) or simply what has leaked out since the Soviets imposed rigid classification following the Keegan disclosures in 1977.

The Soviet Academy of Sciences manages an extensive network of laboratories devoted to directed-energy technology research in a wide range of areas from pulsed power systems to beam-generation devices. One focus of Soviet researchers in all areas is miniaturization of all systems. As Rand wrote:

This goal [ionospheric sounding], usually referred to together with the production of artificial auroras, requires the delivery of relatively large energies supplied by electron accelerators aboard space vehicles. It appears as one reason for the evident Soviet stress on minimizing the size of electron beam accelerators for a given beam energy and for the theoretical work on beams [propagation] in atmospheric gas.

Leonid Rudakov, Rukhadze, and others have emphasized development of compact devices for generation of relativistic-electron beams, which have in turn been flown on spacecraft supposedly for experiments in injection of beams into the ionosphere (ionospheric sounding). The same device and mode of deployment could drive a space-based laser.

A White House report shows the Soviet advances in ASAT capabilities

by Marsha Freeman

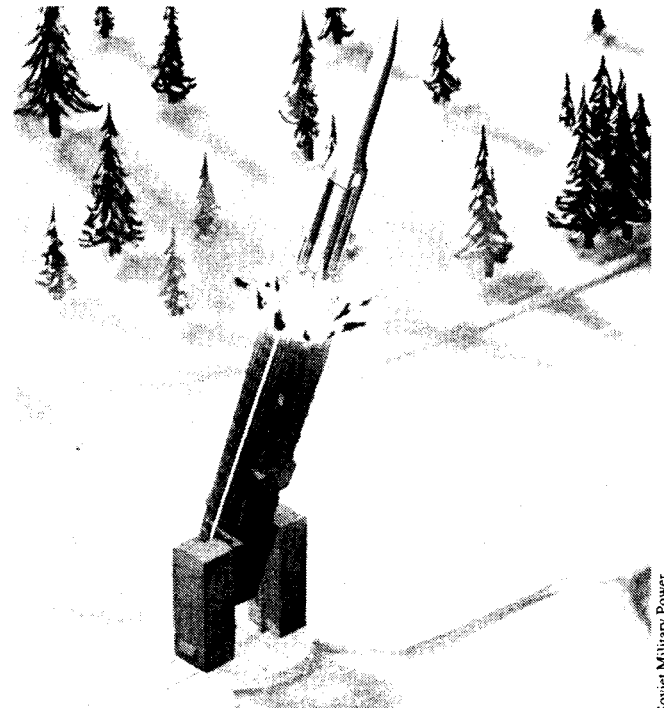
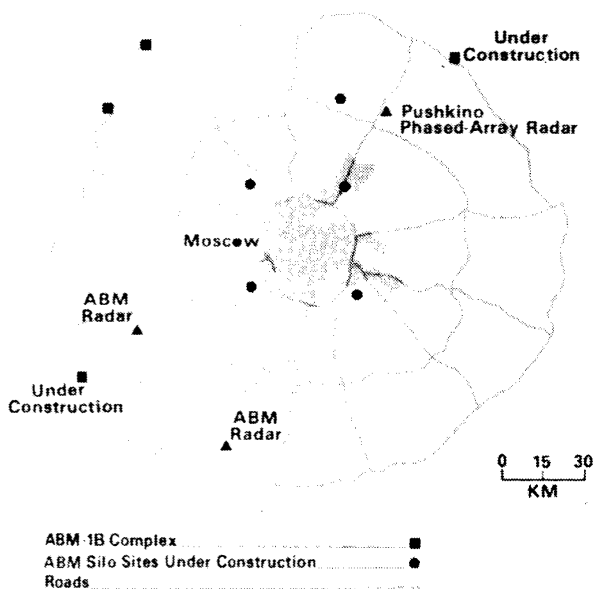
Since President Reagan's Strategic Defense Initiative was launched one year ago, a group of MIT professors and liberal Democrats which the *New York Times* calls a "shadow cabinet" has tried to force the administration to sign yet another arms-control treaty with Moscow. The proposed agreement on the "militarization of space," first suggested by Yuri Andropov, would halt the development of a U.S. anti-satellite (ASAT) capability and ensure that the U.S. beam-weapons defense program never went beyond the research and development stage.

In a report submitted to the Congress March 31, the Reagan administration points to important developments in the Soviet ASAT program which have produced an "operational capability to destroy satellites" that the United States lacks. These developments—officially denied by the Soviet Union—plus the Soviet record of arms-control treaty violations, led the administration to argue that none of the mea-

asures so far proposed to limit ASAT programs are acceptable to the United States. Andropov's proposal for an ASAT moratorium "appeared to be designed to block tests of the U.S. miniature vehicle ASAT interceptor," the report states, "while allowing the U.S.S.R. to maintain the world's only operational ASAT system." Yet the administration report holds out to the arms-control "shadow cabinet" the prospect of an ASAT ban in the future, stressing that "the door is not closed. . . . The active search for viable arms-control opportunities in the ASAT area is continuing."

The anti-ASAT appeasers who are suddenly concerned with the possibility that space might become the "battleground of the future" have never once objected to the fact that the Soviets have violated the 1967 Peaceful Uses of Outer Space Treaty by testing the capability to orbit offensive nuclear warheads. Indeed, considering the record of Soviet violations of already-signed arms control negotiations, it cer-

Moscow Ballistic Missile Defense



Galosh anti-ballistic missile interceptors fitted on 64 surface launchers around Moscow are part of the operational Soviet ASAT capability.

tainly is a moot point whether or not the treaty would be verifiable, since one can only assume the Soviets would cheat on this treaty, as they have on every other treaty.

The ASAT gap

The White House's "Report to the Congress on U.S. Policy on ASAT Arms Control" was mandated by the Congress last year in the FY 1984 Department of Defense Appropriations Act, which made continued ASAT funding contingent upon administration efforts at ASAT arms control.

The report summarizes the relative state of the two nations' ASAT systems, and the current and future threat to U.S. military space systems from continuing Soviet research and development.

Under the heading of "Soviet Threats to U.S. Satellites," the report states: "The current Soviet ASAT capabilities include an operational orbital interceptor system, ground-based test lasers with probable ASAT capabilities, and possibly, the nuclear-armed Galosh ABM interceptors, and the technological capability to conduct electronic warfare against space systems. . . ."

"The orbital interceptor must go into approximately the same orbit as its target and close at a specific velocity. There have been more than a dozen tests of the interceptor system, which we consider operational, including testing during a Soviet strategic forces exercise in 1982."

The Soviet interceptor ASAT is launched on a conventional ICBM booster rocket, and on its second Earth orbit it catches up with its target. When it is within range of about a mile, it detonates its fragmentation warhead, showering the target with shrapnel traveling at a high velocity, knocking out the targeted satellite. The Soviets have successfully tested this ASAT system against their own test satellites since 1976, and according to Soviet space expert James Oberg, the Soviets now have five ASAT launch pads.

The current generation of Soviet interceptor ASATs can only reach an altitude of 1,000 miles, which would make U.S. low-orbiting reconnaissance satellites vulnerable, while leaving military communications and some navigational satellites safe.

In addition to simply using a more powerful booster to take the ASAT interceptor to higher altitudes, "other techniques for accomplishing this objective may appear preferable to the Soviets. For example, they could also use their developing electronic warfare capabilities against high-altitude satellites."

The Galosh ABM system is a nuclear antimissile defense net around Moscow, with a range of several hundred miles. These anti-missile missiles, according to Oberg, could be outfitted with non-nuclear fragmentation warheads and, with retargeting, could be used for ASAT missions.

The report states that "continuing, or possible future, Soviet efforts that could produce ASAT systems include development of directed-energy weapons. We have indications

that the Soviets are continuing development of ground-based lasers for ASAT applications. In addition, we believe the Soviets are conducting research and development in the area of space-based laser ASAT systems."

The U.S. ASAT program consists of a miniature vehicle (MV) 35-pound warhead mounted on a booster, which is carried aloft and launched from a modified F-15 aircraft. The warhead carries no explosives, but achieves its kill on impact when it collides with its target.

Unlike the Soviet ASAT, there is virtually no way to modify the existing U.S. design to take it to higher orbits. It can only be launched from special aircraft, while the Soviet ASAT can be launched by any ICBM booster. Since the U.S. system does not obtain orbital velocity, it must make its hit on the first try, with no possible second chance. The Air Force has recently begun tests of the U.S. ASAT system, and it is estimated that it will take three more years of tests before it is operational.

According to the White House report, "The United States has no plans to extend the altitude capability of the MV ASAT system to place high-altitude satellites at risk. We are, however, continuing to review ways in which U.S. ASAT capabilities could be improved. Directed-energy weapons technologies, including high-energy lasers have the potential for ASAT use. These technologies are in the research and development phase."

'Deterrence' undermined

According to the Reagan report, "a fundamental purpose of defense and arms-control policies is to maintain and strengthen deterrence, both conventional and nuclear deterrence. ASAT limitations could, unfortunately, undermine deterrence in some instances"—which certainly understates the matter.

"Since the Soviet Union has an operational capability to destroy satellites while the United States does not, the current situation is destabilizing. If, for example, during a crisis or conflict, the Soviet Union were to destroy a U.S. satellite, the U.S. would lack the capability to respond in kind to avoid escalating the conflict."

In evaluating Soviet initiatives—because indeed the initiatives for an ASAT treaty have come from the Soviets themselves and the pro-appeasement Democrats—the report questions the "possible motives behind the Soviet offer of a 'moratorium' which it characterizes as "suspect."

The White House report concludes that "no arrangements or agreements beyond those already governing military activities in outer space have been found to date that are judged to be in the overall interest of the United States and its Allies." Considering the fact that the Soviets have refused to admit that they have an operational ASAT capability, it would be hard to believe that they would sign any treaty that would interfere with their as-yet-unchallenged military supremacy in space.

Zumwalt, Van Cleave score the U.S.S.R.'s arms treaty violations

In testimony before the Subcommittee on Defense of the Senate Committee on Appropriations on March 28, former White House defense adviser Dr. William R. Van Cleave and retired Adm. Elmo Zumwalt scored the Reagan administration for its failure to act on Soviet violations of arms-control treaties with the United States. In January President Reagan had reported to the Congress that the U.S.S.R. has violated six treaties in seven different ways.

Soviet violations of the SALT I and II treaties, the Anti-Ballistic Missile (ABM) Treaty, the Test-Ban Treaty, and treaties dealing with chemical and biological warfare, have given strategic superiority to the Soviet military, the two witnesses declared.

We excerpt first from Admiral Zumwalt's testimony.

The President has informed the Congress of a number of Soviet arms control treaty violations. Each of these violations has important military significance. Collectively, they have contributed to a major shift in the strategic nuclear balance from one favorable to the U.S. into one unfavorable. . . .

[T]he Soviet violation of the SALT I ABM Treaty by building a huge new ABM battle-management radar deep in Siberia, has profound military significance. This radar is reportedly located near over 200 ICBM silos in which MIRVed missiles are deployed. By my rough calculations, this radar is in position to provide battle-management coverage to over 20% of the Soviet ICBM warheads. The radar would, of course, have to be connected to smaller radars and to interceptor missiles, and these are in mass production for deployment. If the Soviets can protect over 20% of their ICBM warheads from U.S. retaliation, this fact would significantly erode the U.S. deterrence capability. The Soviets would have a significantly less vulnerable first-strike ICBM force. The U.S. has completely deactivated its one allowed ABM fired [sic] while the Soviet Union has been engaged in a series of violations of the ABM Treaty. Overall, the U.S.S.R. has overwhelmingly reduced the ABM advantage the U.S. had at the time of the 1972 signing of the ABM Treaty. . . .

Summary of the military significance of the President's Report on Soviet arms-control violations:

- large numbers of illegal missiles and illegal warheads;
- about 20% of the Soviet ICBM warheads could be protected by the illegal ABM radar;
- the Soviets have developed a huge advantage in ICBM counterforce capabilities by developing new super lethal nuclear warheads;
- the Soviets have lowered the nuclear threshold with their BW/CW [biological and chemical warfare] offensive programs or increased their capability, undeterred, to initiate strategic biological warfare;
- the Soviets have increased the risk of surprise attack against NATO and their ability to achieve political victories by the use of illegal (improperly announced) military maneuvers. . . .

A Soviet first-strike capability

The Soviets now have an overwhelming strategic offensive superiority over the U.S., a true "first strike" potential so long feared by American strategists. The Soviets are now over ten years ahead of the U.S. in strategic offensive capabilities. This Soviet first-strike capability grows ever more ominous each year, and its usefulness for Soviet political blackmail and intimidation is even more dangerously apparent. This Soviet first-strike capability is already deeply affecting the whole world's politics, because what they call the "irrevocable" shift in the "correlation of forces" in Soviet favor has made all the nations of the world ever more willing to acquiesce in Soviet provocations.

And now there are recent revelations from Defense Department officials that the Soviet Union is also ten years ahead of the United States in Anti-Ballistic Missile defensive capabilities. The Soviets may, in just another year's time, be able to defend over one-third of both their population and offensive forces from the U.S. retaliatory deterrent. The Soviets may also at any time launch the first laser anti-ballistic missile battle station into space where they have long been superior in anti-satellite capabilities.

Soviet strategic superiority results in part from their SALT and other arms control violations, together with U.S. observance of its arms control constraints and U.S. unwillingness to exercise its own right to withdraw from such agreements on the basis of supreme national interest when Soviet cheating is detected.

These Soviet offensive and defensive advantages threaten the credibility of the U.S. retaliatory deterrent, which has preserved the world's peace since World War II. If the Soviets can threaten a devastating first strike, and then also threaten to defend against a significant part of the U.S. retaliatory response, deterrence is gravely jeopardized. The U.S. is not only vulnerable to a Soviet first strike, but even more significantly, because of this vulnerability, we are increasingly subject to Soviet attempts at intimidation through nuclear blackmail.

U.S. compliance with arms control agreements despite Soviet violations has led to a process in which the Soviet Union is able to add to the advantage it has traditionally had—outspending the U.S. for strategic nuclear systems—the advantage of being able unilaterally to advance in areas in which the U.S. is unilaterally constrained. This in turn has contributed to a general weakening in the confidence that Free World nations have in the U.S. and a weakening in our alliances. It has made more pronounced the typical peacetime disinclination of democracies to face up to totalitarian threats. It has produced a significant subset of our federal bureaucracy dedicated to the mission of working against U.S. efforts to match

its adversary, in the very same way that a similar subset led Britain to look the other way while Hitler was violating the Versailles Treaty. . . .

In order to demonstrate to the Soviet leaders that there are penalties to them for arms control violations and to motivate them to cease in the future, I recommend that actions be taken as follows—in sequence as Soviet violations continue.

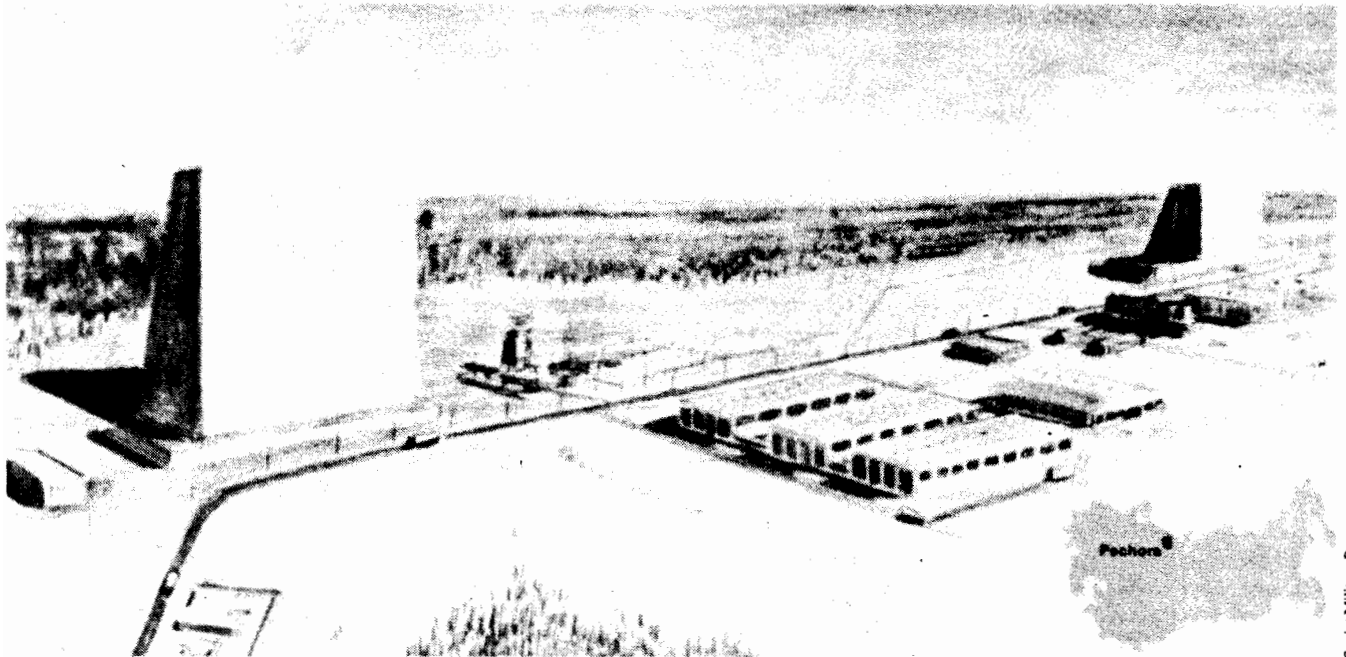
1) Initiate programs which are allowed under arms control agreements, making it clear that such actions are in response to Soviet violations. Such action would include: a development of defensive biological warfare systems; development of offensive and defensive chemical warfare systems; increased R&D in ABM systems; reactivation of a modernized single ABM site; etc.

2) Initiate programs to match specific Soviet violations—i.e., encryption of the telemetering of missile tests; development of battle-management ABM radars; development of a second new ICBM type; etc.

3) Announce that the time is fast approaching when our supreme national interests will require that the U.S. withdraw from the treaties and political commitments which prevent us from redressing the consequences of Soviet cheating.

Reagan is doing 'nothing'

Dr. William Van Cleave, director of the Defense and Strategic Studies Program at the University of Southern Cal-



The receiver and transmitter of the large phased-array, early-warning and ballistic missile target-tracking radar at Pechora. An identical radar in the Central USSR almost certainly violates the 1972 ABM Treaty.

ifornia, headed the team which advised President Reagan on defense issues during the 1980 presidential election campaign and the transition from the Carter to the Reagan administrations.

Given the importance and potential political impact of such a document [the administration's report on Soviet treaty violations], there has been a puzzling attempt to downplay it by both the administration and the media. There has also been little discussion of how the United States should respond to Soviet noncompliance. Any effective U.S. response was called into question only four days after the submission of the report to Congress, when the President delivered a major speech on U.S.-Soviet relations that re-emphasized arms control and the need for arms negotiations. And the question seems to have been laid to rest by the President's most immediate military action in the aftermath of the report—which was to agree to a \$57 billion cut in defense spending over the next three years. . . .

I have the greatest admiration for President Reagan's decision to make public seven examples of Soviet arms control violations, and to say publicly what his predecessors would not: that the Soviets have been violating all important arms control agreements. But what is this administration doing about it? Nothing. What is it doing to dissuade further Soviet noncompliance? Nothing. And what is it doing to correct the military advantages that the U.S.S.R. has been acquiring through noncompliance? Again, nothing. . . .

The reasons for the failure of arms control are clear. The Soviets have subordinated all other considerations to the attainment of nuclear superiority, and consequently have refused to agree to any significant constraint that might interfere with that goal. . . . The Soviets are willing to violate agreements outright in order to pursue military advantage. . . .

Despite the magnitude of this noncompliance, as well as increasingly threatening Soviet foreign ventures, there continues to predominate in the American political process an undaunted emphasis on arms control as the key to stabilizing relations between the two superpowers. Contrary to the realities or experience, domestic politics encourage the preeminence of arms control. . . .

The primacy of the arms control process to date has had the deleterious effect of lowering the standards of strategic force survivability while simultaneously establishing itself as the "centerpiece" of U.S. defense planning and national security policy. As such, U.S. force modernization is portrayed as an unnecessary arms "build-up," instead of what it actually is: a reaction to threatening Soviet programs.

What an agreement accomplishes, or does not accomplish, in terms of national security has become far less important than merely reaching an agreement. It has led to a regrettable view expressed by a recent envoy of the White House to Moscow on arms control [retired General Brent

Scowcroft]: "Any kind of an agreement that we have with the Soviet Union is going to be in our interest." . . .

The role of educator must be taken by the President. The Reagan administration should confront Soviet violations with a strong public information program which emphasizes the Soviet attitude toward arms and arms control agreements and the necessity for the U.S. to have a determined compliance policy. The realities of arms control and of the Soviet threat should be clearly explained, and arms control fever cooled. The administration should take the violations report as an opportunity to live up to its campaign promise of a new arms control realism. . . .

The Soviet walkout from the START and INF talks is no disaster. To the contrary. Given the arms control record, Soviet unilateral suspension of arms control talks might even increase the safety of every American. Rather than considering new concessions to induce the Soviets to return to the negotiating table, the U.S. should declare that *it* has now suspended arms control negotiations with the Soviet Union until it ceases violating and defeating the purposes of existing agreements and surrenders the unilateral advantages it has achieved by such actions. . . .

The Soviet leadership must clearly understand that whenever they violate a treaty some form of compensatory measures will be taken by the West, for if there is any question as to the credibility of the response, we will instead only be encouraging further Soviet noncompliance. . . .

[T]he United States government must insist that the Soviet Union cease all practices in violation of, or noncompliance with, existing agreements, and void itself of the fruit of those practices. This will require that the Soviets dismantle the corresponding programs and systems such as the Abalakovo radar, certain other ABM and air defense systems components, the SS-25 and SS-16, and all CW/BW facilities and stocks.

The U.S., otherwise, should announce itself free from the obligations of the violated agreements. And the U.S. should embark immediately on selected compensatory military programs. . . .

Such actions include accelerating the small ICBM program immediately increasing the number of deployed Minuteman III missiles by 100, adding an ABM defense to Peacekeeper (MX) and Minuteman deployments, upgrading air defense systems feasible for ABM capabilities, dispersing the bomber force and constructing austere bases for additional dispersal, and testing nuclear warheads above 150 kilotons. . . .

If the President misses this opportunity and the arms control process is permitted to continue unabated, we may find ourselves in the not too distant future confronting the Soviet Union with little more than hope. Non-reaction to Soviet arms control violations will take on the character of appeasement.

Kohl bows to Carrington, attacks U.S. beam policy

by Susan Welsh

A blackmail operation against the Federal Republic of Germany by Henry Kissinger and Britain's Lord Carrington has led the major Bonn parliamentary power-brokers to form a "grand coalition" against the U.S. beam-weapon antiballistic-missile defense program. The Bonn government, using the argument that the U.S. program will leave Europe in the lurch, has in reality opted for the Kissinger-Carrington plan to decouple the United States from Western Europe. No wonder that the government's shift has drawn enthusiastic support from the left-wing opposition Social Democratic Party (see page 31).

Chancellor Helmut Kohl announced in an "off-the-record" briefing to British journalists April 10 that his government opposes the U.S. Strategic Defense Initiative. (Hitherto Kohl has kept his public pronouncements on this controversial issue as vague as possible.) The London *Guardian* reported on his remarks: "West Germany plans a European campaign to dissuade Washington from going ahead with its 'Star Wars' killer-satellite programme, and to lay the foundation for an autonomous European defense within NATO. Kohl has indicated that he fears the American anti-missile programme could become irreversible if Mr. Reagan is re-elected for a second term in November."

Kohl's defense minister, Manfred Wörner, insisted in an interview with the *Hannoversche Allgemeine Zeitung* April 7 that the U.S. program "could lead to a destabilization of the East-West balance and a decoupling of Western Europe from the U.S.A. and even to a split of the Western Alliance." Wörner had until recently maintained that beam-weapon defense was unfeasible, or at best "the music of the future." But when U.S. Defense Secretary Caspar Weinberger gave allied defense ministers in Turkey April 7 a detailed briefing on the

status of the American effort, Wörner turned his occasional grumbling into an outright offensive against the U.S. policy.

Behind the German shift is Peter, Lord Carrington, Henry Kissinger's business partner and the newly-designated secretary general of NATO. A former senior British Foreign Office official with close ties to Carrington and Kissinger told *EIR* four months ago, "Carrington will take care of the problem of U.S. beam-weapons development when he takes over as secretary general of NATO. The Weinberger viewpoint is not the only viewpoint—there are programs and there are programs" (see *EIR* Dec. 20, 1983). Carrington's oft-repeated attack on President Reagan's "megaphone diplomacy" was meant as a warning to the United States that the British will break apart the Western alliance if Washington pushes "confrontation policies" (i.e., beam-weapons defense) too far, the official said.

Kissinger spelled out the decoupling threat in a March 5 essay in *Time* magazine, in which he threatened a U.S. troop withdrawal from Europe.

Now Carrington and Kissinger are delivering on their blackmail—with the help of a Soviet psychological-warfare drive against Western Europe that includes the largest global naval maneuvers in history, harassment of West Berlin, and the murder of a French military officer in East Germany.

In France, these efforts have been successfully countered by an organizing drive by the association France and Her Army, which co-sponsored a conference in Paris March 23 addressed by Lyndon H. LaRouche. There is increasing support in France for a European role in assisting the United States to develop a beam-weapons capability—a concept endorsed, for example, by opposition leader Jacques Chirac. In Britain, however, "Churchillian" advocates of a beam policy

have been smashed, as Prime Minister Margaret Thatcher has come under the thumb of Carrington in recent months.

The German response has been to appease Carrington, Kissinger, and the Soviets. The Social Democrats are threatening mass unrest if the government accepts the beam policy. The Bonn defense ministry does not shape military policy, but implements it—on orders from the foreign ministry, which, under Carrington's buddy Hans-Dietrich Genscher, functions as an adjunct of the British Foreign Office. German military figures who supported Weinberger have been silenced, through the "watergating" of Gen. Günter Kiessling on charges of homosexuality in December. Although Kiessling was formally cleared of the accusations against him, the scandal served to warn military figures of the fate that could await them should they buck NATO's secretary general.

Despite the united front against beam defense from the leadership of West Germany's parliamentary parties, not all opposing voices have been stifled. The conservative daily *Die Welt* has been waging a campaign in defense of the U.S. policy. Scientific correspondent Adalbert Bärwolf published an article April 11 attacking the anti-beam stance by the government and the Social Democrats: "Speculation by German politicians that Europe might be decoupled from America through these technologies is completely incomprehensible. Beam weapons in American hands are no danger for world peace because the United States, as people in Bonn should know, is not embarking on an expansionist policy."

Documentation

Since U.S. Defense Secretary Caspar Weinberger briefed NATO defense ministers on the U.S. Strategic Defense Initiative in Cesme, Turkey, during the week of April 1, German controversy over the policy has mounted. We quote from the principal statements.

April 3

West German television carried a commentary by Brussels correspondent **Günther Trampe**, who said that "the American minister Weinberger will brief his European colleagues on the new American Strategic Defense Initiative, but Minister Wörner will voice the European skepticism about that policy. As the minister said, the Europeans are concerned that these new anti-missile defense systems will neutralize the nuclear deterrence potentials, so that Europe will be confronted with the immense superiority of the Soviet conventional force. It is feared that conventional war might become possible again, if nuclear deterrence were neutralized."

Trampe added that "what is being discussed here is the policy U.S. President Reagan presented in his famous speech of March 23 of the past year, the so-called Star Wars speech; but what is behind that policy is the development of a new anti-missile defense system based on bundled x-ray laser weapons stationed in space."

The same day, former West German chancellor **Helmut Schmidt** addressed a University of Maryland meeting on "the need for a new strategy for NATO," supporting Henry Kissinger's call for a NATO "reform." Schmidt demanded "intensified French-German military cooperation which would allow the United States to withdraw troops from Europe," and voiced his "profound skepticism about the psychological, economic, and political consequences of a new arms race in space," mocking "the optimistic we-can-do-it nation U.S.A. which tries to teach us Europeans lessons."

April 4

Social Democratic Party (SPD) disarmament spokesman **Karsten Voigt** issued a statement in Bonn—almost identical to one by the Soviet news agency TASS—that "in case the United States goes for a policy of militarizing space, of placing killer-satellites and other weapons into orbit, there will be a storm of public protest which will make the protest against the counterarmament [stationing of U.S. Euromissiles] of last fall look like a mild breeze."

Henry Kissinger told West German television that "it was a mistake of the European governments to criticize me for my ideas [including his call for a U.S. troop withdrawal from Europe—ed.] because I looked into the future. If the friends of NATO don't take up the debate, then the enemies of NATO will do so, and this will lead toward neutralism."

"As long as defense is nuclear from the start, there is no sense in keeping the present number of troops in Europe," Kissinger said. "What I said was no threat, but a reflection of reality."

West German Chancellor **Helmut Kohl**, who was interviewed on the same program, said that "the image of the alliance as an Atlantic Bridge does not fit, because a bridge is founded on two equal pillars, and this is not the case today, since Europe is the weaker pillar. I would say that Mr. Kissinger was correct on that point." Kohl added that "Mr. Kissinger has delivered a series of excellent articles on strategic questions."

April 5

Defense/disarmament spokesmen for the government coalition parties issued statements calling upon the United States to negotiate with the Soviets a ban on space-based ABM systems. The Free Democratic Party's **Olaf Feldmann**, a member of parliament, said that "it seems to be senseless to waste a lot of money on a project which is first of all very expensive and, second, might never really prove feasible." For the Christian Democratic Union/Christian Social Union, **Volker Rühle** declared that "the costs of this new system might endanger NATO's planned conventional improvements."

For the Bonn government as a whole, spokesman **Peter Böhnisch** said that while Reagan was right in blaming the Soviets for violation of the 1972 ABM treaty through the development of killer-satellites (which he said has been pur-

sued by the U.S.S.R. since 1968, to Bonn's knowledge!) the "German government insists that already in the research phase of these new systems, equal protection for the European allies must be guaranteed."

Defense Minister Manfred Wörner declared that he was very skeptical about the new Strategic Defense Initiative (SDI), because he was "still not convinced that the U.S.A. will not aim at making its own territory invulnerable to Soviet missiles with a system that does not protect Europe against the short- and medium-range missiles threat." Wörner predicted that if the SDI were realized, there would be "even more tensions between Europe and the U.S.A."

April 7

Defense Minister Wörner gave an interview to the *Hannoversche Allgemeine Zeitung*, headlined "Wörner worried about new U.S. defense system—defense minister sees dangers for the inner balance and unity of NATO." Said the paper: "In his view, such a development could lead to a destabilization of the East-West balance and to a decoupling of Western Europe from the U.S.A. and even to a split of the Western Alliance." Wörner declared: "The Soviet Union has an advantage in the building of facilities for radar and high-energy laser beams which have only one meaning: defense against ICBMs." He added that he approved of the U.S. R&D effort to cope with the U.S.S.R., but remained skeptical because of the (allegedly) unsolved question of whether the United States would not try to use this shield to turn into a "Fortress America."

Wörner added that "the new U.S. concepts, because of their immense costs, endanger NATO's demands for a strengthening of conventional weaponry."

Christian Social Union chief **Franz-Josef Strauss** meanwhile addressed the security policy working group of the Christian Social Union party in Munich, giving full support to "Wörner's critical remarks on the new U.S. policy," and adding that once the United States had such space weapons, Europe would become "less important for the U.S.A."

April 9

Horst Jungmann, a defense/disarmament spokesman for the Social Democratic parliamentary fraction, urged the Bonn government to resist the United States on the Strategic Defense Initiative, because "the U.S.A. is trying to implement this new policy under the very shady pretext of pointing to a Soviet advantage in the field of space weapons."

General (ret.) Gerd Schmückle, former deputy chief commander of NATO/Europe under Alexander Haig, gave an interview to *Westdeutscher Rundfunk* radio terming Bonn's "official rejection of the new U.S. policy unconsidered, because these new laser weapon systems would provide us with a viable defense against Soviet missiles."

Bonn government spokesman **Peter Boehnisch** said in a press conference that "our government remains skeptical about the new U.S. initiative because our policy is to prevent any

new arms race which could hamper ongoing arms control talks."

April 10

Adalbert Bärwolf, the military technology correspondent for the daily *Die Welt*, denounced the European claim that the Strategic Defense Initiative would lead to a U.S. decoupling from Europe. "Speculation by German politicians that Europe might be decoupled from America through these technologies is completely incomprehensible. Beam weapons in American hands are no danger for world peace because the United States, as people in Bonn should know, does not embark on an expansionist policy. An invulnerable America would be a good aid in case of danger. Europe, in turn, could insure that it is protected by these systems against the SS-20s by contributing financially and technologically to the development of these weapons."

Chancellor Helmut Kohl gave a confidential briefing to a group of British correspondents. *The Guardian* reported on the session April 11:

"West Germany plans a European campaign to dissuade Washington from going ahead with its 'star wars' killer-satellite programme, and to lay the foundation for an autonomous European defence within Nato."

"[Kohl] has indicated that he fears the American anti-missile programme could become irreversible if Mr. Reagan is re-elected for a second term in November."

"The West Germans fear a space defence programme would protect only the U.S. It would uncouple Europe's security from America's and thereby undo the political advantage the installation of cruise and Pershing II missiles was meant to bestow."

"Dr. Alois Mertes, the State Secretary in the Foreign Ministry, said yesterday: 'If both superpowers protect their own sanctuaries, Europe will be more vulnerable. It is a classic case in which a united Europe could, and should, influence the U.S.'"

"The Government also feels that the 'star wars' project would promote the arms race when efforts are needed to slow it down."

The deputy SPD parliamentary fraction chairman, **Horst Ehmke**, meanwhile said in an interview on *Deutschlandfunk* radio that "with the statements made in criticism of the U.S. space weapons policy . . . I see a new convergence of views across the parties on security policy."

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Die Welt's Bonn military correspondent **Rüdiger Moniac** wrote an editorial supporting the U.S. defense program: "Bonn's reaction invites miscalculations. . . . The indications that the Soviet Union is also working full steam ahead on laser weapons cannot be overlooked. Therefore, it would be simply wrong to criticize the U.S. for striving to get the military capabilities in space which prevent it from becoming open to military-technological blackmail."

Contadora plan is the only way out

by Robyn Quijano

Mexican President Miguel de la Madrid returned to Mexico on April 7 after having met with the four presidents of the Contadora countries. On April 8 the foreign ministers of these nations—Mexico, Colombia, Venezuela, and Panama—met in emergency session declaring a new diplomatic offensive vis-à-vis the United States, Cuba, and the Soviet Union to counter the “grave deterioration” of the Central American crisis.

They attacked the U.S. mining of Nicaragua’s ports, and the “ever more manifest presence of foreign troops and advisers, as well as the increase in the arms buildup and the proliferation of military actions and maneuvers.” The Panamanian foreign minister, speaking for the group, directly asked the United States and Cuba to “cease their growing military presence” and thereby show with “actions” that they “support the work of Contadora.”

Both Washington, D.C. and Havana have given lip-service support to Contadora’s efforts.

Contadora’s peace plan is straightforward: “cessation of hostilities and acts of war or preparations for war, control of the arms race in the region, the pledge of all the nations of the region not to support subversion or destabilization of their neighbors, the withdrawal of any foreign military forces.”

De la Madrid’s message

Miguel de la Madrid warned throughout his two-week tour to five Ibero-American nations—representing 75% of the population of the continent—that the Central American crisis must be resolved or every nation could confront war, destabilization, and the disappearance “of the notion of Latin America itself.”

De la Madrid warned of the “risks of regionalizing the Central American war, [which] can affect us, the neighboring nations, and continue to feed discord among countries of the American continent.”

While Ibero-America organized itself to prevent Central America from succumbing to the decade-old plan of Henry Kissinger to spread depopulation wars and border conflicts to every reach of the continent, implementation of the Kissinger plan was proving very costly for Ronald Reagan. The Senate’s 82-to-12 vote against the CIA’s mining of Nicaragua ports was one in a series of debacles attributable to the administration’s acceptance of the Kissinger Commission

Report for Central America, both the secret and published aspects. The Soviet ambassador to the United Nations played with the Reagan humiliation on April 10, stating that perhaps his nation “would consider” sweeping the mines for Nicaragua.

President de la Madrid explained to millions of Mexicans on a radio and television broadcast the basis for the emergency negotiating activities Contadora has launched.

Shakeup in Honduras

As de la Madrid started his tour, surprising and crucial support came from the foreign minister of Honduras, who declared that the removal of military chief Gen. Gustavo Álvarez, a Moonie cultist, would lead to greater cooperation with Contadora. The ouster, a move understood as a blow against the Kissingerian policy for the region, and another slap against Reagan, could affect the balance of forces in all of Central America.

Honduras is a base of U.S. military operations, and although the new military head, Gen. Walter López, will certainly continue collaboration with the United States, he may draw the line on such matters as U.S. training of Salvadoran troops on Honduran soil. This alone would be a crucial victory for Contadora.

“Contadora’s objectives center on the re-establishment of peace and support for the economic and social development of the peoples of Central America,” said President de la Madrid, laying out a policy the nationalists of Central America cannot reject.

“There is where we find the origins of the tensions in poverty, in lack of health care, in backwardness, and in systems of exploitation, and authoritarian regimes that have impeded liberty and democracy in Central America,” said the Mexican President.

“Contadora offers its negotiations with a criterion equidistant from the poles of conflict,” so that “Central American tensions do not constitute a pretext . . . for conflict between the great powers,” he said.

“. . . We also established a Committee for the Economic and Social Development of Central America [Cadesca], as an auxiliary mechanism of the Latin American Economic System [SELA].”

The economic aid the continent is offering is not for “development” on the Hong Kong drugs-and-sweatshops model, as prescribed by in the Kissinger Report. One of the first accords of the Mexican president’s tour was the study of a hydroelectric project that will stretch from Colombia to Mexico, electrifying large sections of Central America which have remained in the most hideous backwardness. It will be “a great project with the participation of Mexican and Brazilian capital. . . . Colombia has enormous hydroelectric waterfalls . . . and can thus generate electrical energy and transfer it along the entire Central American isthmus, augmenting the electrical capacity of our country,” de la Madrid informed the Mexican population.

Nuclear program is latest IMF target

by Valerie Rush

The president of Argentina warned on April 10 that unless the population closed ranks behind his government, Argentina was going to face a "Lebanization" process. The irony of the warning is that it is a group of Kissinger agents within the government itself who are bent on taking Argentina apart. The three bastions of Argentina's national strength—the trade unions, the military, and the nuclear program—are their targets.

The military and the trade unions have been under the furious assault of Alfonsín's "anti-corruption" campaigns since his administration began, campaigns dictated by Henry Kissinger and the International Monetary Fund. It is now the turn of the nuclear program.

Claiming financial woes, Alfonsín's government the week of April 1 sliced more than \$400 million out of its vanguard nuclear program, nearly one-third of the program's total budget. Vital reactor construction as well as basic research initiatives are on indefinite hold, fulfilling the pledge of Kissinger intimate and former U.S. Ambassador to Argentina Harry Schaulderman (revealed to *EIR* by informed sources who heard this asserted in private) to see Argentina's independent nuclear capability terminated.

Responding to the budget cuts, Peronist congressman Julio César Araoz, also the vice-president of the Chamber of Deputies energy commission, charged the existence of "international pressures directly linked to the payment of the foreign debt. . . . The conditions come from NATO and the international bankers who see in Argentina a dangerous competitor in nuclear technology sales to Latin America." Argentina, whose 30-year-old nuclear program with its recently completed full-fuel cycle is the most advanced on the continent and the third most advanced in the world, has in recent years signed cooperation agreements or letters of such intent with at least four Ibero-American countries, including Brazil and Colombia.

Pressures are coming from other sources as well. On March 21, at the conclusion of a two-day official visit to Argentina, Canada's Deputy Vice-Minister on Latin American Affairs, Claude Charland, declared that continued Ca-

nadian collaboration with Argentina's nuclear program, as well as investment in Argentina's hydroelectric and other projects, were conditioned by "a previous agreement with the International Monetary Fund."

Dante Caputo, the foreign minister of Argentina recently in the United States as an unofficial negotiator on the foreign debt, will be addressing the question of Argentina's advanced nuclear program in the context of his country's debt payment problems. Caputo, closely linked to the Socialist International, is holding private meetings with Henry Kissinger, David Rockefeller and other representatives of the U.S. Eastern Establishment during his trip. His breakfast tête-à-tête with Kissinger April 10 concluded with Caputo praising the would-be Rasputin of the White House as having "a profound and realistic appreciation of Central America."

The secret memo

The drastic cuts in the nuclear program came just as revelations of a treasonous secret deal the government was concocting with the International Monetary Fund broke out in the national press. While President Alfonsín was blustering that he would "never put either the interests of the country or the dignity of the nation in jeopardy," his specially appointed "debt ambassador," the anglophile Raul Prebisch, was offering the Argentine economy wholesale to the IMF.

An infamous "secret memo," prepared by Argentine Ambassador to Washington García del Solar for the eyes of Foreign Minister Caputo but leaked to *La Prensa* correspondent Iglesias Rouco and published in that newspaper's April 5 edition, has sorely embarrassed the Alfonsín government, which is already beset with a paralyzed economy, widespread labor ferment and a powerful and very vocal opposition. The memo is a progress report on secret conversations held between Prebisch, leading "Kissingerite" in Alfonsín's cabinet, and IMF director Jacques de Larosière. It details the "IMF stabilization program" Prebisch was to have packaged for popular consumption before it was so unexpectedly unveiled.

Among the details of the program are 1) reduction of the Argentine budget deficit from 18% to 6% of gross domestic product, 2) increase in domestic interest rates, effectively ending Argentina's traditional subsidy system of "negative" rates (that is, below the inflation rate), and 3) ending the government-authorized system of retroactive wage hikes tied to monthly cost-of-living indicators.

Creditor nervousness about the success of the March 31 bailout package has not been calmed by incidents such as the leaked Prebisch memo, which suggests that Alfonsín—however personally willing to accommodate the bankers—is not fully in control. If Alfonsín cannot pull off a signed agreement with the IMF within the next month, the Ibero-American debtors who kicked in funds to rescue their neighbor in distress are likely to convert their \$300 million contribution into advance payments for Argentine exports. In that event, the rescue package will come tumbling down.

Chernenko calls for 'normality' à la Kissinger

by Rachel Douglas

Just before he was made head of state on April 11, Soviet party chief Konstantin Chernenko waxed nostalgic for the days when Henry Kissinger was U.S. Secretary of State. "Throughout the history of U.S.-Soviet relations we have dealt with various administrations in Washington," Chernenko said in the April 9 issue of *Pravda*, "in those cases when realism and a responsible approach to relations with the Soviet Union were shown . . . matters proceeded normally."

Guarantor of a weak West

"Normality," for Chernenko, is identified with the Kissinger era. A Soviet journalist in Europe spelled it out: "Kissinger is against the militarization of outer space and every idea which meets the Soviet proposal [for a ban on space-based weapons] will be welcomed. For that reason, the Soviets would welcome Kissinger as the new Secretary of State."

Kissinger, the Russians believe, is their best bet to be guarantor of a weak West—collapsing economically and deploying its forces according to Kissinger's scenario of a NATO in which Western Europe is "decoupled" from the United States. Above all, the Soviets fear that the United States will reinvigorate itself politically and economically through a crash program to develop beam weapons for defense against ICBMs.

When Chernenko denounced the Reagan administration for having "no intention to reach any agreement to ban the militarization of outer space," and scoffed at "peace-loving rhetoric" from Washington, he meant that the Russians were still not persuaded, despite President Reagan's recent deference to Kissinger, that the beam-weapons effort has been stopped.

Not a day goes by without official Soviet media attention to the drive to stop beam-weapons development by the United States. *Pravda's* senior scribbler Yuri Zhukov on April 9 compared the idea of mounting a beam shield to Nazi propaganda claims that the Air Force of the Third Reich could prevent "a single bomb" from hitting Hitler's capital. The government paper *Izvestia* outdid itself on April 6, with an article on "Washington's Star Sickness," solemnly citing as an authoritative source a comment that space weapons would

be "deeply immoral—like a crime against history." The source of the statement was noted to be *Rolling Stone* magazine, a U.S. tabloid promoting narcotics.

Waiting for Kissinger

Reagan's obeisances to Kissinger's crony Brent Scowcroft and his classification of the American Strategic Defense Initiative as a mere research project, were not unconditional enough for Moscow. Indeed, when Scowcroft was in Moscow in March, bearing a message to Chernenko from Reagan, he was permitted no audience to deliver it.

Still, the Soviet press is putting out the word to be ready for Kissinger. *Izvestia* in March touted his alleged "intellect" and suggested that Reagan might bring his old foe Kissinger back as Secretary of State. The party daily *Pravda* on March 26 identified Kissinger as the man of the hour. Criticizing Kissinger's March 5 *Time* magazine article for advocating a conventional buildup by NATO's European members, *Pravda* also said the following:

"The masters of ceremonies are now trying to rectify the situation" in NATO "by hastily incorporating couplets on love of peace into their scenarios of local nuclear conflicts, Star Wars, and 'crusades' against socialism, but people who are somewhat further removed from the couplet trade but who, on the whole, sympathize with the overall designs of the authors of the said scenarios can see that these additions are not enough and are seeking something a bit more substantial. Former U.S. Secretary of State H. Kissinger is evidently among the latter. . . . In describing the situation within NATO following the 'brilliant successes' of Reagan's policy, Kissinger of course knows what he is talking about. Therefore, it is worth listening to him."

War maneuvers

While putting out tough words on the diplomatic circuit, the Soviets continued a high level of combat exercises, topping off the huge global naval maneuvers they conducted at the beginning of April. On April 7 and 8, the Soviet cruiser *Leningrad* led two other Soviet ships and a Cuban frigate on maneuvers in the Caribbean, during which they approached the Louisiana coast to within 130 miles, according to U.S. officials.

In Europe, the Soviets stepped up provocative flights in the vicinity of West Berlin, even after a protest by the United States, France, and Britain about Soviet MiG harassment of civilian flights to and from the city (see Report from Bonn, page 41).

Marshal A. Koldunov, the Air Defense chief, wrote in *Pravda* that the demolition of KAL 7, like the famous U-2 incident in 1960, demonstrated a "high level of readiness to fulfill military duties." Soviet combat pilot I. Zhukov, identified in the West as the pilot who shot down the Korean civilian plane, received a special award on the occasion of the holiday.

'Western security demands real defense'

The second national rally of the France-U.S.A. Association was held in Paris on March 30 on the theme of "solidarity with the United States for the defense of liberty and peace." In a much-applauded speech, Marie-Madeleine Fourcade, the president of the Action Committee of the Resistance and founding member of the Comité France et son Armée (France and Her Army Committee), retraced the heroic role of the French Resistance in the Allied operations in preparing for Operation Overlord, June 6, 1944.

The participants were determined to reinforce ties in the face of the Soviet threat. "Everything must be done to improve the indispensable 'coupling' between the strategic system of the United States and the defense of Europe," Mayor of Paris Jacques Chirac affirmed in a message of support to the conference.

"What should we say about peace?" Beam-weapons defense is an essential element of the "race to security," she affirmed. General Delaunay, former Chief of General Staff of the Land Army, echoed her: "Concerning beam weapons, it is possible that the Soviets are capable of a technological breakthrough." This involves a domain, he specified, "such as to completely change our military strategy," and nuclear weapons must be rounded out by these new defensive weapons.

In 1984, the survival of the Free World and that of the oppressed countries as well depends very much on the close cooperation of Europe with the United States of America, to put the finishing touches in the shortest term on a new strategy. . . . Now the new strategy defined by President Reagan on March 23, 1983 brings us a breath of hope. For the first time after more than 30 years, his firm declaration allows us to speak of "mutually assured survival," and no longer of "mutual destruction."

France has been very slow to understand this historic appeal, and on behalf of myself and a handful of friends and specialists who immediately adhered to this idea, I welcome

the recent official statements by those responsible for French political life, whether President Mitterrand, when he spoke of an armed satellite set into an appropriate orbit, or [mayor of Paris and head of the opposition RPR party] M. Jacques Chirac, when he alluded to the new protective weapons. . . .

In Europe these weapons, commonly called beam weapons, were first held up to ridicule. . . . They were treated as "Star Wars" and "science fiction." Later, there were denials: "Maybe, but they won't be ready for a half-century, therefore they have no interest for us!" And then the pernicious insinuations sowing doubt: "Might it not be an invention of the KGB to make us neglect modernization of the existing nuclear arsenal and annihilate the material we have built up and send it to the junkheap?" Now, no one in our camp has ever put out the idea that right now we should change whatever the existing programs are! The problem merely consists in juxtaposing to these programs weapons developed to destroy intercontinental missiles in their boast phase, that is to say, in the first minutes of their flight, and essentially in the vertical phase of launching. . . .

Several types of launchers are foreseen. . . . We know that the Americans prefer [to satellites placed in orbit] simple rockets fired vertically at the last moment, which launch into space—above the stratosphere—a kind of "porcupine" of which each "quill" points toward an adversary missile or toward a zone of space, in the case of a massive firing. Then the apparatus explodes and coherent bundles of x-ray lasers take off from each "quill" or "porcupine" and hit the enemy missiles with their deadly impact. . . .

France is not badly situated in this race. . . . Her scientists and researchers already have a long experience with particle beams, lasers, plasma physics, and electromagnetic waves.

A bond of trust with our allies is thus imposed upon us. We hope that it will be established and developed as soon as possible, for France can and must play its role in this race for security. . . .

Germany can participate in this resurgence of the defensive; while not being able to enter the "Atomic Club" because of treaties, she has in compensation full latitude to bring complete transformations to the art of war. These transformations mean that never again will anything be as it was before, hence a new phenomenon for present generations with respect to commonly accepted ideas. It is vital for them to measure the immense consequences of this, as when, in former times, General de Gaulle imperatively demanded that we commit ourselves to tank defense, and as my own network, in 1943, informed the English of the truth about the Nazi secret weapons, the V-1 and V-2, which could have blocked the victory of the [Normandy] landing. . . .

[France and her European partners] must convince themselves that today, by exception, by chance, by miracle, defense is the key to our salvation.

Anti-beam fight is spread to Asia

by Jean des Entommures

The International Institute of Geopolitics held a colloquium in Paris April 6-8 on "The Challenge of the Pacific," to try to stop U.S. development of laser antiballistic-missile defense by "proving" that this system will result in decoupling the United States from Japan and its other Asian allies as well as from Western Europe. Participants were intended to be left with the conviction that a U.S. global retrenchment is inevitable, and hence America's allies must fend for themselves—not through beam-weapon defense but by a conventional arms buildup, and not through economic development but by slashing their own basic industries and ushering in the "third industrial revolution."

The colloquium was held 10 days after *EIR* and the Fusion Energy Foundation (FEF) sponsored a conference in Paris on the strategic importance of the U.S. beam-weapons policy for Europe, provoking the Soviet press into a series of prominent articles denouncing the policy and *EIR* founder Lyndon LaRouche, the leading U.S. proponent of beam development. And on March 19, private investors in Thailand decided to launch the Kra Canal there, a project promoted by *EIR* and the FEF as a strategic and economic necessity for the Pacific and Indian Oceans' basin.

The ostensible purpose of the International Institute of Geopolitics meeting was to examine the strategic and economic implications of Pacific development for Europe and the West. About 400 representatives of the military, finance, government, and the press were there from Japan, the Philippines, Korea, Malaysia, France, the United States, Great Britain, and Germany.

But economic development was hardly the issue under debate, as French Minister of Industry Laurent Fabius warned that the Japanese miracle might be nearing its end, as Japan's export markets collapsed and Asia's political and social fragility increased, as shown by the Rangoon bombing and the collapse of the Philippines. André Glucksmann, a new rising star in the right wing of the French social democracy, then told the audience that deep cuts in France's industrial base,

such as the cuts in the steel industry of the Lorraine, are necessary. "In the past war took care of destroying outmoded industries," he said. "War took care of breaking the rigidity of labor, but now we must wage a war on ourselves."

Attacks on the United States

The concluding speech by Gen. Pierre Gallois conveyed the essence of the proceedings. Gallois, whom well-informed French military sources say has been in the forefront of the attacks and slanders against LaRouche and *EIR*, denounced the United States for "losing the armaments race" and for undermining Europe's own defense capability. Gallois's authoritative source on U.S. political commitments? Former California governor Jerry "Fruitfly" Brown, who lost in his bid for a Senate seat in 1982. Brown told the conference that U.S. taxpayers would oppose any tax increases needed to take the beam program beyond discussion and R&D. Brown's alternative to beam weapons is "hard-headed détente."

Brown's words proved, Gallois claimed, that "whatever the power of the U.S. might be, it cannot do everything. . . . It took 20 years to build a successor to the B-52, twelve years for the MX, while the Russians have acquired modern weapons. It will be difficult for the U.S. to add space defense—though," he added, "such a project is unavoidable. . . .

"The consequence will be that peripheral nations will not be protected. The U.S. nuclear umbrella would be neutralized. . . . Europe, like Japan, does not contribute sufficiently to its own security, but that is the fault of the United States. . . . The U.S. disarmed Europe—it mocked France about the *force de frappe* [France's nuclear deterrent]. That is the reason for Europe's reticence."

François de Rose, a member of the Aspen Institute and a French government official, said that no one knew when and if beam defense could be deployed, and that saturation with offensive weapons could always overcome any defense. This line was then taken up by British Member of Parliament Julian Amery, who began his speech by referring to what his "good friend Henry Kissinger had said in *Time* magazine about the need for Europe to defend itself independently."

Only a few spoke against the anti-beam frenzy. Through constant interruptions from the podium, physics professor Maurice Felden made an impassioned advocacy of beam weapons, terming de Rose's speech humbug and calling for a Manhattan Project-type crash program. Hans Graf Huyn, defense spokesman for West Germany's Christian Social Union, while not mentioning beam weapons, warned that decoupling Europe from the United States would mean "the beginning of the end" for Western defense capabilities. And Wataru Hiraizumi, deputy director of international affairs for the Japanese Liberal Democratic Party, described the extraordinary level of Soviet military deployments in Asia and the need to preserve the U.S.-Japan defense treaty in the face of Soviet imperialist designs on the region.

Macri: 'Kissinger crazy, or a traitor'

by Cristina Fiocchi

On April 6, General Giulio Macri, just back from a long tour in the United States, held a well-attended press conference at the Universo Hotel in Rome. Introduced by secretary general of the European Labor Party, Fiorella Operto, Macri, a pioneer in the field of military space technology, declared: "The first aim of my visit to the United States, and I hope I succeeded in it, was to support the electoral campaign of Lyndon LaRouche. The second aim was to make the Americans hear from the voice of a European and an Italian the situation of extreme military weakness, operationally and strategically, of Europe and Italy.

"Of course," the general underlined, "the most important task was to reinforce the links of the Atlantic Alliance, more necessary than ever before now in the moment in which a current led by the former Secretary of State, Henry A. Kissinger, is taking over the White House. In 1972 Kissinger proposed to reduce by 25% the American forces in the world; he restated the same concept in his interview in *Time* magazine on March 5. Who knows why 25%? For us military people, this kind of statement is typical of a mentally sick man or of a traitor paid by the enemy!" Macri explained why Kissinger's proposal to give the military command of NATO to a European is just a big hoax. "Kissinger's proposal means depriving Europe of its nuclear deterrent."

Two days before, General Macri had been warmly applauded by 200 Italian officers and military strategists at a conference of the Italian Society for the International Organization (SIOI), a key NATO-connected think tank. The issue on the agenda was "the space strategy of the superpowers" and the chairman of the conference, Colonel Quinzio, after explaining in general what beam weapons are, called on the general, who was sitting in the audience, to pursue the subject.

"It is time that Europeans wake up to the reality that beam weapons are about to become an accomplished fact," said Macri. "It is absolutely necessary that we in the West develop them, since we know that the Soviets already have them, and there is no point in being skeptical about it. I discussed this issue with the assistant to an undersecretary in the Pentagon and with a general working in the Pentagon. The United States is committed to go ahead with them. The question is:

What will the Europeans do now?"

His intervention took place as Jesuit spokesmen were trying to convince the Italian military that the duty of the military is to surrender in order to prevent a massacre. This was the line presented March 30 by Father Bartolomeo Sorge, S.J., the editor of the Jesuit organ, *Civiltà Cattolica*, to a conference of high-level army officers in the Institute for High Military Studies in the presence of the chief of the Army General Staff, Gen. Umberto Cappuzzo. "There no longer exists a differentiation between just and unjust war," Sorge said, "given the existence of nuclear weapons. At this point it is better to accept an offensive action than to react with the risk of provoking enormously greater damage. The only thing we can do is to create a peace culture. The attainment of peace cannot rely on technology and military strategy."

While General Cappuzzo remained silent, many officers were outraged. "I consider this line immoral, and as a Catholic I must say that, if this is the line of the Church, the position of non-religious forces is much more moral. What do you suggest we do if the enemy attacks us?" said one general. Father Sorge replied: "I do not have an answer to this question so I will tell you I do not know, because I want to be sincere."

It was in the midst of this fight that General Macri held his press conference. "Another reason for my visit to the United States was to push the President, the Congress, and the American people to accept the military strategy deriving from the new defensive weapons based on the new principles of physics and urged for the first time in Europe by myself, in 1977 in an article for *Rivista Aeronautica* where I proposed the use of lasers as weapons. One year later, Mr. LaRouche and his organization saw in lasers the best way to make strategic missiles obsolete."

Then the general introduced an issue which, he said, people in the United States are not completely aware of: the Soviet threat against Europe both through "indirect strategy" (destabilizing actions, disinformation, and pollution of the internal front in every NATO country, for example with terrorism) and through a direct surgical intervention called in military terms "offensive action against limited objectives" like the one the Soviets are preparing against Norway, Denmark, West Germany, Greek Thrace, and European Turkey. "For the first time since the battle of Tsushima [in the Russo-Japanese war—ed.] the four big Soviet military squads are in action at the same time. During my stay in the United States, I underlined these dangers and I opposed the theories of Kissinger: the so-called decoupling between the U.S.A and Europe. Where does this 'decoupling' come from? It comes from the damned theory of Mutual Assured Destruction together with the MAD's corollary, Flexible Response.

"In world military history, there was never a more stupid corollary, stating that populations must become hostages of military terror. This was the result of the ABM treaty of 1972, signed by Henry Kissinger."

How the Nazis took Europe's northern flank by surprise in 1940

by Göran Haglund

One morning 44 years ago, on April 9, 1940, two paralyzed nations were overrun by a lightning surprise invasion carried out by marginal forces of Hitler's Wehrmacht. Thus began what became for the neutral states of Denmark and Norway five years of horrifying Nazi occupation and terror, amid a world conflagration fueled by the mental inertia and cowardice among the Western Allies that prevented prompt counter-action at a time when the Nazi menace could still have been safely contained.

Today, while timid Western officials talk and act as if competing to bring a Red Army surprise strike down upon their wholly unprepared nations, almost everyone looks the other way as the Kremlin pushes through one obvious measure of war preparation after another, ranging from forward positioning of new missiles and omnipresent deployments of the Red Navy to psychological conditioning of the Soviet military and population.

At the outset of World War II, the policy pursued by British Prime Minister Neville Chamberlain of Munich 1938 fame was outdone, on a smaller scale, by the neutral countries of Denmark, Norway, and Sweden—the latter avoiding direct occupation only by giving Hitler everything he wanted without putting up a fight.

Blindness in Scandinavia

The reason Denmark could be defeated, and Norway surrender decisive controlling positions, within a few hours of Nazi aggression was not the awesome power of Hitler's military machine, nor was it the armadas of spies and fifth columnists allegedly making up a significant portion of the Danish and Norwegian populations.

Although the Wehrmacht was vastly superior to the Danish and Norwegian armed forces combined, the actual invasion forces were quite modest. And although traitors and Nazi collaborationists were a factor in running the five-year occupation, as testified by the name of Norwegian Nazi leader Vidkun Quisling becoming synonymous to the word "traitor," indigenous fascists were kept in the dark about the invasion until after the fact.

The secret behind the success of the Nazi blitzkrieg on Europe's northern flank is simply the Scandinavians' refusal to acknowledge the impending danger.

Immediately after the brief Polish campaign, in September 1939, the High Command of the Wehrmacht looked for other options than an immediate attack against the West. Grand Admiral Erich Raeder's High Command of the Navy, in particular, viewed Norway as the key to victory at sea, based on the bitter lessons of the successful British naval blockade during World War I. Moreover, control of Norway's coast was indispensable for securing shipments of Swedish iron ore from the ice-free northern Norwegian port of Narvik.

Allied interest in Norway dated at least from September 1939, when the British Naval Minister, Winston Churchill, urged that Britain lay a minefield in Norwegian waters to prevent free passage of iron ore destined for the Third Reich. Later, during the 1939-40 Finnish-Soviet Winter War, Allied preparations were made to seize the Swedish ore fields under the pretext of Allied assistance to Finland.

On Jan. 23, 1940, Hitler ordered staff preparations for an invasion of Norway to continue under his personal guidance, with the code name "Weser Exercise." On Feb. 22, Lt. Gen. Nikolaus von Falkenhorst was officially appointed the commanding officer of the invasion forces, and the decision was made to occupy Denmark as well.

Neutrality at any cost

Both Norway and Denmark spent their last days and hours of peace ignoring the danger unfolding around them. Determined to maintain their neutrality at any cost, they were indeed to pay a high price for their refusal to recognize the evidence of an impending knockout blow. For despite Hitler's insistence on secrecy, leaks were abundant. By late March, both Oslo and Copenhagen were receiving word of what was to come.

As pointed out in a 1974 book by Richard Petrow, *The Bitter Years*, the Norwegian government without exception discounted several memoranda filed by Norwegian officials

in Berlin, reporting Wehrmacht troop concentrations in northern ports and unusually heavy naval activity in the North Sea and the Baltic. The reports concluded that Hitler must be preparing a strike north.

Denmark refused to believe even more detailed information, originating with Maj. Gen. Hans Oster, chief assistant to Abwehr head Admiral Wilhelm Canaris. At the end of March, the Dutch military attaché in Berlin, Col. G. J. Sas, was informed by Oster that Hitler was planning to invade Denmark and Norway and possibly Sweden as well—information immediately passed on to Copenhagen through the Danish naval attaché in Berlin, Captain Kjolsen. As the report met with total silence, an angry and amazed Kjolsen traveled home to report in person and stress the reliability of the information. Arriving on April 4, five days before the invasion, Kjolsen was summarily told that his information could not be correct.

On the same day, another Danish intelligence officer, Major Hans Lunding, who ran an agent network in the Third Reich out of southern Jutland, reported Wehrmacht units advancing toward the Danish border, and that he was forced to conclude that Denmark was about to be invaded. The Danish government would not believe it.

Also on that day, in front of the noses of the Danish government, the battalion commander responsible for the capture of Copenhagen, a Wehrmacht major, arrived in the Danish capital on a personal reconnaissance mission, dressed in civilian clothes and posing as a businessman. After carefully selecting a suitable landing area in the port district, the major proceeded to the Citadel, a fortress overlooking the harbor and the site of the Danish General Staff headquarters, where he was kindly given a guided tour by an unsuspecting Danish sergeant, knowledgeably pointing out the communications center, the barracks housing, the Guards Regiment, and the two main gates of the fortress.

What the governments did

On April 8, the day before the invasion, Lunding filed an urgent message saying that a Danish agent had reported that Wehrmacht divisions were scheduled to cross the border “at four o’clock,” the only ambiguity being whether that meant 4 p.m. on April 8 or 4 a.m. on April 9. When Hitler’s tanks had not crossed the border by 4 p.m. on April 8, Lunding again desperately called Copenhagen to report that they were certainly coming at four o’clock the following morning.

By now, the Danish General Staff could no longer ignore the stream of warnings from its intelligence officers, and it urgently requested permission to mobilize. The Danish cabinet refused.

After repeated phone calls from Danish Army officers, the cabinet reluctantly authorized a state of alarm for southern Jutland, but still refrained from a total mobilization—in fear of provoking Hitler.

At the same time, off the coast of southern Norway, a

Polish submarine sank the transport ship *Rio de Janeiro* on the afternoon of April 8. The survivors, Wehrmacht soldiers in full combat dress, told their Norwegian rescuers that they were on their way to aid the Norwegians against the British.

When hearing about the sinking, Grand Admiral Raeder’s naval staff assumed that the element of surprise had now been lost, and that fierce resistance would meet the invasion force everywhere along the Norwegian coast. Within hours, however, it was clear that nobody in the Norwegian leadership was prepared to draw the only possible conclusion from the unmistakable evidence at hand.

Only at 1 a.m. on April 9 were orders issued to activate the mines at the mouth of the Oslo fjord—too late, as Hitler’s warships had already entered the fjord—and shortly thereafter, Lt. Col. R. Roscher Nielsen, chief of the operations section of the Norwegian General Staff, was awakened and informed that fortresses guarding the entrance of the Oslo fjord had been attacked. Yet the Norwegian government was still debating at 2:30 a.m. whether to order the mobilization of Norway’s four reserve divisions. When they finally decided to act, they set April 11 as mobilization day—two days after the attack!

The result of appeasement

As news of the sinking of *Rio de Janeiro* was discussed at the royal table in Amalienborg Castle in Copenhagen, on the evening of April 8, one guest suggested that Denmark too might be in danger. With a smile, King Christian X replied that he didn’t “really believe that,” after which he set off, in a “confident and happy mood,” according to a member of his personal guard, to attend a performance of *The Merry Wives of Windsor* at the Royal Theater.

While the king enjoyed the play, a newspaper correspondent phoned his chief editor in Copenhagen to report that he could hear the rumble of Hitler’s tanks moving into position. Major Lunding too could hear the preparations, but could only wait for 4 a.m. The first Wehrmacht tanks crossed the border punctually at 4:10 a.m., five minutes before Hitler’s order of 4:15 a.m.

The rest was a foregone conclusion. Denmark’s position was hopeless, militarily but above all psychologically. Terrified by the Third Reich, the country had pinned its hope for peace not on the strength of its armed forces and the tenacity of a mobilized citizenry, but on repeated solemn declarations of neutrality. As World War II started in September 1939, Denmark had begun to reduce its troop strength, cutting its ground forces by more than 50% in six months, in order not to provoke Hitler.

Meeting token resistance or none at all, the invasion forces had the king surrender his country a few minutes before 6 a.m., and all resistance ended by 8 a.m., less than four hours after the invasion began. During the same morning hours, all of Norway’s major ports were conquered, although the occupation of the entire country took days, not hours.

Sonic booms over West Berlin

The Warsaw Pact is habitually violating West Berlin air space in an expansion of military maneuvers.

The United States, France, and Britain, which are co-responsible for Berlin with the U.S.S.R. under agreements dating from World War II and the 1972 Four-Power Agreement, protested April 4 against the disruption of civilian air traffic to and from West Berlin by Soviet and East German air maneuvers in the three East-West air corridors.

The increased frequency of such maneuvers since December 1983 has reached the point that civilian airliners have been forced to divert their courses. Western military observers are concerned; both Soviet and East German fighters and long-range Soviet bombers usually stationed in the Soviet Union, have been deployed on the maneuvers, which are increasingly difficult to tell from the "real thing."

The Soviet government's response to Western protests last week was that such maneuvers are "perfectly normal." Since they have become "normal," the Soviets blandly declared, the U.S.S.R. could no longer guarantee the safety of civilian airliners using the customary and agreed-upon flight altitude of 3,000 meters in the designated air corridors.

Recent violations of Berlin airspace have extended to creating sonic booms over residential districts of West Berlin. On April 6, about 10 MiG fighter planes broke many windows and caused other damage to housing when they broke the sound barrier. Protests from the population have to

date failed to generate action by the authorities against the Soviets.

The day before, a Pan American airliner was pursued and attacked by a Soviet jet fighter in a strictly military manner, though no shots were fired.

Western experts who have been watching these "maneuvers" for about two weeks recall the incidents preceding past Berlin crises. In 1948, shortly before the famous Berlin Blockade, a British civilian airliner was smashed, and 15 passengers killed. In 1952, an Air France airliner was shot at, four passengers injured, and in 1953, a British military plane with six aboard was shot down.

The most recent incidents of this sort occurred in February 1981, when a British military transport plane had to land because of a Soviet bullet fired into its tank, and in the early summer of 1983, a French civilian airliner was fired at, several weeks before the Korean airliner was shot down.

Another Soviet challenge to the rights of the allied powers in Berlin occurred earlier in the week, when a French soldier on patrol in the East German sector was murdered. At the same time, Soviet General Romanov, chief of staff of the Soviet Air Defense Forces, declared that the Soviet Union's policy is to shoot down any civilian aircraft which mistakenly violates Soviet or allied air space, as it did last September with the shooting down of the KAL 007 on its flight toward South Korea.

Little noticed at the time, Warsaw pact military aircraft had forced an Air France civilian airliner to land in East Berlin about a week before the KAL 007 atrocity.

Since the Soviet pilot who shot down the KAL 007 reportedly received a medal of honor for the act, it is by no means far-fetched to ask whether some Soviet pilot may not be on the hunt for his own medal of honor in the access corridors to Berlin.

It was the French government, not West Germany's, which issued an unequivocal statement that the responsibilities of the Western powers for control of the air corridors under the Four-Power Agreement are "non-negotiable." The Soviet Union is aiming new forms of military blackmail at Germany, with deployments on land and in the air, parallel to its colossal naval maneuvers.

The Bonn government has kept silent about the Berlin incidents because the Federal Republic has no official responsibility for the corridors of air transportation, but only for land transport regulated between East Germany and the Federal Republic—so the argument goes. But some suspect that this argument is only being used to set the stage for a round of "negotiations" between East and West Germany, under which control of the air corridors by the Four Powers would be replaced by German-German control.

A proxy for West German Foreign Minister Hans-Dietrich Genscher, Free Democrat Wolfgang Mischnik, picked this occasion to say in an interview that the Federal Republic should drop its objections to the recognition of an "East German citizenship." This is the kind of appeasement that continues to increase while the Soviets attempt to compel the United States, France, and Britain to abandon their commitment to defend West Berlin.

Soviet authorities push fascist movement

Why "deranged dissident" Gennadii Shimanov and his Russian chauvinist almanac have not been suppressed.

A publication called *Mnogaya Leta*, spawned by the Russian Orthodox Church and the Soviet military to generate a mass Russian chauvinist anti-Semitic movement, is currently on the rise in the Soviet Union. British intelligence sources say that *Mnogaya Leta*, which advocates a concordat between the Russian Orthodox Church (ROC) and the Soviet state "has the potential to unite the Solzhenitsyns and the Ogarkovs of Russia" and "lay the basis for a grass-roots Third Rome movement."

Ogarkov is the chief of staff, leader of the military junta now running the Soviet Union. The writer Aleksandr Solzhenitsyn, now in exile in Vermont, is a champion of the cult of Russian "blood and soil." The doctrine they share is that of the Russian Empire and Russian Orthodox Church, that Moscow must inevitably rule as the "Third and Final Rome," capital of a world empire.

The author of the "concordat" idea is Gennadii Shimanov, described by one expert at Keston College, England as a "deranged Soviet dissident, recently let out of a KGB-controlled psychiatric ward."

John Dunlop, reviewing Shimanov's thesis in the Keston College magazine, reports that *Mnogaya Leta* warns that the "spiritual danger" to Mother Russia is not the Soviet regime, but the West, particularly the United States. Shimanov's tracts characterize the United States as the "New Babylon," where "disintegration of natural ties, moral vacuum, al-

ienation, terror, consumerism," reign. Hate propaganda identical with Hitler's *Mein Kampf* is typical for Shimanov: "America and the West are the rotting victims of a terrible Jewish-masonic-plutocratic conspiracy."

Why has a "deranged dissident" been allowed to circulate his 200-page *Mnogaya Leta* almanacs ever since 1980? While other *samizdat* (self-publishing) groups have been suppressed, Shimanov has suffered neither arrest nor harassment.

The answer is that *Mnogaya Leta* has patrons in high places, such as the top Soviet military figures—Ogarkov, Warsaw Pact commander Marshal Kulikov, and Armed Forces political commissar General Yepishev have been frequently named—who also sponsor chauvinist associations like the Rossiya Society for monument preservation and the "Russian Party," spanning official magazines, officers' clubs, and other institutions.

Extremely anti-Semitic articles emerged last August in the military press, just when Yuri Andropov disappeared and the military assumed pre-eminence. The daily *Red Star* denounced "world Jewish capital."

The new, military-approved party boss Konstantin Chernenko, a 1930s veteran of the ruthless NKVD security apparatus, is himself known as an anti-Semitic thug. The Spanish paper *El Diario* has reported that Chernenko ran the rehabilitation of Semyon Ignatyev (recently deceased), the NKVD author of the "Jewish Doctors' Plot" of Stalin's last months. The same pa-

per noted that Chernenko has promoted the anti-Semitic diatribes of Lev Korneyev, the Soviet propagandist who, like *Mnogaya Leta*, writes that Jews are behind a complex of American military-industrial "death concerns" threatening Mother Russia.

The Chernenko-backed Korneyev and *Red Star* are in tune with Shimanov, who echoes the deranged lies of Hitler, Himmler, and Alfred Rosenberg: "The author of the Jewish-masonic-plutocratic conspiracy is the devil himself. . . . Judaism deceives the Jewish people. . . . The most important task of Zionism is to bring the Jewish people and as much of humanity as possible under the power of the Anti-Christ. . . ."

Dunlop calls Shimanov's concordat thesis a "clear-cut neo-Josephite tendency," referring to Joseph (Sanin) of Volokomansk Monastery, a late-15th-century Russian Orthodox chronicler who wrote against the "Judaizer conspiracy" and was one of the architects of Moscow's claims, after the fall of Constantinople in 1453, to eventual political and religious world domination as "the Third Rome."

Anyone who dared bring "foreign ideas" into Mother Russia was anathemized as a "Judaizer" by Joseph of Volokomansk. This created extremely xenophobic rejection of "Western ideas" and bolstered the blood-and-soil ideology on which the Russian Church-state regime rested.

No wonder Shimanov called his almanac *Mnogaya Leta* ("Many Years")—an old Slavonic chant. Today's "Josephites," chanting along with Shimanov in praise of Mother Russia's unique mission, are to be found in the "Russian Party" and its mass-circulation literary outlets—*Molodaya Gvardiya*, *Aurora*, *Ogonyok*, *Nash Sovremenik*—and in the Rossiya Society with its 14 million members. A big chorus indeed.

Behind the separatist terror

As violence spreads from Punjab, Indian intelligence has failed to identify its London gamemasters.

A five-year-old operation in the northwestern state of Punjab is sending shockwaves throughout India. In recent weeks, blatant terrorist killings have taken more than 50 lives. High-level Sikh leaders searching for solutions to the crisis, opposition leaders criticizing the extremist Sikhs, and innocent bystanders watching the funeral processions of one of the most recent victims have been shot at and, in many cases, killed.

The rapid deterioration of the situation in Punjab has put terrific pressure on the Indian government. Prime Minister Indira Gandhi announced April 7 a decision to curtail her planned seven-day trip through North Africa to three days, openly acknowledging that the Punjab crisis forced her decision. Meanwhile, the terrorist acts have incensed Hindus in states neighboring Punjab, and riots between Sikhs and Hindus have been periodically reported.

It was thus alarming on April 4 when senior cabinet ministers were cited in India's daily "newspaper of record" as having concluded that a "failure of intelligence" was the "root cause" of the administration's inability to curb the terrorism. The statement hardly enhances confidence in the government's capacity to resolve the Punjab problem quickly.

Behind the terrorist acts which have spread beyond Punjab borders and are taking lives in the state of Haryana and the capital, New Delhi, is the secessionist Sikh group called Khalistanis, headquartered in London. Inside Punjab, the terrorist groups

are the banned All-India Sikh Student Federation (AISSF), the underground extreme-left Naxalites, and fundamentalist Sikhs based in Amritsar.

The only thing in common among these groups is their determination to carve out their own territory and shatter the union of India. The plan is neither new, nor was it hatched within India. Although the angels of death and terror wreak their havoc in India, the financial and intellectual backing comes from abroad.

The key contact person in the whole Khalistan affair is an old Sikh, Jagjit Singh Chauhan, who was finance minister in the Akali Dal-led cabinet in Punjab in the 1960s. Chauhan left India in 1967 and set up shop in London, where he started demanding an independent Sikh nation, "Khalistan."

British theoreticians such as Neville Maxwell and Gordon Lawrence, who are eager to see India disintegrate, helped Chauhan contact wealthy entrepreneurs with large investments in Africa. Chauhan started to tour extensively; he was seen, for instance, in Pakistan in 1971, during the liberation of Bangladesh, spreading venom against India. He also succeeded in getting financial contributions from some wealthy Sikhs living in Canada, the United States, and Western Europe.

In this process Chauhan not only established links with other exile secessionist leaders from India, such as the Naga tribal leader Phizo, and the chiefs of the Jammu and Kashmir Liberation Fronts (JKLF); he also de-

veloped close financial ties with various ethnic terrorist groups in Europe.

In the early 1980s Chauhan came in contact with one François Genoud, a Swiss banker. Genoud belongs to the leftover Nazi intelligence apparatus, which includes the Second Division of Admiral Canaris's Abwehr. Chauhan also became a financial beneficiary of the London-based Indian-Muslim Federation (IMF), which has deep connections to the Muslim Brotherhood. The federation, which has been carrying out an aggressive campaign against India for its alleged torture of Indian Muslims, found in "Khalistan" a card they were more than willing to play. Among the federation's financiers are Libyan dictator Qaddafi and Ahmed Ben Bella's Islamic League of Human Rights.

In several visits to the United States, Chauhan also got a sympathetic ear from the American Jewish Congress and support from such diehard "anti-communists" as Sen. Jesse Helms (R-N.C.). It is not clear how much money Chauhan has obtained from the United States. He has certainly recruited heavily from the nest of Naxalites located in Canada as well as in Europe. Some of them have been smuggled through Nepal (via Kashmir) and some through Pakistan to carry out "hits" in Punjab.

Then there is the Pakistan factor. Hundreds of tons of surplus opium and thousands of guns sent to the Afghan rebels by the Israelis, Egyptians, and Americans to fight the Soviet Union in Afghanistan, found their way out of Pakistan to a ready market in Punjab. The poorly manned India-Pakistan border is a supply point of guns and dope.

While the Pakistan government has not admitted support for the Khalistanis, it has nurtured the JKLF, a Muslim-Kashmiri expression of the group, with ties to the militant Islamic world.

How near is the abyss?

The politicians in Athens ignore the threat posed by the Communist Party at a time of internal crisis.

The Hellenic Republic, as the post-1974 Greek state calls itself, is about to face the most critical challenge of its existence since its founding in 1827. The challenge will be associated with the ongoing disintegration of United States positions of influence throughout the Near East and Western Europe, and the unraveling of U.S. global strategic power.

The American military collapse in Beirut was in its implications more dramatic and more catastrophic than the disorderly rout of American forces from the rooftops of Saigon about a decade ago. What followed that folly in Saigon was America's expulsion from South Vietnam. What is now ensuing is America's expulsion from the entire Middle East. This is accompanied by the ongoing disintegration of NATO as per Henry Kissinger's and Lord Carrington's perspective.

As this is occurring:

- The Soviet Union has initiated installation of SS-20 intermediate-range ballistic missiles in neighboring Bulgaria's Pirin Plain near the area where the borders of Greece, Yugoslavia, and Bulgaria meet—assurances of Bulgarian interest in a Balkan "nuclear-free zone" notwithstanding.

- During the month of March, Soviet and Bulgarian military forces conducted a series of Warsaw Pact maneuvers code-named Soyuz 84 whose objective was to practice a massed land invasion of Greece and Turkey in order to bring Warsaw Pact forces to the Aegean Sea.

- The existence of a secret domes-

tic "destabilization program" was discovered and certain of its aspects were brought up for discussion in the parliament. The destabilization is to be carried out by the Greek Communist Party and its allied factions within the ruling PASOK party of Prime Minister Andreas Papandreou.

A study of the rapidity with which Moscow is moving to fill the vacuum in the Arab Middle East will provide insights into how fast Moscow is planning to move in the Balkans. Moscow's pace might be accelerated, however, by two additional factors. First, the rate at which Western Europe is disengaging from the United States might speed up the timetable of Moscow's opportunities. Second, the rapid disintegration of Greek political life may force Moscow to move faster than planned.

To appreciate the latter point, one ought to take into account a few facts about the Greek Communist Party. Its entire top and middle-level leadership is made up of veterans of the 1944-49 Civil War who upon defeat fled to the Soviet Union, not to return until 1975. They are all selected, trained, and appointed by the Soviet KGB and many by the spetsnaz command of the GRU, the Main Intelligence Directorate of the Soviet General Staff. By temperament, training, and past career, they are hardened killers.

Their subservience to orders remains to be tested. Many of them participated in decisions in the 1940s to launch a bloody civil war contrary to advice from Stalin in order to pre-empt

their masters' hand. Given the emerging strategic situation in the Near East and Europe, all they would need is an informational briefing from their Soviet superiors and they would be able to draw their own conclusions about their chances of success in any risky undertaking they might decide to embark upon.

Greece is already in the throes of a swelling strike wave and an explosive economic crisis. Yet the political mythologies perpetrated jointly by the conservative President Caramanlis and the socialist Prime Minister Papandreou prohibit any serious discussion of the prospects presented here. To accuse the Greek Communist Party of harboring such potentialities in the present fantasy-ridden atmosphere of political Athens would provoke howls of protest and ridicule.

For this there are personal reasons: Constantine Caramanlis is an old man at the sunset of his life. He is nursing the dream that he will be remembered by posterity for having founded a durable democratic system in a nation which for 150 years knew nothing but a succession of monarchies, military dictatorships, short-lived democratic regimes, and foreign occupations. In the past 10 years, Caramanlis led his country in a stable republican system which has functioned longer than any previous regime. The enterprise was based on accepting the leaders of the Greek Communist Party as one would ordinary leftist politicians.

In view of the country's past, Caramanlis's scheme might have worked to defuse political passions. However, as American political and military power disintegrates in the region and globally, the old bloody monsters of Balkan politics have now been awakened. The deluded fools in Athens are praying that it's only a bad dream. It is not.

Moscow joins attacks on labor

Soviet operatives and Kissinger's networks agree that the labor movement must be split from the government.

While the Mexican Workers' Federation (CTM) is engaged in a life-or-death battle to prevent what CTM head Fidel Velázquez recently called a "reactionary alliance" from taking power in Mexico, the trade union movement has come under attack from a new quarter: the Soviet "workers' state."

In the March issue of the Soviet monthly *America Latina*, Academician Andrei Sokolov of Lomonosov University blasts the Mexican labor movement for what he calls its "surrender" line, which he attributes to "the influence . . . of the official doctrine of the Mexican revolution."

This "doctrine" is the intense republican nationalism which has permeated Mexican political life since the revolution of 1910. A pillar of this "Mexican system" is the alliance of labor with the government and the ruling PRI party.

The point, says Sokolov, is "to ensure that the organized workers' movement adopts its own [program], allowing it to pass to the stage of coordinated mass actions" against the government.

The communist PSUM party has undergone a turn toward the policy Sokolov demands—no surprise, in view of, among other things, the visit of the general secretary of the PSUM to Moscow in October 1983. The PSUM is working hand in hand with the fascist National Action Party (PAN) to topple the labor-PRI alliance.

"Until the 1960s," Sokolov writes, "the PSUM endorsed the official idea of the Mexican revolution, but they

are now undertaking a concrete analysis of the positions of the different groupings of the local bourgeoisie to clarify which are closely linked with the multinational companies."

This communist attack on the Mexican revolution dovetails with the line Henry Kissinger and the PAN are pushing. Kissinger, at a meeting in June 1983 in Houston sponsored by Georgetown University's Center for Strategic and International Studies (CSIS), demanded that Mexico overcome its "nationalism" as a precondition for U.S. aid—and that it back U.S. military policy in Central America, abandoning the Contadora group of Ibero-American nations.

William Buckley, Jr., a Kissinger associate, had demanded that Mexico "crack the labor unions, with their monopolistic extortion." Writing in the *Caracas Daily Journal* of Aug. 3, 1983, Buckley also called on Mexican President Miguel de la Madrid to sell public enterprises like the state oil company Pemex and return land to the latifundists.

The drive by Moscow and the Kissingerites to smash the Mexican revolution could not possibly succeed without the help of the International Monetary Fund, whose austerity demands are creating the explosive preconditions for the "mass actions" the Soviets demand.

Under IMF guidelines, inflation of 16.8% far outdistanced wage increases in the first quarter of this year, and the government added insult to injury by permitting the large producers—

including producers of key commodities like milk—to begin quarterly price "adjustments," whereas wages are only adjusted every six months. The government has also authorized "modifications" of fringe benefits for labor and has raised taxes.

This has unleashed a tremendous revolt within the unions, whose leadership is demanding the immediate repeal of these measures, threatening "hard measures" (i.e., strikes).

Fidel Velázquez, the 83-year-old head of the CTM, is hitting back at the political alliances arrayed against him. On April 9, delivering the keynote speech at the statewide conference of the Sinaloa Workers' Federation, Velázquez pledged that the Mexican labor movement "is ready to paralyze the country totally" to prevent a PAN-led, PSUM-supported, "reactionary alliance" from "coming to public power in Mexico."

The CTM, he said, "is on the right course, that of the Mexican revolution."

The Central Committee of the CTM meets April 14-15 to discuss their next moves and an "action program" for the next meeting of the PRI leadership.

According to leaks in the press and the testimony of several observers, the CTM will give complete backing to President de la Madrid in his organizing for a united front of Ibero-American countries. The unions will also ask the government for "flexibility" in the economic program.

But the CTM is also fighting for direct political power. It will discuss in the National Assembly the strategy to follow for the congressional elections scheduled to take place next year. Labor is seeking new congressional seats, and wants to reinforce its power by winning governorships in Sonora, Nuevo Leon, and Estado de Mexico.

International Intelligence

M-19 guerrillas sabotage truce in Colombia

One week after the Colombian government of Belisario Betancur approved a ceasefire with the mass-based FARC guerrilla movement at the end of March, the drug-running terrorist M-19 gang launched at least three bloody assaults on military installations around the country in an attempt to shatter the truce and force the government into a hard-line retrenchment.

The M-19 leadership called a "clandestine" press conference the first week of April to charge the FARC with betraying them by not insisting on M-19 inclusion in the truce negotiations with the government. The M-19 demanded that the government begin immediate "peace negotiations" with them to prove its good faith. The M-19 is the terrorist gang which held hostage an entire city in retaliation for the Colombian government's spectacular raid last month against the largest cocaine-refining laboratories in the world.

Sharon makes power bid; terrorism escalates

Former Israeli Defense Minister Ariel Sharon, who advocates "Islamic fundamentalism" against moderate Arab states, won 42% of the vote at the Herut party leadership convention April 13. Sharon's show of support in this contest with Israeli Prime Minister Yitzhak Shamir places him to become the next Israeli Defense Minister if the Likud coalition, which the Herut party leads, takes power in the July general elections. Shamir won 56% of the vote.

Sharon spelled out his policies in a provocative interview in the Parisian magazine *Le Point* the second week of April. Sharon used the typical camouflage of his ally, Henry Kissinger, pretending to be "anti-Soviet" to justify policies that will only promote the spread of Soviet-controlled Islamic fundamentalism in the region. Sharon backed the radical opponents of Yassir Arafat in the Palestine Liberation Organization, and Khomeiniac Iran.

Asserting that the 1982 invasion of Lebanon was to the benefit to the United States,

Sharon complained: "We should not have allowed Arafat from leaving Tripoli alive. . . . What was to be a victory for the West was turned into a victory for the East."

He also said that the greatest danger in the Iran-Iraq war is an Iraqi victory, "because the Soviets will be tempted to support Iran and we will have the Soviets on the Gulf. Think of what would have happened if we had not destroyed Iraq's nuclear reactor."

Jewish terrorist sects linked to Sharon, including Rabbi Meir Kahane's Kach Party, Rabbi Levinger's Gush Emunim, and the so-called Terror against Terror, were recently caught in a series of bus strafings, bombings and other terrorist acts. These groups are attempting to destroy the Al Aqsa mosque in Jerusalem, one of the most sacred sites in Islam.

The reasoning of Sharon, and his collaborator Rafi Eytan—the director of the Office to Advise the Prime Minister on the Warfare against Terror—is that the destruction of that Muslim shrine will insure an Islamic fundamentalist rebellion in Saudi Arabia.

Casualties heavy in African fighting

Heavy fighting broke out between forces of the Marxist regime of Mozambiquan President Samora Machel and the South African-backed Mozambiquan National Resistance in a southern province of Mozambique near the South African border the second week of April. Reports from Lisbon say that hundreds were killed in the fighting, which ended two days ago. The Mozambique government claimed to have put down the rebellion. This is the first fighting between the Soviet-backed Mozambique government and South African-backed forces since March 16, when the two neighbors agreed to halt further violence.

Mozambique is already facing famine threatening the lives of hundreds of thousands. The government has received weapons, but no food or economic aid, from its Soviet ally.

The attempted coup by Libyan-backed rebels in Cameroon in early April cost over 2,000 lives, according to diplomatic sources. Reports from the neighboring Ivory Coast

state that the two days of street fighting in Cameroon's capital, Yaounde, were "warfare in its naked horror," according to one witness. Radio reports refer to the "human folly" in the streets of Yaounde, with soldiers' bodies still lying in burned-out tanks and buildings.

The coup attempt was led by Col. Saleh Ibrahim on April 16, with a group from the Palace Guard. French sources report there is already evidence of the hand of Libya's Qaddafi in this disaster.

Qaddafi executes 160 officers after uprising

Libyan dictator Muammar Qaddafi is reported to have put his forces on high alert and ordered a mobilization of terrorist hit squads against his exiled opponents after a military uprising against him on March 25 at a base near Benghazi. One hundred and sixty Libyan military officers were said to have been executed before or on April 7 (Qaddafi's annual "liquidation day" for political prisoners).

According to unconfirmed reports from Arab sources, Abu Bakr Y. Jabr, the Libyan chief of the armed forces, has been implicated in the uprising and has been removed. If true, this represents an important break in the Qaddafi regime, because Jabr is a long-time Qaddafi devotee and one of the original members of the Libyan Revolutionary Council from the 1969 coup. Jabr has criticized Qaddafi's adventures in Uganda and more recently in Chad. He was reportedly replaced by another Qaddafi loyalist, Mustafa Karoubi, former intelligence chief.

Japan opening markets before June summit

Japanese Prime Minister Yasuhiro Nakasone told visiting Belgian Prime Minister Wilfried Martens April 12 that the Japanese government is preparing tariff reductions, financial liberalization, and other market-opening measures before the June London summit of the seven industrial democracies in June. Nakasone emphasized to Martens that Japan has been making continuous ef-

Briefly

forts to open up its markets to imports and reduce its trade surpluses with members of the European Community and other industrial nations.

Nakasone also said that Japan is considering a science-and-technology cooperation agreement that Belgium has requested.

Martens told Nakasone that he expects the Soviet Union will take some action regarding its stalled talks with the United States on IRBM reduction, according to Jiji press. Nakasone stressed that Asia should not be sacrificed in any U.S.-Soviet agreement on IRBM reduction in Europe.

Soviets call beam weapons Nazi propaganda

Soviet Central Committee member and top journalist Yuri Zhukov wrote his third article in a row attacking the U.S. beam-weapons policy in *Pravda* April 9 comparing the idea of a defensive beam shield to Nazi propaganda which claimed that Hitler's Luftwaffe could prevent "any bomb" from hitting Berlin.

Zhukov quoted liberally from recent statements by the *Washington Post* opposing beam weapons, allowing that the *Post* was capable of coming to a "healthy conclusion."

***Izvestia* chief gets promotion**

Lev Tolkunov, editor-in-chief of the Soviet government newspaper *Izvestia*, was one of two new chairmen of the chambers of the Supreme Soviet named in Moscow April 12. Tolkunov was named chairman of the Russian Council of the Union. *Izvestia* has consistently opposed U.S. beam-weapons development and slandered *EIR* founder Lyndon H. LaRouche for his international role in promoting beam defense.

Tolkunov's new position is primarily symbolic, but it carries great political weight, and is a highly unusual appointment for an editor.

Reliable sources in Europe say that Tolkunov holds the rank of Major General in the KGB. In the 1960s, Tolkunov worked

directly under Yuri Andropov in the party Central Committee department dealing with Eastern Europe.

Is Egypt being set up for war with Israel?

Since Egyptian President Hosni Mubarak declared his readiness to resume ties with the U.S.S.R. on April 1, there has been a rapid decline in the already strained relations between Israel and Egypt. Syria and hard-line Arab states, at the prompting of the Soviets, are demanding Egypt break the Camp David accords with Israel. In Israel, the ruling Likud Party has denounced Mubarak for deviating from the treaty.

The tension is evidenced in a release censored by the Israeli military revealing that a civilian passenger bus was hijacked in Tel Aviv and driven to Rafah, a town near the Egyptian border. There are unconfirmed reports that responsibility for the hijacking was claimed from Damascus by the DFLP, the group that machine-gunned 50 Israelis in Jerusalem earlier in April.

At the same time, Israeli Defense Minister Arens issued an uncharacteristically harsh attack on Mubarak for Egypt's construction of military facilities in the Sinai, a violation of the Camp David accords.

Syria, working with the Egyptian internal opposition, is trying to draw Egypt back into the Arab front. Mubarak's top aide gave an unusual press conference the week of April 1, praising Syria and recalling the 1973 war between Egypt and Israel.

A million Brazilians demonstrate for elections

At least 1 million Brazilians demonstrated in the center of Rio de Janeiro for free elections to choose President Figueiredo's successor this coming November. This was the largest political rally ever held in Brazil, and "will go down in Brazil's history," said Rio's Governor Leonel Brizola.

Opposition party leader Rep. Ulisses Guimaraes stated: "The people want direct presidential elections for their own survival, to end hunger and get jobs."

● **ADALBERTO ROSAS**, the National Action Party's (PAN) candidate for governor of Sonora, was found guilty of misuse of power and stealing official documents by Sonora's Supreme Court of Justice April 13 and sentenced to spend two years and nine months in jail. Rosas stated that he will carry on his campaign as the PAN's nominee for governor from his jail cell—despite legal complications. Mexican law forbids criminals from campaigning for office.

● **J. R. JAYEWARDENE**, president of Sri Lanka, says that Tamil separatists backed by international terrorist groups were trying to incite a "communist revolution" in Sri Lanka. On April 11, Tamil separatists carried out terrorist acts against a Buddhist temple in the northern town of Jaffna, Sri Lanka, for the second time in two days.

● **PRINCE BANDAR Bin Sultan**, Saudi ambassador to the United States, told the National Press Club in Washington April 10 that if the United States continues to withhold arms from the Arabs, as it did recently with Jordan, then his country is ready to buy Soviet arms. Prince Sultan, the son of the Saudi defense minister, is echoing the statement made last month by Jordanian King Hussein after the U.S. Congress refused to approve a Reagan administration bid to sell sophisticated weapons to Jordan.

● **THE MANILA Times Journal** carried a front-page article from an *EIR* release denouncing the IMF for the destabilization of the Philippines March 30. The article covered an *EIR* interview with Sen. John Melcher (D-Mont.) in which he attacked the IMF's policy: "The IMF wants to make it [the Philippines] miserable. . . . The Philippines do not have a tremendous debt—only \$20 to \$30 billion—yet they are being hamstrung by the IMF. . . . Even the banks that would like to turn over their debt cannot do so because of the IMF restrictions. . . ."

Reagan administration now rapidly falling apart

By Lyndon H. LaRouche, Jr.

The massive Republican congressional desertion from the Reagan administration, on the issue of the administration's Central America policies, contains the essence of true Shakespearean tragedy. President Ronald Reagan's bid to assure his re-election, by rotten deals with Henry A. Kissinger, now threatens to be the rotten deals which bring down the President's re-election effort.

The turning point in the President's policy for Central America came during September and October 1982. When Mexico's President José López Portillo slapped exchange controls on the Mexican economy, some of the President's political backers, themselves deeply involved in looting the Mexican economy, shrieked: "Communists!" Henry A. Kissinger was given a quasi-official mission to Latin America—about nine months before the unveiling of the "Kissinger Commission." Kissinger's old stooge from Mekong Delta days in Vietnam, U.S. Ambassador to Honduras John Negroponte, was unleashed in Central America. President Reagan's backing of Kissinger and Negroponte on both Mexico policy and Central America policy, step by step built the trap into which the President's re-election hopes collapsed in the Senate, this week.

By about April 1983, about the time of the President's opportunistic endorsement of Brent Scowcroft's flanking attack on the President's own March 23, 1983 strategic policy doctrine, the future doom of the Reagan administration was virtually irreversible policy.

The crux of the U.S. failures in Central America was the

administration's backing of Kissinger's brutish hostility to Mexico and to Mexico's co-sponsorship of the Contadora Group, a task force created by leading Caribbean nations for the purpose of working to bring the building explosion in Central America under some degree of control. But for a massive intelligence failure in the White House itself, the blunders which the administration has made throughout Central America would not have been possible.

For example, the Reagan administration has worked openly to plunge Mexico into civil war. Not only has the State Department openly associated itself with the former pro-Nazi party of Mexico, the National Action Party (PAN), but the FBI has deployed massively into Mexico in support of the PAN's efforts to destabilize Mexico, according to eyewitness reports by undercover agents of the Mexican government monitoring the activities of FBI operatives in northern Mexico which we received from the highest-level Mexican government sources. Not only are top leaders of the PAN Soviet KGB agents, as well as die hard former Nazi supporters, the Communist Party of Mexico (PSUM), has shared the same political platform as the PAN, and is otherwise in a close, "united front" alliance with the PAN against the Mexican government. Not so incidentally, all of the PAN-controlled political centers in northern Mexico (and Acapulco) are centers for routing drugs and terrorism into the United States. Clearly, there has been a colossal intelligence failure by the White House and State Department in the recent conduct of policy toward Mexico.

True, the Soviet KGB is deeply involved in both Mexico and Central America: substantially through Cuba and East Germany, and indirectly through Qaddafi and through Middle East terrorist organizations spun off from Hitler's old Arab section of Amt VI of the Nazi Reichsicherheitshauptamt (RSHA). However, the main route through which the KGB operates in Central America is an agreement struck between the Soviet KGB and the Jesuit order during 1978, during a visit of Mexico's "red bishop," Méndez Arceo, and others for a conference with Fidel Castro that year. The revolution in Nicaragua, for example, was almost entirely a project of the Jesuit "liberation theologians," who are openly allied with the Soviet KGB since those 1978 meetings. Historically, the so-called "banana republics" of Central America have been plantations of such spin offs of the old British East India Company's operations as United Fruit (today, United Brands) and W. R. Grace, etc., since the days of filibusterer William Walker. Since the region is at least nominally Catholic in traditional cultural matrix, the Jesuit order has supplied the most important agents for firms such as United Brands controlling the area, with Loyola Institute in Louisiana a chief training center for political agents of United Brands' secret-police-style operations.

It should be remembered that it was chiefly United Brands and the Jesuits who trained and equipped Fidel Castro for his operations in Cuba against Batista's government, with help from some wealthy circles in Houston, Texas.

The Jesuit control of covert political operations in the region has been complicated over the recent quarter-century by increasing activities of the Nazi international-linked "Endangered Peoples" organization, by operations funded from West Germany, and by sundry trouble-making missionaries and anthropologists of assorted varieties, including much of this riffraff deployed from the United States itself. The Soviet KGB has found an increasingly fertile field for its trouble-making in the Central American region, but the insurgency into which the Soviets are intervening was created chiefly by powerful forces within the Atlantic Alliance, often with direct or implicit toleration and support from the U. S. Government itself.

The present insurgency in Central America was, in fact, projected during the period Kissinger was secretary of state under Presidents Nixon and Ford. During that period, Kissinger sponsored studies, such as the Einaudi Report, which projected the orchestration of general warfare throughout South America, using the issue of Bolivia's access to the Pacific Ocean as the detonator for triggering wars among Bolivia, Chile, and Peru, which would engulf most of South America, chain-reaction style, in what was then described as a "Second War of the Pacific." The writer and his colleagues came directly afoul of Kissinger's efforts to implement such a general destabilization of South America during 1975, when Kissinger acted personally against us and our personal friends

in the government of Peru at that time. The plan for turning Central America into a bloody mess was adjunct to the plan for unleashing a "Second War of the Pacific."

Kissinger's plans began to be put into operation by Kissinger's successor at the National Security Council, Zbigniew Brzezinski, during spring 1977. The destabilization of Nicaragua was the first target. In the same process, the Carter administration attempted to set up the strongest of the Central American governments, Guatemala, for a process of destabilization by strangling the Guatemalan economy. Thus, the present destabilization of Central America would not have been possible without Kissinger and such Kissinger accomplices as Zbigniew Brzezinski and the predecessor to the present "Kissinger Commission," the "Linowitz Commission."

Kissinger's continued role has played directly into the plans of the Soviet Union. Broadly, current Soviet policy is to bog the United States down strategically in an eruption of wars and insurgencies in Latin America, while using Caribbean assets as aids for a Soviet thermonuclear-missile deployment against the United States in the Caribbean itself. Since Kissinger is a Soviet agent of influence, this apparent coincidence between Kissinger's and Soviet actions should not be considered surprising to anyone. Already, we have seen that Kissinger's successful luring of President Reagan into a quasi-Vietnam-War in Central America has played massively into Soviet strategic plans, by drawing down forces from the Pacific Seventh Fleet and from other theaters, to build up the operations in Central America.

It is not necessary to document here the deep and affectionate relationship which this writer and his colleagues have developed throughout leading circles in most of Ibero-America since 1974, a relationship which was greatly extended by this writer's firm support for imposing the Monroe Doctrine and the Rio Treaty upon Britain in the Spring 1982 Malvinas War. For this and other reasons, we were excellently situated to compose warnings and recommendations to the appropriate channels of the U. S. government from the very beginning of the Reagan administration, and submitted this information repeatedly. Insofar as we could determine, the intelligence upon which the Reagan administration has been shaping its Latin American policies, including Central American policies, has been either wildly disinformational, or simply the usual nonsense of writing and editing field-intelligence and diplomatic reports to support the prevailing and ignorant prejudices of those circles setting the "official line" in Washington. The Reagan administration knows nothing of the people, history, and issues of Latin American life—it sees nothing but a reflection of its own silly ideological prejudices, and the career-minded bureaucrats up and down the line select their information and evaluations to please the prevailing prejudices of the White House or State Department.

This is not unique to the Reagan administration. President

Kennedy mishandled the Berlin Wall crisis, and was caught off guard by the Cuba Missiles crisis, because the word was out that the White House did not wish to have any reports turned in which warned of the impending crisis in either case. President Johnson was "done in" in Vietnam by the deliberate faking of intelligence reports by Gen. Danny Graham and others, in the same way. For most of 25 years, no President has wished to be told the truth about any situation, if the truth contradicted prevailing policy or simply his own ignorant ideological prejudices. Career-minded bureaucrats, up and down the line, compose and edit reports passed up the line to "support the current policy perception."

The general line, in our experience, is: "Since we have decided against doing that, we don't wish to hear any facts which might argue for our doing what we have decided not to do." If the President has been sold on "giving the commies a bloody nose in Central America," the intelligence reports reaching higher levels and the briefing books will be edited in such a way as to "support the President's policy." If any "doubters" object, they will be told that "we could have won the war in Vietnam," and that now we are going to prove that point in Central America. In short: When idiocy and bureaucracy are teamed up together around Washington, it is the United States which usually suffers.

In such a way the former movie star, Ronald Reagan, secured at last the opportunity to star in a modern version of Shakespeare's *Hamlet*, with the President himself playing the part of the real-life Hamlet. "Practical men," especially those misguided by "campaign strategists," and misled by a conniving "palace guard," men otherwise less pleasantly described as "political opportunists," are in every period of crisis, the cause of the undoing of their state, and, sooner or later, of themselves.

It is sad to see Ronald Reagan pulled down by Kissinger in this way. I thought, with all his faults, he was essentially a nice guy. I did as much as my resources permitted, to help him in a bipartisan way, and to protect him as well as I could. I regret nothing I have done to that purpose; indeed, among all prominent Democrats, I am the only figure I know who has earned the right to denounce his failures as I have been lately obliged to do. By his ideological blindness and his political opportunism, the President has wrought a tragedy upon himself, but, more important, has caused a tragedy of yet undetermined depth and scale for this precious, weakened republic of ours, the United States.

Yet, before leaving this matter, let us not gloat over the misery Ronald Reagan's opportunism has brought upon himself. There were many in Washington, in many departments of government, most emphatically including the Congress, who contributed in an essential way to the making of this tragedy. Until those departments, and the members of Congress, learn to throw overboard the "conventional" perception of "policy, methods and procedures," which has operated for the past 25 years or so, the mess will always be made worse.

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Reagan bows to Dr. K.'s demand to stifle beam defense program

by Criton Zoakos

President Reagan met with Lt. Gen. Brent Scowcroft, a partner in the consulting firm Kissinger Associates, Inc., on April 9, and following the meeting announced that he has accepted the Scowcroft Commission's restrictions on this nation's anti-missile beam-weapons program, originally announced by Reagan himself on March 23, 1983. The political conditions agreed to by Mr. Reagan amount to a decision to abandon the beam program, whatever the President might imagine himself to be doing.

Ronald Reagan said that he was acting on behalf of the spirit of "bipartisanship" in foreign policy, a theme he has been increasingly extolling since his infamous speech on April 6 at the Georgetown University's Center for Strategic and International Studies. President Reagan also praised General Scowcroft's earlier work in the Scowcroft Commission, whose formation as a "bipartisan" body early last year had set the stage for the comeback of Soviet agent of influence Henry A. Kissinger into dominant position in foreign policy and security policy-making circles in Washington.

Kissinger's associate Scowcroft took the opportunity to add insult to injury: Having just met the President, General Scowcroft addressed the White House press corps and emphasized that U.S.-Soviet relations were at their worst level in years because of the Reagan White House's earlier policies, before the President had fallen under the influence of Kissinger (and the Scowcroft Commission). Said Scowcroft: "The political and psychological atmosphere between Moscow and Washington is as bad as it's been in my memory. The administration's rhetoric has certainly given the Soviets a negative view of the possibilities of dealing with this administration."

Further on, Scowcroft added: "The Soviets are not interested in doing anything which would contribute to the reelection of the President. . . ." In fact, coming out of the previous week's Trilateral Commission conference and April 1 reception at the White House, Scowcroft was making a specific sort of allusion that Reagan will not be allowed to be re-elected unless he first agrees to name Kissinger his next Secretary of State either before or after the November election. This message from the Trilaterals was privately communicated to Reagan, who was also told that the banking interests behind the Commission have enough clout to trigger

an all-out financial collapse before election day and then blame it all on the White House. In fact, Reagan was told to watch the next week's movement of interest rates if he didn't believe their threat.

With that, Kissinger and the Trilaterals sent Scowcroft into the White House to receive the President's surrender. Reagan surrendered, in the form of a unique statement in which he promised that the ballistic-missile defense policies he had announced back in March 23, 1983 will be downgraded to a mere "research project." Reagan's instrument of surrender further praised the Scowcroft Commission's earlier treacherous work and paid homage to the so-called "bipartisan" foreign policy-making process, a term used to denote Henry Kissinger's dominance in both Democratic and Republican foreign policy-making circles.

It will be recalled that Kissinger personally relaunched the fashion of "bipartisanship" with his March 5, 1984 *Time* magazine article and a series of subsequent speeches in which he insisted that this year's presidential election process, no matter who wins, must first and foremost produce a "bipartisan consensus" on foreign policy around two, principal issues: abandonment of laser-beam anti-missile defense and "decoupling" of Europe from the United States.

No newspaper or other publication reported on Reagan's "instrument of surrender" statement which was made public by the White House right after Scowcroft had finished briefing the White House press corps. Senior officials attempted to downplay the catastrophic significance of the event by offering the opinion that "this will delay the beam program by about one year." Others preferred to remain silent, in preparation for making their peace with Dr. Kissinger. Given the otherwise general press blackout on Reagan's "instrument of surrender," we print below excerpts of that document, with emphasis added.

What the President said

"On Jan. 3, 1983 I established a *bipartisan* Commission to examine issues raised by the Congress concerning the strategic modernization program, especially the Peacekeeper (MX) missile. On April 19, 1983, I was very pleased to report to the Congress and the American people that the Commission unanimously agreed on strategic force modernization

recommendations, which I strongly endorsed. *Secretary Shultz, Secretary Weinberger, the Joint Chiefs of Staff, the Director of the Arms Control and Disarmament Agency, and the National Security Council also endorsed the recommendations of the Commission.* At that time, I affirmed my commitment to pursue ambitious arms-reduction negotiations as an integral part of the package.

"Despite the range of views which existed in the past, the Congress joined us in supporting this *bipartisan* effort to modernize our strategic deterrent. This consensus was a major accomplishment in our common effort to enhance national security. The willingness of all parties to re-examine their previous positions allowed us to end a decade of political paralysis over arms control and modernization.

"Last week, the Commission issued its final report. The report focuses on the arms control portion of its earlier recommendations. Once again, the Commission members and their counselors have performed a tough job extraordinarily well. Again, we all owe this distinguished group of Americans special thanks.

"This final report reiterates the original recommendations, that is, an integrated strategic program consisting of an arms control structure with incentives to enhance stability at reduced levels of strategic arsenals. . . . In particular, arms control can make a substantial contribution to U.S. security by increasing strategic stability, allowing some types of defense expenditures to be avoided, and offering a useful forum for dialogue on strategic concepts and priorities. . . .

"The Commission recognizes the significance of the 1972 Anti-Ballistic Missile Treaty and notes that research permitted under the treaty is important to ascertain realistic technological possibilities as well as to guard against Soviet ABM breakout. The Commission also recommends extreme caution in proceeding to engineering development of an active strategic defense system.

"Our proposed strategic defense initiative is limited to technology research. The initiative also includes continued study of strategic policy and arms control implications of strategic defense concepts. The program is consistent with all treaty obligations and there is no conflict between our initiative and the recommendations made by the Commission.

"I am pleased to announce that I, along with Secretary Shultz, Secretary Weinberger, the Joint Chiefs of Staff, the Director of the Arms Control and Disarmament Agency, and the National Security Council, strongly endorse the Commission's final report.

"I urge continuing support by the Congress and the American people for this *bipartisan consensus* which unites us in our common objective of strengthening our national security and moving toward significant reductions in nuclear arms."

President Ronald Reagan has sold out to Henry Kissinger the only major positive achievement of his tenure in office, his March 23, 1983 Anti-Ballistic Missile doctrine, in the belief that by thus selling out, he would be re-elected President. His March 23 speech alone would have ensured Reagan an indelible place in history. Now he has been bypassed.

House committee cuts defense by \$19 billion

The knives are out, in more ways than one, since Ronald Reagan signaled he would not fight for his Strategic Defense Initiative by his endorsement of the Kissinger-coined "Scowcroft Commission Report" April 9.

The House Armed Services Committee has cut a total of \$19.7 billion from the Reagan administration's proposed 1985 defense budget. The committee slashed \$8.8 billion from the Pentagon's proposed \$108-billion weapons budget by eliminating 10 of 40 MX missiles, 8 of 48 F-15 fighters, 2 C-5 military transports, and 4 of 9 Lockheed P-3 anti-submarine aircraft. The committee also cut the proposed military R&D budget by \$3.4 billion with the largest slash—\$400 million—taken from the Strategic Defense Initiative.

The committee's action reduced the "real" growth rate in military spending to a paltry 6%. The administration had originally asked for a 13% real growth in defense,

then agreed to lower it to 7.5%. Congressional sources believe that the highest increase which Congress is likely to approve by the time it finishes with the budget will be 5%.

Moreover, three leading "Moscow Democrats"—Reps. Les Aspin of Wisconsin, Norm Dicks of Washington, and Albert Gore of Tennessee—have come up with an "arms control" package aimed at destroying the U.S. beam-weapons program:

- A "limitation on testing of anti-satellite weapons" and "advanced anti-satellite weapons" which prohibits any funds being used "for the flight testing against an object in space of any anti-satellite weapon so long as the Soviet Union continues to observe its existing moratorium against testing anti-satellite weapons in space."

- An order that the Defense Department put all the related research programs together in a separate title in the annual budget. This, says Aspin, will prevent specific components of the Strategic Defense Initiative "from getting out of hand" in the future.

- A "limitation on amounts for Strategic Defense Initiative." This limits the funding increases for SDI to 5% real growth in the FY 85 budget over FY 84.

Pennsylvania primary: a victory for the LaRouche Democrats

by Nancy Spannaus

In an election result that overturned all pollster projections and holds great promise for the patriotic faction of the Democratic Party in the United States, Lyndon H. LaRouche, Jr. polled 11-16% in the April 10 Democratic Party primary in Pennsylvania.

The fact that this victory for the LaRouche campaign was not counted is due to the collusion between the combined forces of the Mondale-Manatt political machine, Lane Kirkland's AFL-CIO, and possibly the Anti-Defamation League of B'Nai B'Rith. Tens of thousands of dollars poured into Pennsylvania from Canada and New York banking circles to guarantee that no more than 1-2% of the LaRouche vote was ever counted.

The three media-approved candidates were given the following totals of the state presidential primary vote: Walter Mondale 46%, Gary Hart 34%, and Jesse Jackson 19%.

Most of the LaRouche vote ended up in the Hart column. While the Mondale and Jackson official votes are credible representations of their votes in the state, LaRouche campaigners confirmed the fact that Gary Hart had no support above the 20% level. Where did his extra 14% come from? LaRouche.

Due to certain traps laid by the LaRouche campaign organization, that organization is in a position to show extensive fraud in Philadelphia, as well as by election judges in Pittsburgh. LaRouche has announced his intention to go into court with this evidence, and has called for the arrest of every voting machine mechanic in the state.

The magnitude of the LaRouche victory is also demonstrated by the hefty vote recorded for the slate of 12 LaRouche Democrats running for Congress across the state. The AFL-CIO/Mondale machine has little control over the vote outside the major cities, and therefore the fraud machine was unable to prevent four LaRouche Democrats from winning 31-46% of the vote, as reported in local news media April 11. Crowned a series of remarkable victories by the LaRouche-led citizen-candidates movement in Florida, Massachusetts, and Illinois elections over the previous three weeks, the April 10 Pennsylvania showing was the best yet for the LaRouche "patriotic Democrats" in federal races.

George Elder, running in the congressional district around Erie, Pennsylvania, won an unofficial 31% of the vote against Manatt-endorsed (and well-financed) candidate Jim Young. Elder, who had received considerable press coverage in his campaign, was primarily known for his support of La-

Rouche's policies against Henry Kissinger and for the opening of the steel plants. As he said in a press conference on April 11, it is inconceivable that he could poll 31%, while LaRouche was credited with less than 1% of the local vote.

Also winning significant support were schoolteacher Wanda Shirk of north-central Pennsylvania—37%; Sara Phleger of central Pennsylvania—46%; James McCaffrey of the Lancaster area—37%; and James Kane of western Pennsylvania—18%. All of these candidates began their campaigns as political unknowns. Their "claim to fame," as advertised in their campaign literature and in the media, was their identification with LaRouche and his program.

If it were not for AFL-CIO control in major cities such as Scranton, Harrisburg, and Erie, it is possible that some of these candidates would have won. Elder outpolled his opponent in at least two counties of his district; Phleger, who campaigned aggressively for the reopening of the Three Mile Island nuclear plant, won outside Harrisburg; Shirk won handily in counties outside the tightly controlled Scranton area.

Other LaRouche congressional candidates were the object of heavier attention by the Mondale-ADL machine, in particular in Philadelphia. Steve Douglas, who had polled 35% in Philadelphia during his 1982 race for governor, was given 5%; Susan Bowen, running against the incumbent, William Gray, a black advocate of Global 2000 depopulation, in a largely black congressional district, drew 14%; Bernard Salera, who ran a no-holds-barred race in the 1st Congressional District, with a lot of publicity in the largely Italian-American Second Ward, was held to 3%—as the ADL had promised he would be. Salera got a certain amount of satisfaction, however, out of the defeat of Lebanese-American mafioso Jimmy Tayoun, the master of venality who was challenging incumbent Tom Foglietta.

Building a machine

With a media campaign of less than \$1 million, about 60 core organizers, and *no cooperation whatsoever from the powerful opinionmakers at the national television networks*, the LaRouche campaign turned the state upside-down.

The LaRouche effort in Pennsylvania centered on two thrusts, one programmatic, the other organizational. Programmatically, LaRouche concentrated a massive media campaign against the policies of Soviet agent-of-influence Henry A. Kissinger, contrasting them with his own policies

of economic development and beam-weapon defense. Organizationally, LaRouche emphasized the creation of a citizen candidates' movement to take back political power from corrupt politicians.

Not a nook or cranny of the state of Pennsylvania went untouched by the LaRouche campaign's media and leaflet bombardment. Over 5 million leaflets were distributed, half-hour television specials on Kissinger and steel were shown twice in all crucial areas of the state, and virtually every radio station in the state broadcast LaRouche statements.

The effect, combined with the indignant reaction of many against the blatant illegal discrimination against LaRouche by the League of Women Voters in its debate April 5, was to propel hundreds into action. Over 700 citizens agreed to pollwatch for the LaRouche campaign on election day.

'I count your votes'

It is this mass movement, particularly in labor, that LaRouche addressed in a post-election statement issued for mass circulation in Pennsylvania April 11. LaRouche told the voters: "I count your vote, even if crooked state officials don't."

He added: "Although I am against chaos and disruption of orderly life of our republic, the massive vote fraud in Pennsylvania is merely one more sharp demonstration of the fact that the voters of the United States will never secure honest democracy at the ballot box until they win the battle

for democracy in the streets. However, let there be no rioting. Let there be support for every legitimate strike which is about to occur during the months just ahead. . . . If the voters are denied the right to vote for a presidential candidate who will give them economic justice, those voters have no alternative but to win those rights on the picket lines."

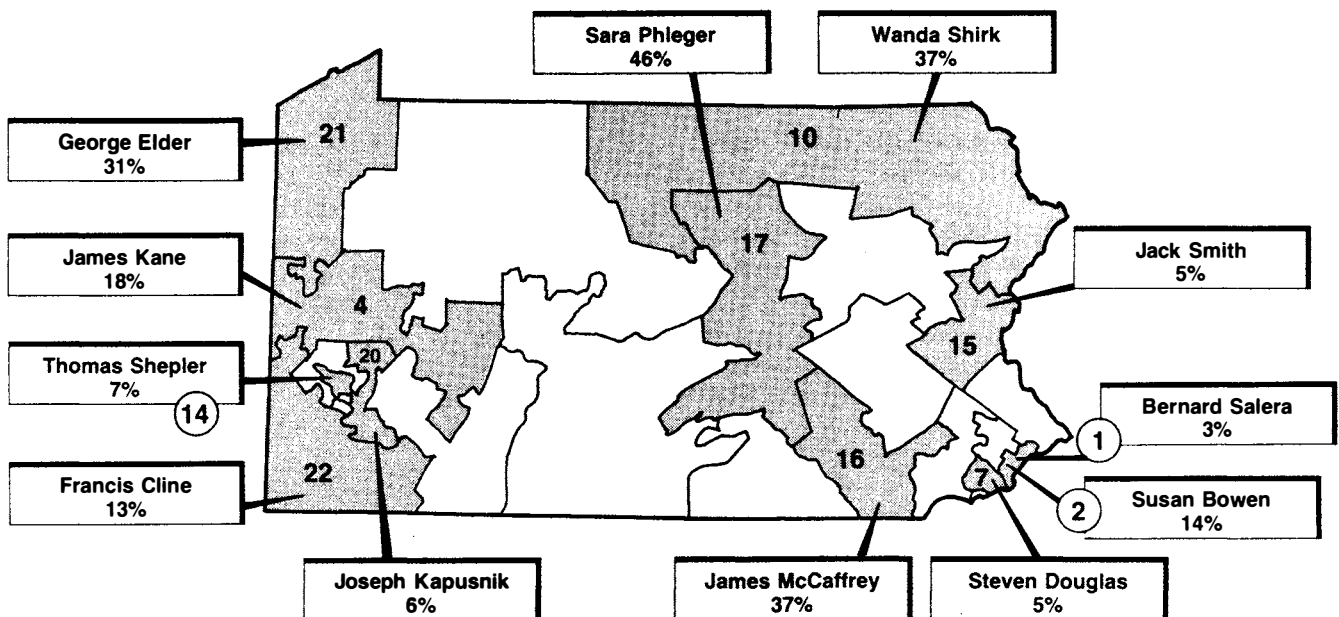
"Now, the working people, and masses of unemployed, of this nation are being ruined, and this ruin is being caused by the same evil monetary, economic, and tax policies which are also ruining our productive entrepreneurs and our farmers. We must destroy that common enemy. Insofar as labor acts to weaken that enemy's power, labor is acting in the interest of us all, and requires the support from all among us who care about this republic of ours.

"Each and all of you must recognize that there is nothing good left in this nation of ours except a moral core of our people, probably still between 60 and 70% of us, who are essentially moral and patriots. All of the institutions of power, including the present leadership of the political parties, are morally bankrupt. . . . The only force which could save this nation from destruction is the majority of the people themselves, people who are by and large working-people.

"The problem, therefore, is how to rally those people on behalf of their own vital interests. It is the lesson of history, that a people can be rallied in this way only by mobilizing themselves for a serious fight. The fight around which a fairly large section of our people are preparing to rally themselves

LaRouche Democrats' showing in U.S. congressional races

Shaded areas: the congressional districts where the 12 races took place



is the imminent strike-wave, the kind of strike-wave which the insightful President Franklin Roosevelt understood was the secret weapon through aid of which he led this nation to the mobilization to win World War II. . . .

"I ask all of those patriots among you who care about the state of our republic, to be thoughtful and shrewd enough to follow my reasoning on this point. Learn to think about the politics of crisis as General Patton led the Third Army. If there are not enough of you willing and able to think in this way, then you might as well kiss this country good-bye."

The Mondale traitors

The national press made a great deal of the "comeback" of the Mondale-Kirkland machine in Pennsylvania. That "comeback" means nothing more nor less than vote-buying and thuggery.

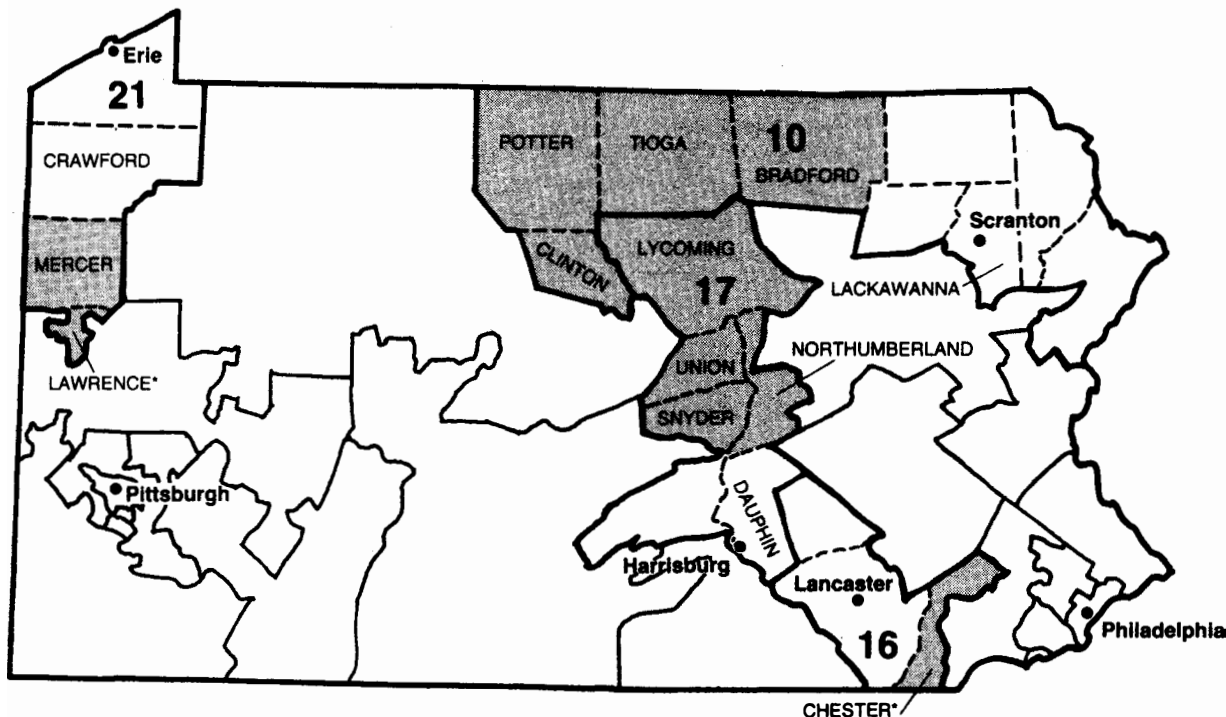
Throughout the weeks the LaRouche campaign was rallying in Pennsylvania for reopening the steel plants, there was no question where the majority of workers, particularly

in the Monongahela Valley right outside Pittsburgh, stood. They loathed the de-industrializers and turncoats in the "official" Democratic machine. Two small but significant rallies, which drew 50 to 100 unemployed workers, underscored this expressed opinion.

LaRouche polls in these areas were running well into double-digit percentages. Not only was the AFL-CIO aware of this fact; so was the Eastern Establishment in New York and Washington. The day before the primary, the national newsweekly *Newsweek* ran a three-quarter-page article on the campaign entitled "The LaRouche Democrats." And the second major Philadelphia daily, *The Daily News*, felt compelled to run a full editorial column denouncing "the candidate" as a conspiracy nut.

In conversations with journalists, top Eastern Establishment figure George Ball had declared that "he could guarantee" LaRouche would get no more than 1% of the vote. Bob McIntyre, a vice-president of the state AFL-CIO, allowed LaRouche from 2-5% "if it's a close Hart-Mondale race."

Counties won by LaRouche Democrats in four congressional districts



Counties won by LaRouche Democrats in four congressional districts

- 10th C.D. Wanda Shirk won 4 counties, and lost in Lackawanna County, where Scranton is located.
- 16th C.D. John McCaffrey won one county, and lost in Lancaster County where Lancaster is located.
- 17th C.D. *Sara Phleger won 4 counties, and lost in Dauphin County, where Harrisburg is located.
- 21st C.D. George Elder won 2 counties, and lost in Erie County, where Erie is located.

*Only part of this county is in the candidate's C.D.

Scientific has-beens try to salvage their 'Soviet connection'

by Paul Gallagher

It was at the last Pugwash Conference, in late August 1983, when the "ice cold" Soviet representatives told their Western disarmament-lobby friends "get rid of Reagan and his ABM beam weapons or we're finished with you." At that conference the hype was begun for the Union of Concerned Scientists (UCS) report which was to debunk antiballistic-missile beam weapons once and for all—which report has just come out to great fanfare in the national media.

With its "Space-Based Missile Defense" report, the UCS has produced for Henry Kissinger's entire Mutually Assured Destruction (MAD) fraternity in the West, a desperate propaganda offering to appease Soviet attacks on U.S.-NATO beam weapons development. The report is a pure fraud.

The significance of this fraud lies in its attempt to claim that *engineering and deployment* of global anti-missile defenses (as opposed to mere research) could not be going on, because it is not feasible. This big lie is precisely what Soviet "scientific" propaganda says on this subject, many times every month in official Soviet media, to neutralize the clear and abundant evidence that development of a nationwide ABM system is going on—by the Soviet Union.

That evidence has been gathered by U.S. intelligence agencies in hard form by "national technical means" (satellite and related surveillance). It was presented to the National Security Council Nov. 30, producing "a freakout" according to one reliable report. It was reported to European defense ministers Dec. 9 by Secretary Weinberger, and has not been denied in public argument in Europe since. The same evidence has been presented to three committees of Congress during March-April 1984, and published in several military intelligence magazines as well as in *EIR*. As a fearful White House official told *Aviation Week* last December, the Soviets calculate that during this election year, there will be no U.S. reaction even to the most abundant evidence of the Soviet development of ABM defense.

The UCS is an important element in that calculation.

The UCS's fraudulent report covers up an inexorable technology race under way between the U.S. and Soviet Union, to develop ABM systems based on combining interceptor missile technologies with fundamentally new and revolutionary physical principles. The Soviets are winning this

race to date across the board, but fear the overall technological potential of a U.S. "crash program" for beam weapons, and demand that the United States abandon its efforts.

Anxious to prove their continued usefulness to their stern KGB interlocutors, and too worn out scientifically to understand beam-weapons engineering, the old "MAD"-men of Pugwash have offered their services in marketing of this transparent Soviet big lie.

What is the UCS?

Despite its attributed image in the media, the UCS is no youthful anti-nuclear insurgency among scientists. Quite the contrary, its leadership is made up of the most cynical and hard-bitten veterans of the Presidential Science Advisory Panels, Defense Science Boards, and weapons planning groups of the dismal 1957-1972 period, in which the MAD doctrine was set in stone.

Their opening chapter conveys the worldview of these misanthropic spinsters of science: "We cannot regain safety by cleverly sawing off the thin, dry branch [of assured destruction] on which the Soviets are perched, for we cling to the same branch."

In national scientific laboratories across the United States, Europe, and Japan, it is the younger generation of scientists who are challenging these old MAD-men with development of beam weapons, trying both to save the Western nations from destruction and to reduce the imminent danger of nuclear war. This younger generation inspired President Reagan's March 23, 1983 call for an anti-missile shield.

The UCS crowd, while unable to understand the plasma physics and related breakthroughs implicit in beam weapons, does maintain powerful networks of influence in Washington and in the military with which to suppress anti-missile development on behalf of deals offered the Soviets by Henry Kissinger and Gen. Brent Scowcroft. Working in concert with the Heritage Foundation and Danny Graham's "High Frontier" (see below), the UCS has obstructed the unleashing of the younger plasma physics and laser scientists in the national labs, and the launching of a new Manhattan Project for beam defense.

The authors list of *Space-Based Missile Defense* reveals

the character of UCS leadership: Dr. Richard Garwin of IBM, the "genius" behind the infamous electronic wall across the DMZ in Vietnam and one of Robert McNamara's top weapons planners and designers; Dr. Henry Kendall, leading Vietnam-era weapons designer at MIT's Draper Laboratory until he suddenly "joined a student revolt" against that lab in 1969; Peter Clausen, former CIA policy analyst and "senior arms analyst"; Adm. Noel Gaylor, former director of the National Security Agency and a man who spent over a decade planning naval uses of tactical nuclear weapons; MAD-era "arms-control negotiators" Ashton Carter, Raymond Garthoff, and Kurt Gottfried; and Dr. Hans Bethe, who in the 1930s denied the possibility of high-energy particle accelerators, in the 1950s of thermonuclear weapons, in the 1960s of concealed underground weapons tests, and in the 1970s of beam weapons.

'Provocative doctrines'

This congress of hard cases claims that beam weapons are "a defense based on untried technologies and provocative doctrines [i.e., assured survival]. The real-life problems of missile defense," they continue, "have been studied intensively by the U.S. defense establishment [i.e., by them] for a quarter of a century, and some of the authors of this report have contributed to many phases of this effort. These investigations have made it clear that a total missile defense must overcome a number of daunting obstacles *set by immutable laws of nature and basic scientific principles*. . . . The laws of nature set limits on what humans can do. Nevertheless, it is true that the advances scored by science and technology in our own time have been remarkable, and often unpredictable. But none of these violated firmly established laws of nature.

"What are these immutable laws of nature and basic scientific principles? At this point we shall only give some of the most important examples. First, the earth rotates about its axis and satellites move along prescribed orbits, so that, in general, a satellite cannot remain above a given spot. Second, even a thin layer of atmosphere absorbs x-rays. Third, electrically charged particles follow curved paths in the earth's magnetic field. Fourth, the wave nature of light guarantees that [laser] beams will eventually flare outwards and become more diffuse. Fifth, the earth is round, and one must be far above the United States to see a silo in Siberia."

As experimental plasma physicists and engineers in labs around the world know, this is pathetic stuff, worthy of the harrumphing of Victorian-era "natural scientists" sitting around the Club Room at Cambridge and denying the validity of shock wave phenomena or relativity. It sounds, in particular, very much like Dr. Bethe's published 1938 "proof" that cyclotron energies in excess of 1 million electron volts would violate the laws of nature.

Moreover, it is not necessary to believe such denials of technological breakthroughs in military firepower, in order to write them. For UCS, they are merely the "sizzle" for placing the Soviet demand for an end to U.S. beam weapons

development, in the mouth of "the U.S. scientific community." This is the standard practice of the Pugwash Conferences since their inception.

Each fraudulent Soviet line of attack upon the LaRouche-Reagan beam weapons doctrine is repeated without deviation. Beam weapons would "augment the emerging U.S. capacity to destroy Soviet missiles in their silos, to give the U.S. a first strike capability." (The Soviets have a *current* such anti-silo capacity, and a rapidly emerging first-strike capability.) Beam weapons development "constitutes a U.S. rebuff to Soviet overtures to negotiate constraints on ASAT weapons." This Soviet "overture" was suggested to Andropov by Dr. Garwin himself, according to leading Soviet scientist Y. P. Velikhov, and is a complete fraud which ignores any constraints on the tested Soviet ASAT system. "Our allies in Europe would not be protected by an American ABM system," and "Europeans would hold the U.S. responsible for exacerbating East-West tensions." These are, of course, the operating propaganda lines of the East German and Libyan-financed Green peace movement in Europe, and are simple political falsehoods. The Reagan-Weinberger proposal, as amplified directly to European political and military circles by LaRouche's associates, places an equally high priority *and a shorter timetable* on the defense of Europe against attack by Soviet SS-20s and shorter-range nuclear missiles.

UCS and High Frontier

The only ABM proposal which would leave Europe out in the cold, even if it worked, is Gen. Danny Graham's High Frontier proposal to use 25-year old technologies for "space trucks" carrying "kinetic kill vehicles" to destroy ICBM's. Not so surprisingly, this gets the endorsement of the UCS: "Such kill vehicles . . . have several advantages vis-à-vis directed energy weapons: they do not involve as high a level of technical sophistication. . . . In contrast to all the currently proposed directed-energy weapons, kill vehicles show some promise of being able to intercept decoys and warheads in midcourse." At another point, the authors add another statement which may surprise those who have bought their public image: "*terminal defense* is feasible, provided one only seeks to protect hard targets [i.e., missile silos] and not population centers."

The UCS report, in tandem with the just-released Scowcroft Commission Report, states on behalf of Henry Kissinger the limits of what the Soviets will tolerate in ABM research by the United States and Europe, in order not to challenge the Soviets' own all-out drive to engineer and deploy over the next 5-10 years a total national ABM defense centered on directed energy technologies (see Special Report). Should the UCS and Danny Graham succeed in setting these limits, they will complete a 25-year job of establishing complete Soviet military superiority over the United States, and in the process close their own files as "useful fools" of the Soviet KGB.

Elephants and Donkeys

by Kathleen Klenetsky

An indefensible defense plank?

The Democratic Party's 1984 platform plank on defense policy is shaping up into a document which will bring hilarity into the dour halls of the Kremlin. Work on the plank began April 9 in Manhattan, where the party's Platform Committee, chaired by the up-and-coming Rep. Geraldine Ferraro of New York, held the first in a series of cross-country hearings which are supposed to produce a final platform before the July nominating convention.

The April 9 hearings, ostensibly devoted to foreign and strategic policy, were a five-ring circus. Dominated by the "peace" wing of the party, the proceedings opened with a series of panels featuring the usual assortment of Democratic "policy experts" and publicity-hungry windbags like Sen. Daniel Patrick Moynihan.

Star speakers included Ambassador Sol Linowitz; Sidney Drell, the rabid anti-beam weapons spokesman from the Stanford Linear Accelerator; Kenneth Blaylock, vice-president of AFL-CIO; and "nuclear winter" scenarist Carl Sagan—whose teeth are beginning to look as though he brushes them with Glo-Coat. Of course, in the interests of democracy, there were other witnesses, too, like the Bicycle Riders of America. . . .

Some wrangling broke out over Central America policy, nearly every

speaker retailed the official Democratic Party line on defense: "no" to the MX missile, "no" to beam weapons, "no" to virtually every proposal for strengthening the country's ability to defend itself against the growing Soviet threat.

'The party must move on the beam issue'

Then the committee heard from Mel Klenetsky, representing presidential candidate Lyndon H. LaRouche, and Paul Gallagher of the LaRouche-founded Fusion Energy Foundation. The two stated bluntly that it's time for the Democratic Party to assume its responsibility for the survival of the U.S. by including a pro-beam weapons plank in the party platform.

"The United States can and must have an operational capability for anti-missile defense based on both conventional and directed-energy technologies within five years," Gallagher stressed. If it doesn't, "the result will be early and complete Soviet military superiority over the United States." It is particularly urgent for the Democratic Party to move on the beam issue now, Gallagher said, because President Reagan has succumbed to pressure from the Kissinger crew and adopted a "go slow" approach.

In his testimony, Klenetsky summarized LaRouche's Jan. 21 nationally televised appeal for a national emergency defense mobilization, as well as the candidate's blueprint for a worldwide economic boom. "LaRouche has presented the only competent proposal for dealing with the ominous international financial situation and the Third World debt crisis," said Klenetsky, warning that unless the LaRouche program is adopted, "the world will face a catastrophic economic collapse."

If the Democrats go with the kind of Neville Chamberlain defense plank that now looks likely, many many moderate and conservative Democrats

will just sit out the November elections. Rep. Charles Stenholm, a conservative Democrat from Texas, told *EIR* April 10, that "if the Platform Committee moves to the left of 1980—this will send a message to the South that they're being written out of the party."

Will the real Ronald Reagan please stand up?

Given Ronald Reagan's current cozy relations with Henry Kissinger and Kissinger's proxies, some people are wondering whether their memories of Reagan as a staunch anti-Kissingerite might be figments of their imaginations.

Yes, Reagan did make ousting Kissinger from high office the principal theme of his 1976 presidential bid. The following account of a Reagan speech during the 1976 Florida primary tells the story. We quote from *Marathon: The Pursuit of the Presidency*, by Jules Witcover.

"According to Reagan, Gerald Ford had shown 'neither the vision nor the leadership necessary to halt and reverse the diplomatic and military decline of the United States.' Ford and Secretary of State Kissinger, Reagan said, 'Ask us to trust their leadership. Well, I find that more and more difficult to do. Henry Kissinger's recent stewardship of U.S. foreign policy has coincided precisely with the loss of U.S. military supremacy. . . . Under Messrs. Kissinger and Ford, this nation has become number two in military power in a world where it is dangerous—if not fatal—to be second best. . . . All I can see is what other nations the world over see: collapse of the American will and the retreat of American power. There is little doubt in my mind that the Soviet Union will not stop taking advantage of détente until it sees that the American people have elected a new President and appointed a new Secretary of State. [emphasis added]'"

Kissinger Watch by M. T. Upharsin

Who's nuts, Mr. Braden?

Columnist Tom Braden must have felt a little funny when he opened up his copy of the *Washington Times* April 6. In a front-page article in that edition, Henry Kissinger was charged with having "suppressed and kept secret from other officials intercepts showing that the Soviet Union intended to violate the 1972 nuclear arms agreements."

The article, written by Walter Andrews and headlined "Kissinger allegedly withheld Soviet plan to violate SALT I," presented the latest bit of the massive evidence documenting Democratic presidential candidate Lyndon LaRouche's nationally televised charges that Henry A. Kissinger has been acting as a "Soviet agent of influence" for more than the last decade.

Not a very nice surprise for Braden, because the same edition of the *Washington Times* carried his raving diatribe "Lyndon LaRouche As Newest in Nuts." Braden, who had made a spectacle of himself on a February cable television broadcast of "Crossfire," in which he tried to defend Kissinger against LaRouche's charges, took his defense of Kissinger to new extremes.

Maybe no one at the *Times* told Braden that the newspaper was going to run an exposé on how his pal Henry had been doing such a good job for Moscow. In any case, no one prevented his stream-of-consciousness ramblings from being printed.

Clearly, LaRouche's March 26 half-hour address on ABC television titled "Henry A. Kissinger: Soviet Agent of Influence" upset Braden, because he just couldn't stop writing about it.

"Mr. LaRouche told us that Henry Kissinger was 'an agent of influence for the Soviet Union,' that Mr. Kissinger, along with McGeorge Bundy, Gen. Maxwell Taylor, Robert S. McNamara, and Bertrand Russell had conspired with Nikita Khrushchev to make American nuclear strategy conform to Soviet policy," Braden wrote.

Braden was a little piqued that LaRouche would include Russell, the "sage of Cambridge, author of *Principia Mathematica* and famed exponent of reason over faith" in his exposé. And the aging liberal was "left a little hazy" about how Hitler, Mussolini, Russian tanks on parade, and atomic-scientist Leo Szilard "played a part in the conspiracy Mr. LaRouche sketched."

But poor old Tom isn't as dumb as he looks. "No doubt, however," he concludes, "that Henry Kissinger is at the bottom of it all. He is not only 'a Soviet agent of influence' but 'a mole,' a man with a mind 'antithetical to the Judeo-Christian tradition,' and one of the principal instigators of 'the total collapse of the nation's morality.'"

Dr. K.'s SALT secrets

Yet, if the charges in the *Washington Times* front-page story are investigated, Braden may permanently become more red-faced than he normally is. The *Washington Times* article on Kissinger says: "The U.S. Joint Chiefs of Staff and Congress would probably not have supported the agreements if the electronic intercepts of radio phone conversations between Soviet leader Leonid Brezhnev and a Russian weapons expert had been known. . . ."

The article by Andrews also says that the "May 1972 intercept of a Brezhnev limousine telephone conversation showed that the Soviets planned the development of a new giant SS-19 nuclear missile, then unknown to U.S. negotiators, and placed a loophole in the agreements that allowed for its deployment." "The mis-

sile," the article continues, "resulted in a sixfold increase in the number of ballistic nuclear warheads aimed at the United States, according to the Pentagon."

"The existence of the intelligence intercepts has been reported," Andrews writes, "but the claim that Mr. Kissinger knew of the intercept beforehand had not. Sources said he kept it secret in apparent fear that it would jeopardize congressional approval of the SALT I accord, of which he was a chief architect."

Zumwalt blew the whistle

The information in the *Washington Times* exposé is not new, but it was brought out again when Assistant Secretary of Defense Richard Perle and Retired Adm. Elmo Zumwalt, former chief of naval operations, testified on the matter before the Senate Defense Appropriations Subcommittee.

"I believe there was information available to the government at the time, but unknown to the Joint Chiefs of Staff, that confirmed that a violation was going to be made," the admiral said.

The admiral told the *Times* he had not become aware of the information until after he retired from the Navy in July 1974.

"Asked who had withheld the information, Admiral Zumwalt would only say, 'it was withheld at the White House level.' He declined to comment further, either about the nature of the information or who had withheld it."

Andrews added parenthetically, "Other informed sources said Mr. Kissinger knew beforehand and was the one who withheld the information from America's highest military officers."

"Dr. Kissinger has previously been reported as having been surprised by the SS-19, and as considering it evidence of Soviet 'sharp practice' as far as keeping to the terms of agreements."

Conservative senators hit Kissinger policies

Two conservative senators who have backed President Reagan on key issues in the past have broken with him in apparent exasperation over the foreign-policy role of Henry A. Kissinger.

Jesse Helms (R-N.C.) voted with the Democrats on the Senate Foreign Relations Committee April 11 to kill the Kissinger Commission's \$8 billion recommendation for foreign aid for Central America.

The Helms vote deadlocked the vote at 9 to 9, which meant that the foreign-aid request was not reported out of the committee. Earlier, Helms had voted with the Republicans to kill a Democratic version of the Kissinger proposals. It is unlikely that the \$8 billion aid request can now be resurrected on the floor of the Senate.

Helms was not present for the vote, but instead delivered a proxy vote to committee chairman Charles Percy, who had assumed that Helms would vote in the affirmative. Percy and the committee were stunned when the proxy vote was read.

Capitol Hill sources report that Helms, who chairs the Western Hemisphere subcommittee and who is not known as an admirer of Henry Kissinger, has been excluded from the deliberative process on developing a Central American policy.

Helms has held hearings in his subcommittee which were strongly critical of the population-control recommendations of the Kissinger Commission.

Senator John Melcher (D-Mont.), a maverick who supports or opposes the President on the basis of his conscience and not on the basis of party line, on April 9 delivered a blistering

attack on President Reagan's policy of "benign neglect" of the Philippines. Melcher is an outspoken opponent of the current liberal drive to destabilize the government of President Ferdinand Marcos.

In a speech on the Senate floor, Melcher referred to President Reagan's call for bipartisanship and charged: "He is a hard President to communicate with, even when the purpose is a sincere fundamental desire to help him. Every President needs help, this one in particular. I have had experience with the President's lack of bipartisan interest in a special circumstance."

Melcher detailed his efforts to enhance security and economic cooperation with the Philippines and said: "Considering the long-time alliance of the Philippines with the United States, it was an ordinary request that should have been quickly expedited and fulfilled. . . . Not so. The President did not choose. He is a hard man to help in a bipartisan Philippines policy."

ASAT report shakes up Senate critics

A White House report to Congress on the prospects for arms control in the area of anti-satellite (ASAT) weapons, released March 31, has persuaded some reluctant senators to support the administration's rejection of an ASAT treaty with the Soviet Union.

Sen. John Warner (R-Va.) said April 12, in hearings of the Senate Armed Services Committee's subcommittee on Strategic and Theater Nuclear Forces: "I had hoped that outer space could be made a sanctuary from weapons. . . . But these classified hearings, this morning's and ear-

lier ones, and my own investigations, have shown the situation to be otherwise."

The White House report declared that there was no formulation for an ASAT arms control agreement which could be both verifiable and in national security interests.

The classified section of the report, which has been provided to Congress and which was described in executive session to the subcommittee on April 12, reportedly contains startling information about Soviet capabilities and intentions in the ASAT area.

Warner has indicated that Soviet directed-energy ASAT capabilities are a grave concern to him and necessitate a continuing U.S. program to develop its own ASAT system.

During the public portion of the hearing, the co-chairmen who had presided over the preparation of the President's ASAT report, Assistant Secretary of Defense for International Security Richard Perle and Dr. Henry Cooper of the Arms Control and Disarmament Agency, argued that there is no advantage to an arms-control treaty for the sake of arms control.

Asked Perle: "Is there an advantage in an agreement that prohibits one or two elements of ASAT systems, when a dozen others can accomplish the same mission? I think not." Cooper added that the United States must be on guard against a Soviet "break-out" from treaty restrictions and therefore must not curtail its own program.

While most members of the subcommittee have been shaken into support of the President's position on ASATs by the classified briefings, a few senators still seem interested in arms control for the sake of arms control.

Senators Carl Levin (D-Mich.) and

Jeff Bingaman (D-N.M.) expressed dismay over the administration's position. They were supported by John Steinbrenner of the Brookings Institution, who testified that the Soviets have shown "restraint" in the deployment of ASAT capabilities, thereby signaling their readiness to negotiate. Steinbrenner warned that the United States was provoking a "very hostile reaction" from the Soviets by planning an ASAT test in the fall and by talking about directed-energy weapons.

In the House Foreign Affairs Committee Subcommittee on International Security, Rep. George Brown (D-Calif.), the founder of the Coalition for the Peaceful Uses of Space, held forth once again April 10 on the need to keep space safe for Soviet ICBMs.

Kemp, Lott introduce phony anti-Fed bill

Seeking to capitalize on fears among conservative Republicans that interest-rate hikes will blow Republican reelection chances out of the water, a group of GOPers led by Rep. Jack Kemp (N.Y.) and House Minority Whip Trent Lott (Miss.) announced at a press conference April 11 that they will introduce legislation to modify the activities of the Federal Reserve Board.

The Lott-Kemp proposals would have no long-term effect on interest rates whatsoever, but would deliver fingertip control over the U.S. economy to the Mont Pelerin Society and the Swiss bankers who are behind the proposed "reforms." Mont Pelerin economist Robert Mundell is a prin-

cipal adviser to Kemp.

Kemp bent over backwards to emphasize that his move is by no means an attack on the "independence" of the Fed from the executive and legislative branches of government.

The first bill proposed by the group would establish a "price rule" for monetary policy, requiring the Fed and the Treasury to develop a price index of one or more commodities. If the index went above the target range, the Fed would be forced to adopt a restrictive monetary policy, and if it fell below the target range, the Fed would ease credit. Kemp suggested that gold be one of the commodities on the index.

This absurd proposal would unconstitutionally remove all control over credit policy from the U.S. government, subjecting it to the dictates of the Swiss-controlled "market."

The second bill, "The Federal Reserve Reform Act of 1984," would require the Federal Open Market Committee (FOMC) to announce its policy changes the day they are made rather than after the roughly two-month delay under current practice. The bill would also add the Treasury Secretary to the FOMC Board, reduce board member terms from 14 to 7 years, and make the term of the chairman of the Fed coterminous with that of the President, with a one-year delay before the President appointed the chairman of his choice.

The House Banking Committee has passed two bills on the Federal Reserve this week. H.R. 5278 would allow directors at the Fed district level to be chosen from thrift institutions, credit unions, and commercial banks that are not members of the Federal Reserve system. H.R. 4009 would, among other things, reinstitute the re-

quirement that detailed minutes of meetings of the FOMC be taken, but would not have to be released for four years. It would also make the Fed chairman's term coterminous with the President, with a one-year lag time.

House Banking Committee sources thought that it was "highly unlikely" that the committee would consider the Lott-Kemp proposals.

Israel's Lavie project pushed on Hill

One Senate subcommittee has scheduled hearings on expanding U.S.-Israeli strategic cooperation, and others are considering hearings on the same topic, Capitol Hill sources report. The hearings, backed by the Israeli lobby in the United States, will focus on "merging the U.S. and Israeli defense-industrial bases," the source said, including U.S. assistance to the Lavie jet project and various military co-production proposals.

The Ariel Sharon faction in Israel is pushing for greater U.S. assistance in the production of the Lavie jet, as a step in transforming the Israeli economy into all-out emphasis on military production.

The Sea Power and Force Projection Subcommittee of the Senate Armed Services Committee will conduct hearings April 24 on U.S.-Israeli strategic relations, featuring former Secretary of State Alexander Haig, administration officials, and various public witnesses.

One source described the hearings as the "AIPAC memorial hearings," referring to the role of the American-Israeli Public Affairs Committee in organizing the testimony.

Three Mile Island unit to start hot testing

Unit I of the Three Mile Island nuclear power plant received permission April 10 from the Nuclear Regulatory Commission (NRC) to start hot functional testing. The testing will begin at the end of May, when work on the unit is completed.

Unit I, which was closed for routine maintenance when the 1979 incident at Three Mile Island's Unit II occurred, has been shut down ever since by a proliferation of new safety regulations. Unit I was in no way affected by the incident.

Hot functional testing, which is typically the last stage of testing before starting operation of a unit, consists of testing plant systems at operating temperature and pressure, but without the critical mass necessary to start nuclear reactions.

The NRC decision does not mean that Unit I will restart operations immediately, nor should there be any presumption of restarting, according to a Three Mile Island spokesman. However, the plant managers hope for a decision from the NRC on restarting the unit by the end of June.

NRC chairman Nunzio Palladino has stated that he would like the Commission to make its ruling before Commissioner Victor Galinsky's term ends June 30. Galinsky is the only commissioner who has been a member since the 1979 malfunctioning, and Palladino "values his insight."

Galinsky, however, has a record of anti-nuclear power decisions. Galinsky, with James R. Schlesinger, was instrumental in turning the pro-nuclear Atomic Energy Commission into the anti-nuclear NRC. There is every indication that Galinsky will oppose restarting Unit I.

In addition, Unit II of the Susquehanna nuclear plant, after receiving its operating license from the NRC March 23, has finished loading fuel. Hearings for the operat-

ing license were held in October 1981. Commercial operation of the unit should begin by the end of 1984.

Beam opponent Bowman meets the boss

Robert Bowman, the chief of the Institute for Space and Security Studies, traveled to Moscow in early April. Bowman attended a conference devoted to "problems of preventing the use of space for military purposes." The keynote speaker was the U.S.S.R.'s first public spokesman against beam-weapons defense, Patriarch Pimen of the Russian Orthodox Church and Moscow Patriarchate. Bowman endorsed the Soviet proposal to ban all space-based weapons.

Late last year, when Soviet diplomat Valerii Churkin failed to appear at the last moment to debate *EIR* editor-in-chief Criton Zoakos on the issue of antiballistic-missile defense in Washington, D.C., Bowman volunteered to fill in for Churkin.

Doctors prescribe starvation of patients

Ten prominent doctors associated with some of the United States's most prestigious medical institutions recommended euthanasia measures that include withholding food and water from certain patients in an article published April 12 in the U.S. medical "publication of record," the *New England Journal of Medicine*.

The proposals, promoted at a Boston conference sponsored by the Society for the Right to Die, include decreasing or halting medical treatment for a patient if it "would only prolong" an uncomfortable process of dying; respecting a patient's right to refuse treatment; and refusal to use the case of a

patient who survived a specific disease as the overriding reason to continue treatment of another patient with the same disease.

The report also states that when a patient is in a "vegetative state," or is "severely, irreversibly demented"—a category which includes the senile elderly—it is "morally justifiable to withhold antibiotics and artificial nutrition and hydration, as well as other forms of life-sustaining treatment."

The recommendations were developed by Dr. Daniel D. Federman, former president of the American College of Physicians, along with representatives of the medical schools at Harvard, University of Pittsburgh, Johns Hopkins, and the University of Texas, and from the Mayo Clinic, University of Virginia Medical Center, and Hennepin County Medical Center in Minneapolis. The recommendations also state that the "cost considerations" in medical care can no longer be ignored.

LaRouche announces campaign plans

After massive fraud against his presidential campaign in the April 10 Pennsylvania primary, Democratic contender Lyndon H. LaRouche told his supporters that he is committed to running his campaign all the way through the November election. He will enter all upcoming primaries possible, he stated, but, if the vote fraud perpetrated by the Charles Manatt and Lane Kirkland-led usurpers in the Democratic Party continues, he will continue his race as an independent Democrat.

"I cannot ignore the 20% of the vote I received in the April 10 Pennsylvania primary," LaRouche stated. "With every indication being that I actually received 20% of the vote cast, I have decided that I must fulfill my obligations to the people of Pennsylvania. I will not fail the people who voted for me."

LaRouche is running in the Louisiana primary May 5, and Maryland and Ohio May 8. He was put on the ballot for the June 5 New Mexico primary in a unanimous vote by the Primary Election Nominating Committee April 10.

LaRouche is also on the ballot for the May 15 Oregon and June 5 California primaries. Campaign supporters are now gathering petition signatures to place his name on the ballot for the June 5 New Jersey, May 24 Idaho, and June 12 North Dakota primaries.

Soviets protest U.S. Olympic security measures

The Soviet Union issued a statement April 9 implicitly threatening to boycott the Los Angeles Summer Olympics because of security measures on the part of the United States. The statement, issued by the Soviet National Olympic Committee, accuses the United States of violating the International Olympic Charter, and demands an "emergency session" of the International Olympic Committee.

"Slanderous allegations are being made that the participation of a Soviet delegation in the Olympic Games would presumably threaten U.S. security," TASS wrote in response to a U.S. demand for a list of all members of the Soviet delegation requiring visas, and that "the embassy of the U.S. reserved the right for itself not to give permission for entry to those it considers unsuitable."

As security sources have told *EIR*, one of the standard covers for Soviet spetsnaz operatives—highly trained search-and-destroy teams deployed abroad—is Soviet "sports" teams. One Soviet delegation member has already been rejected by the U.S. government: Oleg Yermishkin, proposed Soviet Olympics attaché, was identified as a high-ranking KGB official and re-

fused a U.S. visa on the basis of "internal security and national security grounds."

The United States has, however, apparently given permission for the Soviets to berth a passenger ship used to transport Olympic personnel and equipment in Long Beach harbor for the duration of the Olympics, despite widespread concern that the ship will be used as a base for espionage activities.

Kissinger receives state visitors

Readers of the Latin American press covering Henry Kissinger's recent receptions of Ibero-American leaders could well believe that Kissinger had actually taken office as U.S. secretary of state.

Kissinger met with the president of the Dominican Republic, Jorge Blanco, in New York on April 9, and on April 11 *La Nación*, the major Argentine daily, ran a front-page picture showing Kissinger shaking hands with Argentine Foreign Minister Dante Caputo during Caputo's visit to New York.

The accompanying article, "Coinciding Views between Caputo and Kissinger," claims that their "prolonged visit" could "influence Reagan's attitude toward the Alfonsín government." Caputo, who met with Kissinger for an hour and 40 minutes, is quoted fondly praising the "rigor of thought" of the former U.S. secretary of state.

Continues *La Nación*: "In effect, although Kissinger has no official position in the U.S. government, his is a much listened-to and respected voice in official, banking, and intellectual circles." Therefore, the paper concludes, the approval Kissinger "accorded President Raúl Alfonsín's administration can weigh seriously in the U.S. attitude towards his government."

Discussion between Kissinger and Caputo centered on Argentina's handling of its foreign debt.

● **CASPAR WEINBERGER** told visiting Japanese Socialist Party (JSP) chairman Masashi Ishibashi April 12 that defense of Japan's 1,000-mile sea lanes is vital for the defense of its economy and trade. Ishibashi, leader of Japan's number-one opposition party, responded that creating a "friendly international environment" was more important than increasing threats.

● **THE HOUSE** of Representatives adopted a non-binding resolution calling on the administration to halt the mining of Nicaragua's harbors by a vote of 281 to 111. A similar resolution was adopted by the full Senate April 10 by an 84-to-12 vote. Several sources report that the votes signal the end of congressional funding for the anti-Sandinista rebels and possibly for U.S. military aid to El Salvador. On April 13, thirteen Democratic members of the House Judiciary Committee, including chairman Peter Rodino, wrote Attorney General William French Smith asking for appointment of a special prosecutor to investigate whether high-level Reagan administration officials had violated the Neutrality Act of 1794 by aiding a rebellion against Nicaragua's government.

● **CHARLES T. MANATT** and Frank Farenkopf, Jr., national chairmen of the Democratic and Republican parties, signed a "campaign ethics code" April 13 which was drawn up by the Anti-Defamation League of B'nai B'rith. The code claims to condemn personal vilification, character defamation, and "any appeal to prejudice." The ADL is notorious for its repeated slanders of Democratic presidential candidate Lyndon LaRouche as "anti-Semitic."

● **THE FEDERAL** Elections Commission released federal primary matching funds to Democratic presidential candidate Lyndon H. LaRouche, Jr. by a 5-to-1 vote April 12 after almost three months of delay.

Genocidalists try to gag EIR

The International Monetary Fund's executive director, Jacques de Larosière, was caught *in flagrante delicto* April 9 violating both U.S. law and common time-honored practices of according a certain elementary access to news reporting agencies.

A few hours before the IMF's semi-annual Interim Committee meeting was to begin in Washington D.C., *Executive Intelligence Review* was arbitrarily denied accreditation to the IMF and to the meeting, contrary to the general practice of public institutions, and despite the fact that *EIR* journalists have attended every such IMF meeting since 1975 in good standing.

EIR Washington correspondent Stanley Ezrol was told by IMF Chief Information Officer Helmut Hartmann that "the IMF made a decision not to issue press credentials to the *EIR* this year. We have got a directive to this effect." Despite the fact that *EIR* banking columnist Kathy Burdman had registered with Mr. Hartmann's office a month earlier and been confirmed as a participant by that office, she was told by Hartmann April 10: "You were on the list, but your request has been denied." Hartmann invoked "misuse of press privilege" by *EIR*, citing articles published by the columnist which were "deleterious to the IMF."

Further inquiry revealed that the original decision was made by de Larosière and communicated to Mr. Azizali Mohammed, director of the fund's External Relations Department.

It is a notorious fact that the *EIR* has vigorously argued that the United States should stop funding the IMF with taxpayers' dollars for the reason that the IMF's "loans" are exclusively used to force genocidal policies in the developing sector. *EIR* is on the record as an avowed opponent of the Fund's policies, which are identical to the monetary policies of Dr. Hjalmar Schacht, Adolf Hitler's economics minister.

In previous years, however, the IMF had not dared take the unprecedented measure of depriving the *EIR* of its normal rights of free press operating in a free

country merely because of our critical views. This year, with the toleration of the U.S. executive director for the IMF, Mr. Richard Erb, whose loyalties apparently lie with Paul Volcker and the Treasury, Mr. de Larosière's contempt for the free press as well as his gagging diktat were allowed to pass.

The IMF has placed itself above the U.S. government in this. The IMF's official press registration form states that journalists will be accredited who present "current press credentials . . . such as those issued by national authorities." Burdman and Ezrol have full credentials from the U.S. Department of State and U.S. Secret Service. Apparently the point has been reached at which U.S. government credentials are not good enough for the supranational government at the IMF.

The IMF considers itself above U.S. law altogether. The IMF's chief counsel told *EIR*: "you have no recourse under U.S. law to reverse the Fund's decision. The Fund is immune from suit under the treaty ratified by the Congress, the Bretton Woods Agreements Act, with which the United States joined the IMF. Neither can you bring suit against any Fund personnel such as Mr. de Larosière."

Were the IMF an institution under U.S. law, a dozen commissions of inquiry, select congressional committees and special prosecutors would have been set up by now to deal with Mr. de Larosière's arrogance.

EIR will hold the Fund, Jacques de Larosière, Richard Erb, Azizali Mohammed, and Helmut Hartmann responsible not only for their Gestapo effort to gag the press, but, more to the substantive point, for the genocidal policies which they are attempting to conceal and protect by excluding *EIR*.

Our "misuse of privilege" has been to publish verbatim statements of the Fund's officers openly advocating genocide. We shall continue to do so in the future, and we shall hold the IMF and its officers legally responsible for "crimes against humanity" as defined under the Nuremberg statutes.

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