

# EIR

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\$10.00

LaRouche outlines foreign policy on NBC-TV  
Soviets plan 'Islamic' terror wave for April  
Beam-weapons defense, one year later

**Kissinger sellout plan  
throws Europe into shock**



# EIR Special Reports

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# EIR

## From the Managing Editor

This issue presents a panorama of the policies for which *EIR*'s founder Lyndon H. LaRouche, Jr. has won the support of a mass political movement inside the United States and the enmity of Moscow. In the National report is the transcript of LaRouche's foreign policy speech on NBC-TV March 17. His program to revive the steel industry, broadcast that day in Pennsylvania, is summarized in Economics.

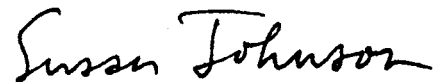
Since LaRouche and thousands of other candidates are running for office to put those policies into practical effect, printing this material is our contribution to the democratic process. The Trilateral Commission, to which the fellows on our cover belong, say democracy is outmoded and should be abolished.

The cover photo records a private meeting where individuals not accountable to any electorate conspired to make policy decisions which would soon leave us all dead or Soviet puppets. It was the Jan. 13 conference in Brussels sponsored by the Georgetown Center for Strategic and International Studies. There, Kissinger openly attacked the credibility of the U.S. nuclear umbrella over Europe. Helmut Schmidt, the ex-German Chancellor, has led the applause for this sellout plan.

Kissinger was speaking as a private individual, of course; but a private individual who has "leaked" all over the European press and the corridors of power that he will be Secretary of State again, at the very latest, in the "next" Reagan administration.

Idle boasts? No one at the White House denied them. On the contrary—as our Special Report shows, Kissinger's policies are implemented Pontius Pilate-style, by *default*.

A high ranking member of a leading French political party reports that Kissinger has called LaRouche and his representative in France, Jacques Cheminade, "persons that I hate." At the same time the Soviet government (*Izvestia*, March 12) targeted both Reagan and LaRouche for assassination, for opposing Kissinger's policies. It is worth recalling that two popularly elected prime ministers, Pakistan's Zulfikar Bhutto and Italy's Aldo Moro, met violent deaths after being threatened by Kissinger.



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## Kissinger comeback triggers new debt crisis

by Kathy Burdman

If a portion of Argentina's \$45 billion foreign debt is declared non-performing at the end of the first quarter, as Manufacturers Hanover President Harry Taylor threatened March 6, "Manufacturers Hanover itself may have to be merged to avoid further trouble," a top bank accountant at one of New York's Big Eight accounting firms told *EIR* March 15. The source said he had heard the rumor "several times now from very high-level people, and I'm beginning to be worried."

The money center banks calculate they can sustain a loss of \$1.1 billion in Argentine interest payments, spread among 110 banks. Manufacturers Hanover, with \$64 billion total assets and \$1.3 billion in officially reported Argentine loans, would take a reduction in earnings of some \$24 million if Argentina's loans were declared non-performing. Citibank, with what Merrill Lynch analyst James Wooden estimates as \$1.2 billion in loans to Argentina, would be hit with a similar loss.

Taylor told the press March 6 that if they had to declare Argentine loans bad, the banks could handle the income losses as "not a crisis, but an irritation." Mr. Taylor apparently believes Argentina will back down and pay up; if he is wrong, his bank will be in more trouble than a mere \$24 million income reduction would indicate, the accountant said.

The Federal Reserve's plan, if a run does develop on Manufacturers Hanover deposits or stock, would be to merge it and another large New York bank "which would be experiencing similar troubles" by that time, the source stated. "That way they could consolidate the debt and only have to deal with one bailout situation." *EIR* had previously heard that Chemical Bank is in similar trouble and a candidate for such a "regulatory merger."

Only part of this information has found its way into the

markets. Bank stocks tumbled on Wall Street following Taylor's announcement. Manufacturers Hanover, the largest U.S. creditor, slid 1¼ points on March 9 before a slight recovery. Citicorp slipped by more than 3 points from March 8 to March 15, and Chase Manhattan and J. P. Morgan went down as well.

A "slow panic" has already begun on the Eurodollar interbank market, a source at Chase Manhattan told *EIR* March 15. Large international depositors and European banks are shying away from Citibank and Manufacturers Hanover CDs and other paper "because they don't trust them. There is a lot of money waiting this out." Eurodollar rates could rise and the dollar temporarily strengthen as investors seek liquidity in the crunch.

The Argentina showdown March 31, however, is only the start. If it blows up, the money center banks will pull the plug on Brazil, Venezuela, Mexico, and others across the continent as they did after the April 1982 Malvinas War. "Brazil isn't going to survive," as one banker told the *Wall Street Journal* March 12.

Only *Journal* readers were shocked by the crisis, for it was rigged by the money center banks themselves. Harry Taylor put the story in public spotlight when he called in the press March 6 to say that Argentina must pay on its \$3 billion in interest arrearages or be declared non-performing. Under a front page headline "Argentine Loans in Arrears by \$3 Billion," the *Washington Post* March 7 quoted Taylor that Argentina "has enough dollars to make the required payments" of at least \$1.1 billion, which would bring the arrears back under the 90-day limit for lateness of payment under U.S. banking law.

Major banks calculate that either Argentina will back

down and pay, or sign with the IMF and impose further depressionary measures. "Argentina, hardline? That's no problem as far as we're concerned," one banker laughed. "They have two faces: one for the press, and one for the banks. For the press, domestically [President] Alfonsin is talking about fighting the IMF, but moving to please the IMF." But if Argentina doesn't pay, "the losses can be absorbed," he stated.

### **British, Swiss play 'Kissinger card'**

There is, however, an even bigger game afoot here, run out of London and Switzerland, in which the likes of Harry Taylor and Walter Wriston are mere pawns. The real decision to push Argentina to the wall was made by the major British and Swiss banks of the Ditchley Group cartel the week of March 5. The cartel members have no 90-day interest deadline to meet: they began writing down Argentine debt long ago. Ditchley founder Sir Peter Leslie of Barclay's Bank, the Bank of England, and Fritz Leutwiler's Bank for International Settlements told the Americans that Argentina would get not a cent in new money to pay its interest arrears, and that confrontation was desirable.

As the London *Financial Times* editorialized March 13, "It would be a serious mistake . . . to arrange some last-minute short term credit lines to Argentina that would allow arrears to be reduced. . . . The price of missing the March 31 deadline is one which U.S. banks can reasonably afford. Canadian banks have already put Argentine loans on a non-performing basis."

The Swiss and British have in fact been made bold to force a huge new crack in the debt crisis and push Ibero-America to the wall by the return of Henry Kissinger to power in Washington. As the United States under Kissinger's advice backed up the British armada sent to defeat Argentina in 1982, the Europeans now believe Kissinger can pull Washington's might behind them for gunboat debt collection.

The point was made by the London *Economist* March 12 that "the Falklands campaign could not have been mounted, let alone won, without American help." The *Washington Post* confirmed the Swiss and British bankers' expectations with Pentagon officials March 7. The *Post* reports that Secretary of Defense Caspar Weinberger is a great friend of Britain, willing to loan the Queen U.S. aircraft carriers, spy satellites, fuel, Sidewinder missiles, mortar shells, and other equipment.

### **Debt for equity exchange**

Kissinger's political strategy is to "Iranize" Ibero-America, forcing so much austerity that governments are toppled. As Kissinger put it last year, "Argentina is as unpredictable as Iran. . . . This is a country which will be dismembered at an accelerating rate." Kissinger reportedly told a client of his private consulting firm Kissinger Associates, "Sell everything that you have in Argentina and leave the country with

your family. There, terrible things are about to happen."

The threats of bankruptcy issued by the Swiss, British, and New York banks—all clients of Kissinger Associates—have already caused a collapse of the Argentine peso by 10% this month, and by 50% since the beginning of the year, as capital flees the country.

The crisis is already spreading across the continent to Venezuela, Brazil, and Mexico. "New Crisis for Latin Debt," wrote the *New York Times* March 11, citing an "emergency," and noting that not only Argentina but also Venezuela have no intention of paying the overdue interest on their debt. "Can Brazil be Kept Afloat?" headlined the *Wall Street Journal* March 12. "June will be the end of the line for Brazil," which needs \$5 billion to stay solvent, the *Journal* quoted a banker.

Even Mexico cannot pay now—as *EIR* predicted to a skeptical banking community last fall. Mexico, the star debt payer since the "successful" August 1983 loan package, "is talking about scrapping those agreements," the *Journal* reported.

Why would the European banks start such a fire? By destroying the continent's nationalist institutions, the London and Zürich Ditchley banks, with Walter Wriston and Harry Taylor in tow, will be free to implement the "Kissinger Plan," for an exchange of Latin debt for equity in the debtors' national assets. Kissinger formulated this at a Vail, Colorado meeting last August.

As the London *Times* editorial "Can Pay, Must Pay" said Feb. 27, either the debtors must grant the creditors equity, or the banks must write them off. The debtors must show "the encouragement rather than the discouragement of direct investment . . . [and] a readiness to provide collateral guarantees for loans in the form of public assets." It suggested that Mexico should exchange shares in Pemex for the debt, since "The value of Mexico's national oil company is at least twice the value of its external debt." Sri Lanka should hand over its "important rubber and tea estates," and so on.

Otherwise, "Sir Alan Walters, lately Mrs. Thatcher's economics adviser, has calculated that the nine largest American banks which carry most of the Latin American debt could write down the value of their loans by 25% without causing unbearable frictions in the American banking system," the City of London paper demands.

The Swiss and British are pulling a potential full-blown 1929 style global financial crisis for political reasons. To carry out their "New Yalta" deal with Moscow, the bankers want to collapse the U.S. dollar and make a Hoover lame duck of Ronald Reagan. Under the headline "Gnomes Who Hold Reagan's Fate: Foreign Speculation in the Dollar is the Key," the *Washington Post* March 11 openly bragged that "Swiss bankers, the Soviet Foreign Trade Bank in Zürich 'Wozchod Handelsbank'; the British government's British Petroleum Co., and the big 'money center' banks in London, Tokyo, Frankfurt, and New York . . . have the power to halt the American economic recovery."

# What is *EIR*'s influence over Reagan policy?

by David Goldman

The *Chicago Tribune* March 8 reported White House and Central Intelligence Agency confirmations of an intelligence briefing relationship between the National Security Council, the CIA, and Lyndon LaRouche's "excellent private intelligence system," the *Executive Intelligence Review*, to cite former NSC official Dr. Norman A. Bailey's comment to the *Tribune*.

The *Tribune*'s account is accurate as far as it goes. It is not *EIR*'s business to elaborate on such discussions. However, a public record exists on these matters which eliminates most of the mystery.

*Executive Intelligence Review* published its first study of the economic impact of beam-weapon technology in December 1982, and conducted detailed studies, including econometric modeling with the LaRouche-Riemann computer-based model, of this impact. These were released publicly both in the *EIR* and in a special multi-client report dated June 1983 and entitled, "The Economic Impact of Beam-Weapon Technologies." We compared the World War II mobilization of 1939-43 to the potential impact of beam-weapon technology, and concluded that the experience was repeatable.

Mr. LaRouche's proposals on the need for "great projects" and for federalization of the Federal Reserve System are well known. A comparison of Mr. LaRouche's proposals with the following selections will permit the reader to draw his own conclusions on LaRouche's reported influence in Reagan circles, so deplored by *Izvestia*.

## **Bailey's proposals: 'great national programs'**

Here is what Dr. Bailey, former senior director for International Economic Policy at the NSC, wrote in the *New York Journal of Commerce* March 14:

"It cannot be denied, however, that great national programs, when engaged in within the framework of the market economy, can give and have given great impetus to the industrial sector with highly beneficial effects on the economy as a whole. Between 1939 and 1943, for example, American military mobilization put a whole series of existing technologies to work for the first time. About \$10 billion invested in these (largely electronic and metallurgical) technologies provided the necessary impetus for the post-war boom, when almost all economic seers had forecast a return to the post-war

depression. In this four-year period unemployment was reduced from 25% to practically nothing, industrial production increased 25% per annum, and all this was done in a relatively non-inflationary fashion despite the maintenance of gold convertibility (for non-U.S. citizens) and a Federal Reserve discount rate of 1% throughout. Per capita production of consumer goods was actually higher in 1943 than in 1939!

"Another recent example was the NASA space program in the late '50s and '60s. . . . The NASA program in fact had a highly favorable effect on the civilian economy, estimates of benefit to cost ranging from 5 to 1 to 8 to 1.

"If vigorously followed up, the President's beam-weapon defensive technologies initiative as announced in his speech of March 23, 1983, can preform this industrial miracle again. It is, of course, absolutely essential from the purely defensive standpoint, since the Soviets are developing these systems as fast as they can. If they deploy them before we do the arms race will be over in a particularly unpleasant way and we can all begin studying Russian. However, defense funds diverted to the rapid development of these technologies, if history and logic are any guides at all, will return the costs many-fold in economic benefits."

In an earlier article published by the *Journal of Commerce* March 2, 1984, Dr. Bailey proposed drastic reform of the Federal Reserve System and a return to gold monetization:

"It also seems to some ridiculous that a few people, meeting periodically in secret, try to decide how much liquidity the world's largest and most complex economy needs, when we supposedly believe in decision by market forces, and that an appointed official is the most powerful person in the United States on economic matters when we supposedly believe in democracy. . . .

"The Federal Reserve is obsessed with liability management—namely the money and credit it issues—the famous M's. It pays no attention to asset management—namely, the backing of the currency it issues. It simply funds, directly or indirectly, the Federal deficit. . . .

## **Alternatives to monetization of debt**

"The Japanese and German central banks' assets consist largely of commercial, industrial, and agricultural paper and bonds generated by their local private economies. They do not monetize, directly or indirectly, any part of their governments' deficits. Consequently money issue tracks economic activity rather closely, so that the price level holds fairly steady. . . .

"The road back to monetary sanity could begin with a simple amendment to the Federal Reserve act forbidding the Fed to replace its Treasury portfolio as it matures, or perhaps even more gradually, if necessary. The result would be severe competition for Treasury paper in its asset column with productive paper. An eventual return to some form of gold convertibility could also take place if necessary to solidify confidence even further."



# The way to revitalize the Pennsylvania-Ohio steel belt

by Mary McCourt

U.S. civilian and military steel requirements will be so acute that there can be no question, in the interest of the nation, that U.S. Steel Corporation must rebuild its capacity immediately. If its management is unwilling to do so, *EIR* founder Lyndon LaRouche, Jr. stated on March 17, there is more than one historical precedent for a President to demand that the steel industry produce steel.

In January 1952, in an effort to end a steel strike by forcing the industry to meet certain demands, President Harry Truman announced that he was taking two actions: "First I am directing the Secretary of Commerce to take possession of the steel mills and to keep them operating. Second, I am directing the acting director of defense mobilization to get the representatives of the steel companies and the steel workers down here to Washington at the earliest possible date, in a renewed effort to get them to settle their dispute." The strike was ended, despite court action brought by the companies to prevent the seizure.

In April 1962, President John Kennedy was confronted with a steel price increase just after the steel unions had accepted a contract without any wage increase. "The simultaneous and identical actions of United States Steel and other leading steel corporations in increasing steel prices by some \$6 a ton," Kennedy stated at a press conference, "constitute a wholly unjustifiable and irresponsible defiance of the public interest. In short, at a time when they could be exploring how more efficiency and better prices could be obtained, reducing prices in this industry, in recognition of lower costs, their unusually good labor contract, their foreign competition, and their increase in production and profits which are coming this year—a few gigantic corporations have decided to increase prices, in ruthless disregard of their public responsibilities."

The President threatened to shift all defense production orders exclusively to those corporations which had not raised their prices; the steel giants yielded and rescinded the \$6 per ton increase.

Now, the needs of the infrastructural repair and military build-up required for national defense make it impossible to postpone tackling the steel question.

On March 17, LaRouche addressed the citizens of Pennsylvania in a statewide prime-time television broadcast, sponsored by his Democratic presidential campaign organi-

zation, on the measures that he, as President, would take to restore the depression-devastated industrial heartland of the United States. The Pennsylvania half-hour television address was followed by an NBC-TV speech to the entire nation contrasting his own commitment to take up Franklin Roosevelt's policy of leading a community of developing nations to Henry Kissinger's commitment to the devastation of the underdeveloped sector.

## The role of Pennsylvania

Pennsylvania, where LaRouche is an important contender in the April 10 Democratic presidential primary, has historically been a "keystone" of economic and political power for the United States as a whole.

Beginning with the development of the iron industry in the second half of the 18th century in Pennsylvania, industry spread through Ohio, Indiana, and Illinois, into Michigan and along the Great Lakes, creating the industrial heartland of the United States.

But at the end of the 20th century, the situation is very different. In the post-war period, starting with 1947, seventy-six percent of the workforce was employed in high-technology manufacturing. Services—which constitute overhead expenses for the economy—represented 24% of employment of the state.

Under the influence of approximately 20 years of "post-industrial-society" policy introduced by Lyndon Johnson in 1966-67, Pennsylvania is being gradually turned into a desert. In 1967, as LaRouche's broadcast stressed, 62% of the workforce was employed in manufacturing; 31% employed in services; and 7% was unemployed. By 1979 manufacturing had dropped from 62% to 47% of employment of the labor force as a whole. But from 1979 to 1983, the years of Paul A. Volcker's reign at the Federal Reserve, a disaster struck the state. Unemployment rose to 21%, while, as services have not dropped significantly as a source of employment, there was a critical collapse of manufacturing employment. By 1983, services represent 54% of total employment, whereas manufacturing employment is only 46%.

Pennsylvania's unemployment figures show only a part of the casualties. As *EIR* has demonstrated, there has been consistent, massive fraud in official unemployment statistics.

In the first part of 1983 alone, the government dropped 1 million people from the labor force.

The figures reported for Pennsylvania are gross underestimates of real unemployment—their real significance is to show the concentrations of current unemployment in the state. The unemployment impact has been less in Philadelphia, which has shifted to a service-oriented economy in the post-war period; the official figure was 7.2% for fourth-quarter 1983. Pittsburgh is ostensibly “adjusting” to the post-industrial society following the collapse of the steel industry. Unemployment figures there fell from 17.1% in the first quarter to 12.1% by the fourth quarter 1983. But the smaller steel cities, including Johnstown and Altoona, have no resources to enable them to adjust to the post-industrial society. Reported unemployment in Johnstown was 25% in the first quarter and held at 15.3% by the fourth quarter; Altoona’s was 13% by the end of 1983.

And these fourth-quarter figures are questionable. The state showed a “very unusual decrease” in statewide “adjusted” unemployment figures: While the unadjusted rate fell from 10.2% to 10.1% statewide, the adjusted rate went down to 8.3%. This was accompanied by an unusual drop in the total labor force of 60,000 persons.

The Pittsburgh figures are also doubtful. An editorial in the March 5 *Pittsburgh Business Times* stated that “the real rate of unemployment locally is much higher than the 12.5% reported.” In a survey of business and civic leaders, 78% in Pittsburgh considered unemployment the most important problem the city faces. The Pittsburgh area *Labor Market Newsletter* reported in November: “Conditions in the manufacturing sector continue to be set by the primary metals industry. Employment in primary metals reached a low point of 47,100 in February 1983, after losing 55,000 jobs from the pre-recessionary peak of 102,100 in July 1979.” Volcker was appointed Federal Reserve chairman in August 1979.

The Federal Reserve, LaRouche asserted, in its present form is unconstitutional. It is in direct, explicit violation of Article I, Sections 8 and 9 of the federal Constitution. In immediate steps after his inauguration, LaRouche stated, he would ask the Congress to issue gold-reserve currency, with gold priced at about \$750 an ounce, this currency to be loaned through the Federal Reserve system to private banks, for lending for infrastructure building, for maintaining agricultural production, for development and maintenance of U.S. industrial capacity to put out physical goods. Those loans will be made to private banks at rates of between 2 and 4%; these are the sorts of actions President Franklin Roosevelt used during 1939 to 1943, to enable the nation to produce what it needed to win World War II.

### **A program for rebuilding the region**

LaRouche made three proposals for Pennsylvania and the adjoining states. The first is a program for **fresh-water management**, including the key Delaware area, to meet the im-

minent water crisis.

Second is **production of a U.S. flag fleet of high-speed modern merchant vessels**, in the range of between 50,000 and 100,000 tons each, to carry an expanded U.S. export volume running to about \$50 billion a year more than at present. That will require immediate expansion of shipbuilding in the Philadelphia area.

Third, **a canal from Lake Erie, in the Great Lakes, down into the Pittsburgh area**, must be built, and **the locks and canal systems** along the existing rivers in that area need immediate improvement. This canal would revive not only the Pittsburgh area but also the region surrounding Youngstown, Ohio.

### **‘Make the steel industry produce steel’**

Such projects, LaRouche stated, pose even more starkly the problem of the U.S. steel industry, particularly the effects of the long mismanagement of the dominant force in the steel industry, U.S. Steel Corporation. A comparison with Japan shows the problem.

In 1964, Japan produced 39 tons of steel per thousand manhours; the United States produced 81 tons per thousand manhours. By 1980, U.S. tons per thousand manhours had increased only from 81 to 97 tons per thousand manhours, whereas in Japan, the tons-per-thousand-manhours output has increased from 36 tons to 136 tons. The reason for this lag in the rate of increase in U.S. steel production lies squarely with mismanagement by the U.S. Steel Corporation.

During 1957-76, the United States invested \$35 billion, according to the accounting figures, and Japan only \$27 billion, in the steel industry. But the difference lies in where the investment occurred.

Japan has invested in 100 million tons’ capacity of modern technology in new “greenfield” capacity—building a plant from scratch, based on modern technology, rather than trying to improve an old plant—whereas the entire investment by the United States over this period in such plants was only 11 million tons. U.S. Steel and similar companies have been bleeding the taxpayer with tax write-offs, and have been bleeding their labor and their communities, taking the investment out of technology and putting it into real estate and other speculative areas.

In 1978, of U.S. Steel’s total revenue, 26% came from sources of income other than steel production. But now, U.S. Steel is no longer in the steel business. Overall, only 31% of the total revenue of U.S. Steel is coming from the steel business. In addition, U.S. Steel and others have been suppressing technologies, even those new technologies they developed themselves, and as a dominant force in the industry have prevented the rest of the U.S. steel industry from making these technological improvements.

It is time, LaRouche asserted, that the United States government and the U.S. taxpayer stop subsidizing U.S. Steel for mismanagement.

## A Thai deputy is campaigning for the Kra Canal

*A proposal for constructing a canal across the Isthmus of Kra in Thailand has been the subject of intense public and private discussion in Thailand since an October 1983 conference in Bangkok organized by EIR and the Fusion Energy Foundation, in collaboration with the Thai Ministry of Communications. At that time, Lyndon H. LaRouche presented the canal proposal as part of a five-part plan for development of the Indian and Pacific oceans' basin. The development projects were designed as a crucial intervention into the strategic-political situation in the entire region.*

*One supporter of the Kra Canal project is a parliamentarian from Sanaburi, Pongpol Adireksarn, a member of the opposition Chat Thai party, the largest political party in Thailand, and the one broadly recognized as the "businessmen's party." Mr. Adireksarn is now touring the United States at the invitation of the Institute of International Education, and has asked to be shown U.S. inland water management projects during his stay.*

*One of the more outspoken members of the Chat Thai party, Pongpol Adireksarn told EIR that he feels that he has time on his side. He, unlike some of his fellow party members, is in no hurry to join the governmental coalition. "You are in the same government in order to carry out some joint tasks such as key development projects like the Kra Canal. Will Prime Minister Prem support the Kra Canal project?" he asks.*

*In December 1983, Mr. Adireksarn was interviewed in two Thai newspapers, where he expressed his own views on the national and regional importance of moving the Kra Canal project ahead. Much of the statistical material he reviewed was taken from the project proposal prepared by EIR and the Fusion Energy Foundation and released under the title "A Fifty-Year Development Policy for the Indian-Pacific Oceans Basin."*

*We publish here excerpts from Mr. Adireksarn's interview with the Bangkok weekly Wongchorn, in its Dec. 19-25, 1983 issue.*

People of my age belong to a new generation that should have something new to propose for the future, for the ten to twenty years ahead. Thailand should have some kind of development program on an international scale. . . . I am very interested in developing the southern coast, the passage route for maritime traffic from Europe, through the Suez Canal, across the Indian Ocean and through the southern part of Thailand, out into the China Sea and the Pacific Ocean.

It is estimated today that about 40,000 ships go through the Strait of Malacca. In ten years, there will be around 100,000 ships per year. This could create some safety problems as well as inconveniences.

It is amazing that foreign countries are more interested in digging the Kra Canal than the Thais themselves. They look at the project from the standpoint of what is strategic and what is in the interests of the whole world. . . .

The canal, unlike the Panama Canal, is going to be a sea-level one, which would allow ships of 500,000 tons to pass through. . . . It will become a meeting point for transshipment between Asia and Europe. . . . Intense industrial activity will result, including the shipbuilding, ship repairing and even steel industries, . . . oil refineries and petrochemical industries. Instead of exporting raw materials such as rubber and tin, we can instead export manufactured goods. In addition, there will be a higher urban concentration of people . . . with around 200,000 inhabitants [in the Canal area], international trade will be stimulated and Thai citizens will not need to go to the Middle East to work. They will be able to find jobs domestically. . . .

I would like to call this project the Surasri Canal, after His Royal Highness Surasrihanat, the younger brother of King Rama I, who 190 years ago was the first to have the idea of digging a Kra Canal.

The government must decide . . . by simply giving the green light. A company could be formed in which the Thai government and other interested governments would be shareholders. The Thais could hold 51% of the equity and the foreigners 49%. Of the 51%, 20-30% of that could be held by the government, and the remainder by Thai private interests. As for the 49% to be held by foreigners, there are many, many countries that are highly interested in the project, such as the United States, Japan, or Middle Eastern nations. We also have the OECD countries as a whole that are undergoing an economic crisis, a crisis which can be solved by investing in new projects.

The government should then give industrial zone concessions . . . how long? Perhaps 50 years. We must also allot the development tasks to different countries according to their special skills. . . .

I think that if Singapore is intelligent it would ask to participate in the program. . . . Were we to accomplish this project, Malaysia just might support it. Ships can still go through the Strait of Malacca, which means that we will in effect have two channels.

## ‘Nothing but hypocrisy is delaying the benefits of food irradiation’

*Dr. Martin A. Welt, president of Radiation Technology, Inc., in Rockaway, New Jersey, has been the most active U.S. advocate of food irradiation commercialization since the late 1960s. Welt operates three plants in the United States to irradiate food for export, including strawberries, grapes, poultry, and fish. He also processes the irradiated food used by NASA to feed the astronauts. It was Radiation Technology's petition to the Food and Drug Administration that led to the FDA regulation last July permitting irradiation of spices.*

*Welt and a handful of other U.S. companies with irradiation facilities are ready to expand as soon as the proposed FDA regulation permitting 100 kilorads of irradiation becomes law. In early March, Radiation Technology successfully tested the irradiation of grapefruit for insect disinfestation.*

*Welt was interviewed in his Rockaway plant by Marjorie Mazel Hecht, managing editor of Fusion magazine.*

**Hecht:** You've been one of the most active people in the country promoting food irradiation since at least 1968. Now that the Food and Drug Administration (FDA) is about to change its regulations, how do you see the expansion of the industry?

**Dr. Welt:** Obviously, I expect the industry to expand rapidly. We of course got approval from the FDA last year to irradiate spices, onion powder, and garlic powder. And when you see our plant, you'll see a huge shipment of dehydrated onion. . . . We have been doing a great deal of spices and onion powder, which is just an indication of what's to come.

I think the importance of the FDA notice of rulemaking, which we've waited three years for—and I have no idea why it took so long—will basically open the door now to irradiation of fruits and vegetables, for fumigation purposes as an alternative to toxic fumigants.

I gave a talk at Long Island University Business School about two weeks ago at a special seminar on new trends in food processing. I stated there that it is perhaps unfortunate that a technology as widely researched as this technology—more so than any other method of food preservation—should enter the mainstream of commercialization basically through the back door, *only* because there have been problems with

EDB [the pesticide ethylene dibromide, used as a fumigant for citrus fruits] or energy costs. It's unfortunate that this technology could not get into the mainstream on its own technical and economic merits, which it deserves to do.

**Hecht:** It's been 30 years now, hasn't it?

**Dr. Welt:** Actually, I just gave an interview to a Springfield, Illinois paper, and I pointed out to the reporter that it's 41 years—two score and one year ago.

**Hecht:** It's an incredible story, of a deliberate delay of a technology that could immediately increase the world food supply.

**Dr. Welt:** I can no longer even keep my cool; I believe it's a terrible scandal. There is no technical reason, there is no make-believe reason, there is just gross hypocrisy. On the one hand, one will talk about labeling requirements for irradiated food after one concedes it's safe and efficacious and wholesome. But then officials will stall things further with an open controversy: "Shall we label?" We say, if you put a label on foods which says "This is processed with radiation," many people will think the food is radioactive, which it is not. Therefore you're mislabeling food, which is a violation of government law.

And by the same token, with food that contains known residues of ethylene dibromide or other carcinogenic or toxic materials, nobody says anything about labeling it: "This grapefruit may be dangerous to your health." I've written recently to the commissioner of the Food and Drug Administration. I said, Why is it—just explain to me, I'm a scientist, so I can understand—that I can irradiate an absorbable [surgical] suture that's totally absorbed in your body, at a dosage level that's 30 times higher than the proposed FDA dosage limit for food? What difference is there in that absorbable suture, which is a biological material totally absorbed in your body, than if you eat that biological suture? . . . Or why can I irradiate a drug product, which is basically a natural laxative coming from organic materials . . . at 15 times higher than the FDA's approval for food? It's going into my system, I'm metabolizing it, I'm doing the same thing I'd do with it if I bought it in a bottle and I said, "This is a health food," or

something. . . .

I was invited to give a talk in Japan in December. I wondered why they would invite the president of a small U.S. company. I knew that they would not invite me there to embarrass me—it's not their style. They wouldn't invite me there to embarrass them—again, it's not their style. Therefore, they must have invited me there *only* to have me say what they knew in advance that I would say, because I've been speaking the same way at conferences around the world, and my colleagues in Japan know exactly how I express myself. . . .

I wrote my paper around four topics. I concluded that any one of these reasons was reason enough to warrant immediate commercialization of food irradiation. First and foremost is the area of food safety: There is no method of food preservation today that will so strongly affect matters concerning food safety—elimination of salmonella, elimination of other food-borne pathogens, elimination of trichina or other parasites. Therefore, reason enough for commercialization of food irradiation is food safety, public health. Second is reduction of spoilage. [New Jersey] Senator Bradley stated—and I used to think it was rather naive of him—that to solve the energy crisis, we needed to conserve energy. Let me say, by the way, that I was one of the first persons in the United States to license a nuclear reactor. That submarine over there [pointing to a photograph on the wall] is the *Nautilus*; I did the licensing on that nuclear submarine. So one doesn't have to tell me about nuclear power; I'm a very strong advocate of this, and I think the U.S. program has been virtually destroyed by thoughtless do-gooders.

But Senator Bradley was absolutely correct, and I can extend his theme on conservation into food: If you want to produce new food, the best and cheapest way to do so is to conserve the food you've already produced. Radiation preservation of food goes a long way toward extending the shelf life of food and reducing spoilage. This is important: it adds distribution to U.S. growers; it allows us to take food from areas of plenty to distribute in areas of need.

Third, energy: 16.5% of the energy consumption in the United States goes into food processing. This is one of the largest chunks of energy use in the United States, second only to automobiles. Well, if we can make an inroad into that energy consumption, we'd do a hell of a lot toward reducing our dependence on foreign oil. I have done my own studies—others have corroborated them—showing that the cost of radiation sterilization of food is something like one-sixth the cost of canning, one-fourth the cost of freezing. This includes the whole cycle—the whole process from production by the farmer, transportation, to distribution to the consumer. Again, that's reason enough to want to have food irradiation. . . . It's a rather large saving of energy.

The fourth reason is one of environmental impact. This area of technology does more to improve the ecology by avoiding the necessity to use EDB and phosphenes.

If you take all these advantages and you weigh them with the fact that, number one, the food cannot become radioactive, and two, the chemicals that are induced or changed in the food under radiation have been shown to be no different from the chemicals found in other processed foods or even from those occurring naturally in foods—that there are no such things as unique radiolytic products—then we're dealing with a technology that offers such degrees of safety to the consumer and advantage to the producers and distributors that it's just beyond belief that we are still playing around like a bunch of fools. We're trying to incur the good graces of the government that now gives us a 0.1 megarad approval, and we're supposed to say how pleased we are when we know that the hypocrisy is all-prevailing.

I was a member of the U.S. delegation to The Hague [at a 1982 international meeting on food irradiation]. I wrote the motion that led to the international standards for food irradiation, which is more than 10 times higher than the level [proposed by the FDA] here. I wrote that motion that was read into the meeting in the secretariat by the deputy director of the FDA Bureau of Foods. Now he obviously approved that; he read it, so he was condoning it. He does represent the FDA. . . . So some of our ranking officials have approved a dosage 10 times higher than what we're supposed to be very happy with getting here in the United States.

I'm hoping that Margaret Heckler, secretary of the Department of Health and Human Services, who's been an outspoken supporter of this technology, will help us regain world leadership by going from a 100-kilorad level to an unlimited 5-megarad level—or whatever it might be for sterile foods—and jump ahead of the world. If you want to look at overall safety of food, you might as well go to a sterile food product. If you go to a pasteurized product, the government always has questions—“if you reduce spoilage organisms in the food, is it possible that the food will look good and smell good but toxins will be liberated, and it's very dangerous.” Well, we have done studies in this area; they have been published with the FDA as part of our petition on poultry, and it was shown that poultry purposely inoculated with *Clostridium botulina* type E, then irradiated to three-tenths of a megarad, then wrapped in Saran Wrap so it was anaerobic, and stored at 30° Centigrade, putrefied before any toxin was detected. So we know that the process is good, and we also note that the Canadians have approved the irradiation of poultry at seven-tenths of a megarad, which is more than twice—

**Hecht:** When did they do that?

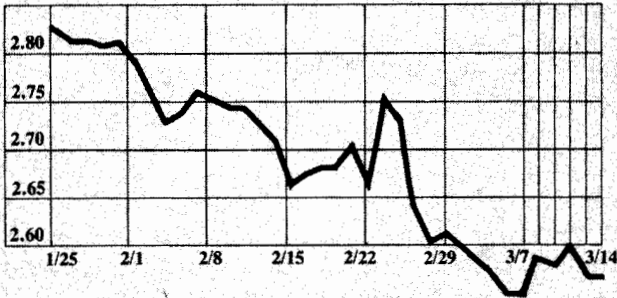
**Dr. Welt:** Some time last year. The Canadians have also moved to remove the stigma of food irradiation being an additive; they now consider it a process. The Canadians have also announced that they plan to irradiate all 2 billion pounds of poultry raised in Canada annually.

So these are my comments about food irradiation.

# Currency Rates

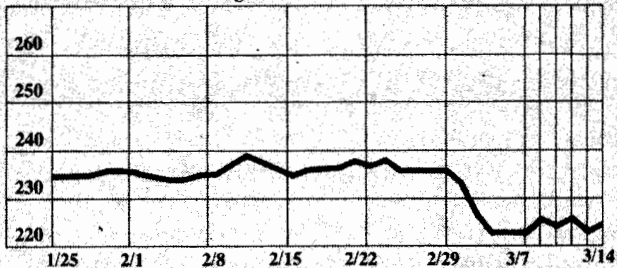
## The dollar in deutschmarks

New York late afternoon fixing



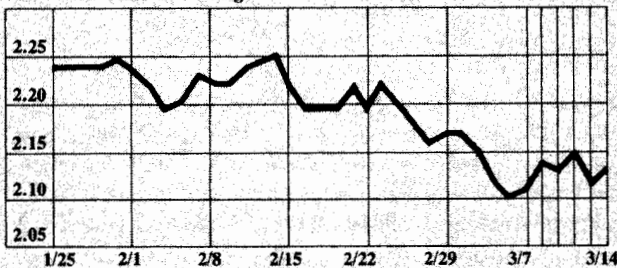
## The dollar in yen

New York late afternoon fixing



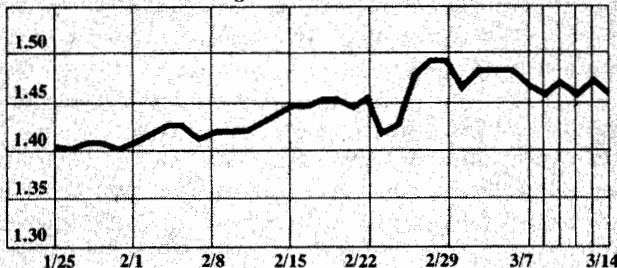
## The dollar in Swiss francs

New York late afternoon fixing



## The British pound in dollars

New York late afternoon fixing



## The PROS and CONS of the GREAT DEBATE

by John McFalls

- PRO:** Our high interest rate policy SAVED the dollar.  
**CON:** Creating the worst DEPRESSION since the 1930's.
- PRO:** The dollar reflects the strength of the U.S.A.  
**CON:** Strength? What about the \$200 billion deficit?
- PRO:** "We are importing more goods than ever before."  
**CON:** And exporting less! Trade deficit: \$70 billion.
- PRO:** We've come back from the brink. The Dow's 1250!  
**CON:** Wall Street's cooking the books. I prefer gold.
- PRO:** Paul Volcker has smashed gold from \$850 to \$360.  
**CON:** Which leaves a GAIN of only 1,000% since 1970.
- PRO:** You can count on Volcker to solve our problems.  
**CON:** We've already paid him \$500 an ounce to do it.
- PRO:** The "official" price of gold is \$42.22 an ounce.  
**CON:** It's well over \$5,000 in Argentina and Brazil.
- PRO:** WE are the leading banker for the entire WORLD.  
**CON:** "THE BIGGER THEY ARE, THE HARDER THEY FALL."
- PRO:** We will pay you 9% to hold U.S. Treasury bills.  
**CON:** And take it back in taxes and price inflation.
- PRO:** We're planning to come out with a new currency.  
**CON:** "New lamps for old. New lamps for old. We'll give you paper for your tarnished gold."
- PRO:** Reagan inherited "a job that couldn't be done."  
**CON:** "And he couldn't do it" ... all in one term. . .
- PRO:** Maybe Fritz Mondale can bail us out. TRUST US.  
**CON:** "It seems to me I've heard that song before."

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## Argentina debt crisis begins debate

*Volcker and Wallich argue that payment in pesos is better than no payment at all.*

**B**anks are now demanding that Argentina pay up the interest on its \$45 billion foreign debt in U.S. dollars, causing a potential March 31 debt blow-out (see article, page 4).

If the smoke has cleared in April, one effect of the crisis will be to advance a public debate on a new plan to let the banks accept Argentine pesos, Brazilian cruzeiros, and other Latin American soft currencies, an administration source close to Fed chairman Paul Volcker said March 16.

However the Argentine crisis turns out, "This pressure will make the soft currency deal all the more feasible, won't it?" he said. "The banks are going to realize that soft-currency payment is better than none. It has to reach a crisis point. The crisis point is March 31."

Argentina is \$3 billion in arrears, and total arrears on the continent could near \$10 billion by that date.

Under a plan formulated by Volcker and Fed Governor Henry Wallich, current regulations would be ripped up to allow the debtors to pay their interest, unpayable in U.S. dollars, in their own freshly printed soft currencies, as *EIR* has reported since November.

One purpose is to make an exchange of debt for equity in the national industries and resources of the debtor nations, as proposed by Henry Kissinger. To finance this asset grab, "blocked accounts" of Argentine pesos, Brazilian cruzeiros, and so forth will be built up by the creditors.

But the soft currency plan—mod-

eled on Hitler's blocked German Reichsmark or *Konversionkasse* (see last week's column) has run into opposition. The initial idea was to implement it privately for the large money-center banks. After three months of publicity by *EIR*, however, several readers of this column have taken our charges to Volcker and Comptroller of the Currency C. Todd Conover and confronted them, causing definite embarrassment.

The regulators now think it will be necessary, the Washington source said, to have some sort of public debate on the subject. "The regulators said, 'There is room in the regulations for the use of soft currencies to pay interest,' but some banks think it is a good thing and other banks think it is not."

Citibank, my source says, is afraid of going public with the scheme or perhaps even of implementing it right away. Citibank has the largest dollar volume exposure in Ibero-America among U.S. banks at \$20 billion. More than 30% of its \$200 million quarterly net income is from dollar interest earnings in Ibero-America.

"They're afraid that if they give a soft-currency deal to one country, any number of countries will line up and say they want the same thing." But Citibank, however, at some point "will sing a different tune when they realize the implications of demanding that they get paid full interest in dollars."

Already in favor of the plan, my source reported, are "other banks in the top ten in Chicago and California,

as well as smaller regional banks.

"Right now, a lot of banks are saying we have to be tough with Argentina. The British banks are concerned that the Argentines in the IMF package are going to have certain restrictions on British companies or restricted payments to British firms or banks. The British are the main opponents in Europe to doing anything for the Argentines.

"Manufacturers Hanover may think they've taken enough of a write-down or have enough reserves, that they don't have to worry about it as much as some banks like Citibank, so they're willing to play hardball," he continued. "Security Pacific is for soft currencies—they don't have as much at stake.

"Let's say the stalemate goes past the end of the month, and the Argentines don't pay, and Citibank stock drops eight points, and Citibank moves a bunch of money to the non-performing side of the balance sheet. They get hurt, and start playing hardball.

"They come to some kind of accord, but Citibank wants to make sure that next time they don't get kicked in the rear on the stock market. So they try to make an accommodation with the regulators on how to handle this. That might be, 'well, if you can't get it in dollars, you pay in soft currencies.'

"Or maybe they do it now, before the end of March."

What happens to the rest of the continent if Argentina won't pay up in dollars? "It makes it clear to Citibank and others in the financial and U.S. government sectors that this debt crisis is not over, and we've got to figure out new ways to deal with it. The Latins are growing more difficult to negotiate with, which is why we have alternative ideas like the soft-currency thing."

### German farmers fight EC suicide plan

*Resistance is growing to the austerity that threatens to bankrupt farmers and aggravate the world food crisis.*

The European Commission (EC), obviously inspired by the U.S. administration's disastrous PIK (Payment in Kind) program, won a major victory in its fight for the destruction of parts of Europe's agriculture on Tuesday, March 13. The EC's ministers of agriculture resolved to implement massive austerity measures against "overproduction," which will hit the layer of small-income milk farmers especially hard. According to the decision (which has yet to be approved by the heads of state), price guarantees for milk and milk products will be restricted to 98.8 million tons in 1984 as compared to 105 million tons in 1983. The intention of this step is to incite farmers to reduce their production, leaving hundreds of thousands with the cruel alternative of either slaughtering their cows or selling them on the black consumer markets for lower prices.

Many milk farmers have invested heavily over the past years, since milk production at guaranteed prices has been the most profitable source of farming income in Europe. The new measures would force many into bankruptcy. For the EC, which is dominated by zero-growth ideologues, and the ministers of agriculture who have been infected by them, the new policy would, as they say, save the community four billion deutschemarks.

The news of these scandalous and suicidal policies struck Bonn at the same time as horrifying news about the mass famines in Africa came in through the media wires. To mobilize

for surplus production and mass supplies of emergency food aid to the famine belts of the world was as far from the agriculture ministers' minds as was the Moon. Instead, they resolved to cancel the currency depreciation compensation paid to German exporters which enables them to sell at lower prices even when the value of the deutschemark rises. This will deprive German farmers of at least two billion deutschemarks in the first year, and at least another one billion in the second year after its implementation. The West German government says it will "save" that same amount of money in its budget.

Together with other cuts of subsidies, German farmers face a loss of an estimated 13% of income in 1984 and 1985. This is in addition to the Bonn government's own estimate that "for various other reasons," there will be an average income loss of 22% for Germany's farmers. Critical observers of the agricultural scene in Bonn have repeatedly remarked that an onslaught on farmers' incomes on that scale would wipe out 100,000 farmers. This is the estimated number of the so-called "poor layer," which consists of low-income farmers who have had problems receiving loans from banks in the past, and will have no chance of receiving credits for expansion in the future because of the production limits posed by the EC's bureaucracy. With future income thus uncertain, many farmers will not plant this spring, and consequently the fall harvest output will be much lower. This may result in the food crisis hit-

ting today's relatively well-fed Europeans as soon as 1985.

"But," said one of the experts in Bonn sarcastically, "we are in a much better situation than Ireland, which secures 8% of its total GNP by milk production. Imagine what the new measures mean for that poor country."

The Irish are known for being rebellious, and the Germans for being quite the opposite—but this might change soon. The German Farmers Association, the Bauernverband, has announced it will not swallow the EC's new policy and will launch a wave of mass demonstrations by its members. The first such mass event will be at the Westfalenhalle in Dortmund, that city's largest conference hall, and thousands of farmers are expected to come. Members of the Bauernverband's base have repeatedly warned they will not allow the dairies to become the EC's "milk police" to monitor what can be produced and what not, and have threatened spectacular actions.

But this is mere resistance, rather than a program for a solution, and all the farmers' mobilization might well end in "riots of despair" on a mass-scale. Political intervention is required—however, the big political parties in Germany have failed to take up a viable opposition against the widely-hated EC.

The European Labor Party (EAP), which held its convention on the European Parliament elections in Worms, West Germany, on March 18, has therefore presented an urgent call for a crisis program to save Europe's agriculture from collapse. The call urges the provision of cheap credits to farmers to enable them to produce at full capacity, and thus contribute to solving the present food crisis. The EAP added a special call for an emergency food aid program to provide relief to the African famine zones.

## Amendments cut price supports

*Congress gave in to long-term OMB pressure for cuts, despite administration willingness to make election-year compromises.*

In a frantic effort before the presidential elections, the Senate Agriculture Committee hurriedly approved a compromise package that greatly reduces government support for the wheat, feed grains, cotton, and rice farm programs set up in the 1981 farm bill. The increase of acreage-reduction programs in this new bill establishes that the United States will continue to undercut its agriculture despite the growing food crisis at home and abroad.

After a three day closed-door session with Office of Management and Budget (OMB) Director David Stockman, Agriculture Secretary John Block, and Sen. Bob Dole (R-Kan.), the Senate passed an expanded, amended version of H.R.4072, the House wheat bill.

The administration had asked for passage before March 16, the deadline Block had announced for farmers to sign up for the 1984 wheat program. Despite threats of a filibuster by Sen. John Melcher (D-Mont.), the Senate approved the bill on March 8, but the bill did not come up before the House in time to ensure the enactment of the wheat program by March 16.

The primary accomplishment of H.R.4072 will be a 10-20% reduction in wheat production over two years, and similar drastic cuts in corn production.

The bill reflects a "negative compromise" by the administration, since it originally had asked for a 30% unpaid acreage-reduction program for wheat plus a payment-in-kind diversion program of 10-20%, under which farmers would be paid only 75% of

their established yield.

Under election year pressure and afraid of congressional recalcitrance, the administration had expressed willingness to allow the projected target prices for 1985 to increase to \$4.45 per bushel from the current \$4.38. But in the current bill Congress granted OMB's long-term request for a freeze of target prices at the current level for two years. Stockman, who has played a key role in setting farm policy for some time, could not have wished for anything more.

Target prices are the foundation of the U.S. price support system. When prices fall below the target set by Congress, the difference is met by the federal government in "deficiency payments" to farmers.

Farmer registration for the spring wheat program has to date been well below the Department of Agriculture's (USDA) expectations. In fact, the USDA has been expecting record plantings. The spring planting of wheat is generally much smaller than the winter planting, the latter accounting for about three-quarters of all U.S. wheat output.

How much farmers themselves intend to increase or decrease production is as yet unknown. Agriculture Secretary Block has tried to tempt farmers to sign up early: On March 12 he stated that "farmers can guarantee themselves a minimum price protection for their crops by signing up this week." The last time the USDA offered a significant paid diversion program was in 1975; there was only a very small one in 1983.

Following the large-scale signup

for the 1983 corn payment-in-kind program, which was responsible for an almost 50% cut in production, corn reserves are down to the lowest ever, at about 2.3 billion bushels short of estimated domestic usage. To fill the gap caused by the shortage of corn, farmers have been increasing their use of wheat as a feed grain for the livestock. Reductions in the wheat crop, however small, will jeopardize the entire cattle industry.

H.R.4072 represents the virtual completion of a process set in motion in the 1960s aimed at cutting U.S. crop prices below the very low "competitive" international prices—a process which has bankrupted large numbers of U.S. farmers, forcing them to stop producing.

The price cutting is now becoming a self-feeding process. All agriculture prices are by and large set according to U.S. prices; forcing the U.S. target prices down to the level of the international market price will ultimately merely force international prices down even lower, setting off a rash of price cutting.

The administration estimates that the new plan set up in the amendment bill will save the government more than \$3 billion in farm spending over the next four years from funds already allocated under previous farm bills. But the amended program will require new allocations of at least \$400 million by the end of fiscal 1985 according to the *Wall Street Journal*.

Neither estimate, however, has anything to do with economic reality. The real costs must be measured immediately in sharply rising food prices. These are already taking their toll on the U.S. economy. Far worse, thousands of lives are being lost now in Africa and in Ibero-America due to famine—lives that could easily be saved by increased U.S. food production.

# Business Briefs

## Banking

### Ditchley meeting to coincide with IMF

The Ditchley group of international private bankers has announced that it will be holding its annual meeting at the same time and place as the annual meetings of both the International Monetary Fund and the World Bank: on Sept. 22 in Washington, D.C. The group will hold an interim meeting April 6 in Washington, D.C.

The creditors-cartel, founded to consolidate the monitoring of credit flows from private banks to heavily indebted Third World nations and squeeze off credit to any nation deemed uncreditworthy, precipitated the Ibero-American debt crisis in 1983.

Member banks have grown from the original 38 largest international banks to 187 banks which together account for more than 80% of exposure in the Third World.

The April 6 meeting comes during a period of financial warfare against Argentina, including the rapid fall of the value of the peso and heavy capital flight triggered by creditors' rumors that Argentina would rather repudiate its debts than submit to devastating IMF conditions.

Argentina officials have termed press reports that Argentina is facing total instability a "suspicious" sign that "some foreign interests are moving against our country."

## International Trade

### U.S. to sit on Tokyo policy councils?

The Japanese government has agreed to permit U.S. representatives to participate in the influential advisory councils that shape national industrial policy, U.S. trade official Clyde V. Prestowitz, the Commerce Department's counselor for Japanese affairs, stated in Tokyo March 11, according to the *New York Times*.

The exact nature of U.S. participation in the councils will probably not be known for months, Japanese sources stressed, nor will it be decided which Americans will participate in the councils.

The United States has based its demand for participation on the fact that the Japanese government gives extensive direct assistance to industry, claiming that such assistance gives Japan an unfair advantage in world markets.

The United States is most interested in placing representatives on councils that deal with rapidly expanding high-technology industries, and industries with which the United States is highly competitive, including petrochemicals, pulp, and paper. The latter are industries in which Japan is weak, and the United States would like to expand exports.

The councils are headed by government officials, and include representatives of industry, labor, and scientific groups. Council recommendations do not carry the force of law but do shape legislation.

The week of March 5, however, Federation of Economic Organizations vice-chairman Norishige Hasegawa called the idea of U.S. members on Japan's industrial policy councils "ridiculous."

## U.S. Policy

### Wallich demands budget deficit cuts

Federal Reserve Board Governor Henry Wallich spoke before the House's commerce subcommittee March 6, calling for slashes in the federal budget to cut the deficit.

"If the current-account deficit were to continue for long at the rate of \$80 billion that is likely to be recorded in 1984, the United States would soon become an international debtor country. . . . Our position as an international creditor has been a major support to our balance of payments so far. . . ."

"If [we] shift to a debtor country, this advantage will be eroded; it is estimated that our surplus of investment income fell below \$25 billion in 1983. Eventually the United States might find itself in the position of having to earn a surplus in the trade balance in order to cover a deficit on investment income. . . ."

"As the United States continues to borrow abroad and moves toward net debtor status, causing the rest of the world to hold ever larger amounts of dollar-denominated assets, the good acceptance our currency has had in the world may wear out. . . . I do not believe, therefore, that the current value of the dollar is sustainable.

"Reducing the trade deficit by protectionist methods without reducing the budget deficit would not resolve our problems. . . . A substantial adjustment of the budget towards balance, would lead to declines in real dollar interest rates, a depreciation of the dollar in exchange markets, and a reduction in the external deficits."

## Energy

### Strange bedfellows behind oil merger moratorium?

An unlikely coalition in the Senate has emerged behind an effort to introduce new legislation in the Congress placing a six-month moratorium on all major oil company mergers.

On March 16, Bennett Johnston (D-La.) teamed up with Howard Metzenbaum (D-Ohio) to introduce a bill which would retroactively freeze all such mergers, including the \$13.2 billion Gulf-Standard Oil of California merger.

According to a source, the Johnston bill is directly aimed at SoCal-Gulf as well as Mobil-Superior. In addition, it has a provision privately being dubbed as "stop Boone Pickens" clause to block the kind of stock takeovers through which the controversial head of Mesa Petroleum has recently gar-

## Briefly

● **IRAN** proposed lowering the price of spot Iranian light crude oil for sale to Japanese trading houses by 20¢ a barrel, oil industry sources said March 13. The Japanese consider that the proposal reflects slack demand worldwide. Iranian crude is currently \$28 per barrel. The Iranian proposal may lead to price-cutting within OPEC.

● **LAURENT FABIUS**, France's industry and research minister announced March 12 that Israel and France signed an agreement for the creation of an association aimed at developing scientific and technological cooperation between the two countries.

● **JAPAN** will begin construction of the world's first offshore crude oil stockpiling base in Nagasaki. The project, approved by the transport ministry on March 15, will cost some \$935.2 million, and float seven oil stockpiling vessels at the base in Aokata bay, each vessel holding up to 880,000 kiloliters of crude oil. The program was started by Mitsubishi Heavy Industries, Ltd. in 1977 and upgraded to a national project of the Japan National Oil Corporation in 1981.

● **BELISARIO BETANCUR**, the President of Colombia, stated in an interview with the Mexican newspaper *El Universal* March 9: "We have much to learn from Mexican know-how in engineering, and much to learn in fishing and tourism. Above all we want to learn how to exploit our vast electrical energy potential to bring it to Central America and up through Mexico. This can be done through establishing binational companies." Bentacur stated, "I am one of Colombia's most popular presidents, perhaps because I am so much like the people. I came from a peasant family of 22 children from the same mother and father; 17 died from a serious illness: underdevelopment."

nered several hundred millions in paper profits from unsuccessful merger attempts against major oil companies such as Gulf.

The interesting question is who might be counseling Johnston, an oil-state senator generally considered a friend of the industry. More than one source familiar with the byzantine maneuverings of the oil industry has suggested taking a close look at the industry leader, Exxon. Could Exxon be quietly promoting the Johnston-Metzenbaum move to keep the competition fragmented?

### *Ibero-America*

## Bankers roll over Brazilian debt

Brazil is to receive \$1 billion in fresh money from 700 creditor banks during each of the last weeks of March. This \$3 billion and a \$400 million IMF disbursement should suffice to pay all its interest arrears, according to Brazil's central bank. Brazil had paid nothing on interest account since the end of December, which had built up arrears to an average of 139 days as of March 9, according to U.S. regional bankers. This is far beyond the 90-day limit at which debts are supposed to be considered "non-performing."

The crisis which was building up for the March 31 quarterly accounts closing date was thus suddenly averted. The IMF gave Brazil yet another "waiver" for the technical violations of its IMF agreement last year, and the banks hurried to disburse the fresh money which they had been holding since Phase II of Brazil's debt renegotiation was signed Jan. 27.

What caused the unaccustomed reasonableness of the creditors towards Brazil? Was it fear of financial war with both Brazil and Argentina? Or did Brazil make secret concessions on the vital question of permitting worthless debt paper to be converted into ownership of Brazil's vast mineral reserves?

Brazilian officials are trying to avoid a national outcry against the secret debt-equity give-aways. But they have quietly assured foreign banks that they are happy to take any offers. Meanwhile, the Treasury and the Banco do Brazil are selling off billions of shares in the state companies which control Brazil's natural riches; the bankrupted state companies had nothing but their stock left with which to pay their debts.

Foreign creditors may soon gain substantial control over these enterprises and Brazil's resource base.

### *European Trade*

## West Germans visit Leipzig fair

More than 120 ranking West German politicians, among them chairman of the Christian Social Union Franz-Josef Strauss and Economics Minister Count Otto Lambsdorff, went on an unprecedented mass pilgrimage to the East-West industrial fair in Leipzig, East Germany the second week of March. Their purpose was, according to West German sources, to meet "not only on economic deals, but to also make new contacts."

Strauss, who was granted an unusual permit to fly in with his own private plane, was welcomed by East German official Schalck-Golodkowski, East German leader Erich Honecker's adviser on important credit arrangements with the West. Strauss met with Honecker himself Feb. 11.

Last year, Strauss brokered a DM 1 billion credit for East Germany from West German banks. Currently, there is much speculation about a large credit arrangement to help the East Germans to bridge their DM 6 billion gap in debt payments to Western banks.

Lambsdorff, who also met with Honecker, had just returned from a U.S. trip featuring a "working breakfast" with Henry Kissinger.

## Is Kissinger defining policy toward NATO?

by Nancy Spannaus

When Henry Kissinger's article on the reshaping of NATO came out in the March 5 issue of *Time* magazine, there was practically no one who did not profess to be surprised. From *EIR*'s administration sources, to sources in NATO headquarters itself, the word was that this was a private, wild move from a private individual. No one could possibly agree with this nut, the line went. The U.S. commitment to NATO is absolutely firm.

*Executive Intelligence Review* didn't buy the story then, but we decided to check it out. Three weeks later, we can say with certainty that Henry Kissinger's treasonous plan to sell out Western Europe to the Soviet Union is well on the way to being *implemented by default*.

The first to realize the seriousness of this move by Kissinger were governments in the developing sector whom we talked to. Already in shock at the withdrawal of the United States from Lebanon, these governments were not overjoyed with the Kissinger proposal to "redeploy" U.S. troops out of Western Europe—especially since he made it perfectly clear that they would be redeployed for population wars in the developing sector. But the response was unanimous: we have to deal with him because he is the *incoming* secretary of state.

In Western Europe, a similar phenomenon developed very rapidly. While official spokesmen for the ruling Christian Democratic Union led the way with unambiguous attacks on the Kissinger sell-out, the unhappy press began to point out the obvious: an opinion from a man on his way back into power had to be taken seriously, no matter how objectionable it was. Kissinger was acknowledged to be defining the terms of the NATO debate.

So-called influentials in both the Republican and Democratic parties still proceeded to pooh-pooh the Kissinger influence. "He put himself out on a limb," was a common refrain in Washington. "Kissinger is acting stupid," said a Democratic party academic specializing in NATO affairs.

The denials continued, up through March 2, when Kissinger was appointed to the President's Foreign Intelligence Advisory Board. Soon afterward an orchestrated wave of support for the Kissinger proposal began to appear in the U.S. Senate, and the European press. "Authoritative" news outlets, of such apparently opposite political stripes as *Der Spiegel* in West Germany and the *Daily Telegraph* in London, began the constant refrain: Kissinger is heading toward becoming





NSIPS/Stan Ezrol

*Kissinger's 1983 program for the U.S. to smash the debtor countries has been adopted by the Reagan administration.*

secretary of state. The world federalist Pugwash group, correctly sensing the compatibility between their proposals for nuclear free zones in Europe and the elimination of the President's plan for NATO-wide beam weapons defense, and Kissinger's "anti-pacifist" proposal, decided to hold a meeting in Stockholm to discuss the Kissinger proposal.

Will the U.S. population, especially the Reagan administration, be the last to know that Henry Kissinger has taken over U.S. foreign policy once more?

### **A recent object lesson**

Those who persist in denying the obvious control which Henry Kissinger is exerting over the White House need look no further than the events since January of 1983, *during which time Kissinger pulled off exactly the same ploy in the area of economic policy.*

It was January 24, 1983 when Kissinger, who never hesitated to declare his ignorance on economics, was splashed all over the cover of *Newsweek* magazine with a four-page story entitled "Saving the World Economy." While everyone in Washington officialdom was confidently mouthing the Volcker-Shultz line that the United States was spearheading a new world economic recovery, Kissinger declared that the world economic crisis was so severe as to threaten the survival of the Western democracies.

No one in Washington wanted to listen. They were counting on the recovery.

But, looking back at the decisions that have actually been made over the last year, one can see that Kissinger was not only correct that there was a crisis, but that he put himself in the precise position to determine administration policy as the crisis developed.

The major recommendation of Kissinger was that the

debtor countries be deprived of the weapon of default, through the adoption of bank safety nets in the industrialized nations. "This would reduce both the sense of panic, . . . and it would permit a more far-sighted approach to the debt crisis focusing on the long-term growth of the developing world."

Take a look at Ibero-America today, and you will see that both of Kissinger's proposals have been implemented. A safety-net *has* been created to protect the banks in situations where nations *cannot* pay. Debtors are being creamed economically and deprived of the weapon of default.

In fact, the strategic situation has been created that is a precise complement to the NATO troop pullback which Kissinger proposes. Kissinger's success in determining Reagan's administration debt policy has virtually dictated a Malvinas-style military confrontation between the United States, Britain, and Ibero-America. Once again, the Soviet Union will be the prime beneficiary of the policy of their agent-of-influence, as the United States is tied up in regional wars, leaving the Soviets to take over the Middle East, Asia, and Western Europe.

### **Sins of omission**

There was, of course, a ready alternative available to the Reagan administration on the debt issue, just as there is on the NATO policy crisis. That policy is defined by Lyndon H. LaRouche, Jr. LaRouche vs. Kissinger on economic policy, on strategic policy, on NATO policy—that is the choice that faces any Washington administration which does not want to walk blindfolded into total disaster.

But the White House refused to face the existence of the crisis. When it came, they relied on Kissinger—by default. There is not much time before the travesty is repeated—to the equal benefit of the aspiring Russian world empire.

# Kissinger's NATO 'reform': a plan to deliver Europe to the Soviet Union

by Robert Gallagher

Henry Kissinger's "Plan to Reshape NATO" is a scheme for decoupling Western Europe from the United States and the North Atlantic Treaty Organization (NATO), measures which would end in the formal withdrawal of the U.S. nuclear umbrella from Europe. Kissinger proposes his "plan" in service of the European oligarchs who seek unification of Germany through the ouster of the United States from Europe and an accommodation with the Soviet Union. Europe would become a Russian satrap. States Kissinger in his memoirs, *White House Years*, the unification of Germany on Soviet terms is "inevitable."

We shall document below that Kissinger has spent 30 years attempting to bring about this "inevitability." From his espousal of "flexible response" in 1957 to his surrender of strategic superiority to the Soviets in the 1972 Anti-Ballistic Missile (ABM) Treaty and Strategic Arms Limitation Talks (SALT) agreement to the present, Kissinger has undermined the military ability and political will of the West to resist the expansion of the Russian Empire.

Kissinger's plan has four essential features:

**1. Termination of the U.S. policy of retaliation against a Soviet invasion of Western Europe with an attack on Soviet territory with intercontinental ballistic missiles (ICBMs).** Since the 1950s the defense of Europe from Soviet attack has been based on the U.S. promise of nuclear retaliation; without it, the Warsaw Pact would already extend to the Atlantic Ocean. U.S. forces stationed in Europe were deliberately minimal—intended primarily to tie the United States to the defense of Europe. American troops comprise a mere 6% of NATO's total. Kissinger writes:

[N]either existing nor projected NATO conventional ground forces are adequate to repel a major Soviet conventional attack. Therefore, doctrine would require a nuclear response at an early stage. Yet strategic nuclear parity deprives the threat of strategic nuclear war of much of its credibility; mutual suicide cannot be made to appear as a rational option. And no alternative nuclear strategy has been developed. Partly for this reason, public opinion, essentially unopposed by most NATO governments, is moving powerfully against any reliance on nuclear weapons—even tactical ones. . . .

His conclusion? "By 1990 Europe should assume the major responsibility for conventional ground defense." In other words, remove the U.S. "responsibility" to use nuclear weapons against Soviet aggression. To implement this, Kissinger proposes "a gradual withdrawal of a substantial portion, perhaps up to half, of our present ground forces"—a removal of the American "trip wire," the five U.S. divisions stationed in Europe (alongside 85 European divisions). He would eventually withdraw the U.S. troops entirely.

**2. Make the Supreme Allied Commander Europe (SACEUR) a European officer with a U.S. deputy.** If the NATO commander in Europe were a European, he would have no authority over the use of the bulk of the nuclear weapons stationed on European soil since these weapons are American. Such a commander would be impotent in a conflict. Secondly, since Kissinger's proposal places the highest U.S. military authority on the continent under a European SACEUR, the United States would have to get his approval to defend Europe with the intermediate-range and short-range American missiles stationed there.

**3. "Europe should take over those arms-control negotiations that deal with weapons stationed on European soil."** This proposal promotes the fraudulent proposition that there are separate "European" and "American" interests when it comes to defense against the Warsaw Pact. Aimed to bolster Kissinger's plan to split Europe from the United States, it is a patent fraud. Continental Europe controls only the 18 nuclear missile warheads of the French *force de frappe*, compared to the Soviets' over 1,300 warheads mounted on SS-20 intermediate range missiles and over 6,000 on ICBMs. West European "negotiators" wouldn't have anything to negotiate with.

**4. U.S. forces should be deployed, not to prevent what Kissinger calls "a hypothetical esoteric war in an area where we have major allies" (Europe), but rather against the Third World.** Kissinger calls for conversion of the five U.S. divisions in Europe into "a highly mobile conventional force capable of backing up Europe and contributing to the defense of, for example, the Middle East, Asia or the Western Hemisphere." At the same time, he denounces Europe for establishing "preferential relationships" with Third World countries. Western leaders, he

writes, must “end political disputes over East-West relations and North-South policy, especially *Western conduct in the flash points of conflict in the Third World* [emphasis added].” Kissinger is demanding a free rein to use military force to back up International Monetary Fund debt collection policies in countries like Mexico, Brazil, and Argentina.

### Kissinger and the ‘flexible response’ doctrine

Kissinger’s *Time* magazine piece is the logical extension of a 30-year career as a Soviet agent of influence. His aim is the destruction of the nation states of Europe—and the United States. In his memoirs he boasts of his “conviction of the obsolescence of the nation state.” (*White House Years*: all quotes below are from that source unless otherwise indicated.)

NATO’s first serious crisis came with the U.S. backdown in the Cuban Missile Crisis of 1962. Russia forced President Kennedy to withdraw all American intermediate range missiles—those capable of reaching Soviet territory—from Britain, Italy, and Turkey, and most strategic bombers from Europe and Asia as well. The first hole in the U.S. commitment to defend Europe came with the formal enunciation of the doctrine of Mutually Assured Destruction (MAD) in December 1962 by U.S. Defense Secretary Robert Strange McNamara. MAD stated that if the United States replied to a Soviet invasion of Europe with a nuclear attack on Russia, only the destruction of both the U.S. and the U.S.S.R. could result. (At the same time, McNamara killed the U.S. ABM program.) The Kennedy administration proposed to set aside the Eisenhower policy of “massive retaliation” in response to a Soviet attack on Europe and replace it with a policy of “flexible response,” that the United States would not necessarily respond to an attack with total retaliation against Russia, but that a “limited nuclear war” was also possible.

Kissinger was a National Security Council (NSC) consultant working directly under NSC director McGeorge Bundy. Kissinger is widely credited with formulating the policies of MAD and “flexible response” in his 1957 study *Nuclear Weapons and Foreign Policy*, written under Bundy’s direction for the Council on Foreign Relations. “Limited nuclear war,” Kissinger wrote, “represents our most effective strategy against nuclear powers or against a major power which is capable of substituting manpower for technology.”

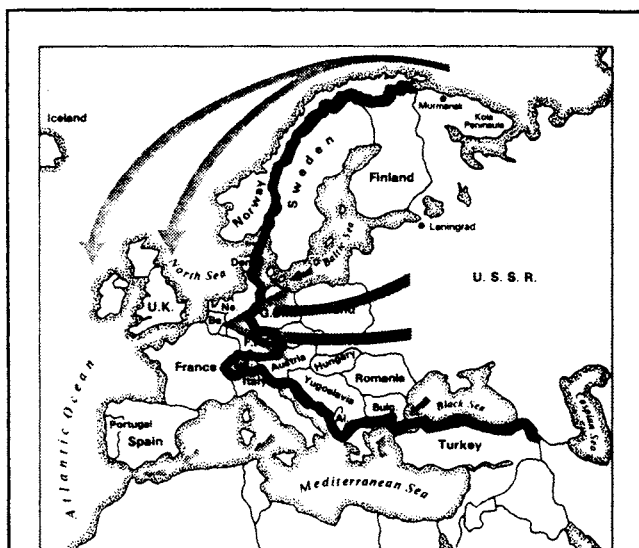
Adoption of the policy pulled the rug out from under pro-American leaders in Europe, such as West German Chancellor Konrad Adenauer, whose government fell shortly thereafter. Adenauer later warned that the new U.S. nuclear policies would “hand Europe over to the Russians.” France’s President Charles DeGaulle responded by withdrawing from NATO’s integrated military command and building an independent French nuclear missile force.

### Kissinger and ‘Ostpolitik’

The end result of this shift in U.S. policy was to bring Willy Brandt and the Social Democrats to power in West

Germany. “The opposition [Social Democrats] . . . had urged a neutralist [and unified] Germany equivoiced between East and West,” wrote Kissinger later in his memoirs. Kissinger was President Nixon’s National Security adviser when Brandt came to power in the fall of 1969. Previous West German governments had refused to recognize the puppet Soviet regime of East Germany whose very political existence was dependent on Soviet military power. It had been anathema to conceive of a settlement in Europe with Germany divided and dismembered.

As soon as Brandt put together a ruling coalition and even before his government was installed, he requested that Kis-



## Why Europe needs a nuclear defense

The great fraud of Kissinger’s “Plan to Reshape NATO” is the notion that Europe can be defended without nuclear weapons. “By 1990,” he states, “Europe should assume the major responsibility for conventional ground defense. This is well within the capability of a group of countries with nearly one and one-half times the population and twice the GNP of the Soviet Union.”

The map shows the real story: NATO Western Europe—shown to the left and below the dark line—lacks the geographical basis for a defense in depth. The arrows show potential Soviet attack routes. A Soviet armored column can reach the French border on the Rhine within hours of crossing into West Germany. The closest reinforcements for the European line are thousands of miles away in the United States. Furthermore, Soviet military spokesmen insist that they will precede the land invasion of Western Europe with nuclear, biological and chemical weapons bombardment.

singer meet secretly with his aide Egon Bahr to work out his "opening to East." Kissinger wrote: "I recognized the inevitable, I sought to channel it into a constructive direction. . . ." Baloney. Kissinger agrees with Brandt's policy to bring about a united *Mittleuropa* under Soviet rule. Both kept their governments completely in the dark about the secret Bahr-Kissinger meetings, and also about their negotiations with the Soviets for recognition of the "German Democratic Republic." As Kissinger recounts: "My contact with Egon Bahr became a White House backchannel by which Nixon [sic] could manage diplomacy bypassing the State Department"—and the U.S. Constitution. (Soon many Europeans would attack Kissinger publicly for double-dealing. In October 1973, Kissinger ordered a world-wide military alert without any consultations with NATO. The allies were outraged. Kissinger's response? "I don't care what happens to NATO, I'm so disgusted.")

The summer following Kissinger's secret meeting with Bahr, the Soviets and Brandt signed a treaty of settlement and of recognition of East Germany. "The Federal Republic had crossed its Rubicon," Kissinger wrote. "Bonn was accepting the division of its country in return for nothing more than improvement in the political atmosphere."

Not quite. Brandt was preparing for future unification under Soviet terms. Brandt and Bahr worked for a corrupt, oligarchist elite of Europe, which considered the Soviet leadership a junior partner.

"The Soviets did not trust the Abrasimov-Rush channel alone," wrote Kissinger of the 1971 Berlin talks. "They wanted to find a forum that would include Bahr, in whom they obviously had confidence." Bahr was included in the negotiations. The next step was a third secret meeting between him and Kissinger, this time appropriately enough at a conference of the oligarchical Bilderberg Society. Bahr proposed a formula for resolution of differences with the Soviets over Berlin. Kissinger writes:

I explored Bahr's approach with [Soviet Ambassador to the United States Anatoly] Dobrynin on Monday, April 26. He accepted with an alacrity that suggested that he was not hearing it for the first time. I have known no Soviet diplomat—including Gromyko—who would accept a new major proposal without referring it to Moscow. It was not always absolutely clear how many channels were operating and who the principal negotiator was.

### Kissinger's ABM and SALT treaties

Bahr is an obvious Soviet agent of influence. But it was Kissinger who, while promoting Bahr's *Ostpolitik*, negotiated the two strategic arms treaties which seemed to seal Europe's fate as a Russian satrap, while disarming the United States.

With the ABM Treaty, the United States formally renounced the development and deployment of a defense against

Soviet nuclear attack, while granting the Soviets enough concessions to enable them to construct a nationwide defense system against most U.S. nuclear warheads and today a mobile system rapidly deployable in a crisis against the remaining threat. If that were not enough, the interim agreement on strategic arms granted the Soviets the right to 60 percent more intercontinental ballistic missiles and 45 percent more submarine-launched ballistic missiles than the United States. (See *EIR*, May 24, June 7, 1983; Feb. 7, 1984.)

With this guarantee, the Soviets built a strategic arsenal capable of making a successful, preemptive attack on the United States—a military blackmail threat capable of bringing about Kissinger's cherished "obsolescence of the nation state" and "inevitable" "neutralist Germany equiposed between East and West."

The treaties laid the basis for the Soviets to take the "Mutual" out of Mutual Assured Destruction. The Europeans panicked at what this meant for the reliability of the U.S. nuclear umbrella: A Soviet invasion of Germany that resulted in a nuclear exchange could lead to a Soviet victory and occupation of Europe.

In response, Kissinger cynically declared 1973 to be "the Year of Europe." He threatened Europe with the withdrawal of the U.S. nuclear guarantee unless it made concessions to Nixon administration economic policy. He called his arrangement "a new Atlantic Charter." After the policy flopped, many Europeans believed that Kissinger had played a role in launching the "oil crisis" hoax of 1974 as economic retaliation.

Kissinger's immoral balance-of-power politics continued under the Carter administration in the form of the "Arc of Crisis" policy towards the Middle East. Kissinger began his return to power in 1982 with a May 10 speech before the London Royal Institute for International Affairs, in which he bragged that he had been an agent of the British oligarchy within the American government.

Last Jan. 13 in Brussels, Kissinger directly attacked the credibility of the U.S. nuclear umbrella over Europe. Speaking at a conference sponsored by the Georgetown Center for Strategic and International Studies, he said:

No leader of the West today dares to affirm what his strategy [to defend Europe] dictates: That to avoid defeat he would be obliged to resort to nuclear weapons.

Kissinger denounced Europeans who resisted his appeasement policies as warmongers:

The appropriate model is the period prior to World War I when client states pursuing regional rivalries drew their protectors into a holocaust by gradual increments, the full significance of which was not understood until it was too late.

Contrary to such pontifications, it is Kissinger's bid to dismantle the Atlantic Alliance and disarm the West before a growing Soviet military power which threatens to plunge the world into a nuclear holocaust today.

# A report to Germany on the challenge before the U.S. population

by Helga Zepp-LaRouche

*Helga Zepp-LaRouche, the chairman of the European Labor Party in the Federal Republic of Germany, addresses this report on the political crisis in the United States to the citizens of her country.*

Dear German citizens:

The American population has to take over U.S. foreign policy!

I am painfully aware of the dilemma facing the Federal Republic's best pro-American citizens. They have no illusions that the Federal Republic, in light of its current strategic situation, could maintain neutrality, and they know perfectly well that for cultural, historical, and political reasons their only alternative is to maintain the alliance with America. The big problem, however, is that the pro-American forces within the Federal Republic have no one within the administration with whom they can communicate; the State Department, which in fact ought to be responsible for foreign relations, is pursuing the diametrically opposite policy.

It is my own personal experience that the absolute majority of the Federal Republic's population is not anti-American, and that the large majority of Americans is not really anti-German or anti-European. And yet, the Alliance is in serious danger.

Whose deception is this? How does everything seem to be moving irrevocably towards a decoupling of Europe from the U.S.A., even though this in no way corresponds to the desire of both sides' populations?

It is an open secret abroad, unfortunately, that average American citizens know little about foreign policy and still less about Europe, even though most are of European extraction. And despite this they are on the verge of losing a possession whose value they are possibly not even aware of.

We can blame this to a great extent on the media, and especially on television, which—with its endless parade of soap operas, commercials, and human interest stories—manages to construct a fantasy world so complete that in comparison to this shimmering illusion, the real outside world emotionally recedes into the hazy distance.

This makes it all the easier for the Eastern Establishment-controlled media to slant the few shreds of European news which do get through, and their choice of what gets reported is almost exclusively determined by their political aims. The

media thereby produce the impression that the only thing going on in Europe was the so-called peace movement's anti-American demonstrations, and that the Europeans were in fact unwilling to maintain and pay for their defense.

## Kissinger's decoupling plan

Into this carefully cultivated atmosphere of neo-isolationism Henry Kissinger has now used the pages of the March 5 *Time* magazine to introduce his lavishly publicized proposal for a restructuring of NATO, a proposal which includes his threat to reduce U.S. troop strength in Western Europe by up to half of its current level.

The details of this proposal are merely window dressing; the actual intent of Kissinger's intervention is nothing less than a complete decoupling of Western Europe from the U.S.A.—in other words, the final sellout of Western Europe to the Soviet Union! And that is precisely the response the proposal has met with in Western Europe.

As anyone who has had to deal with the realities of the military-strategic situation knows—and Kissinger is no exception—since 1949 the Atlantic Alliance has been exclusively founded upon the existence of America's nuclear umbrella over Western Europe. This is the sole consideration inhibiting the Soviets from extending their hegemony over Western Europe. Undermine the credibility of this nuclear umbrella—as Kissinger has repeatedly done—and the absorption of Western Europe by the Soviet Union becomes an immediate threat.

The threadbare argument that Western Europe has a larger population and gross social product than the Warsaw Pact nations, and that it should therefore be able to take care of its own defense, is nothing but a Jesuitical trick designed to play on the public's ignorance. A look at the map is sufficient to dispel this argument: In contrast with the Eurasian land masses, Western Europe is a relatively thin strip of land which, for geographic reasons, possesses no strategic reserves, and whose northern and southern flanks are distant and virtually impossible to defend. To this must be added the significant facts—recognized by only a very few Americans—that Europe in no way represents a political entity, that the Warsaw Pact has a four-to-one conventional superiority and an even greater advantage in intermediate-range missiles, and that therefore, even if Western Europe were to become trans-

formed into a militarized economy tomorrow, it would take it at least ten years to catch up.

On the other hand, Western Europe's potential as measured in terms of skilled workers and industrial capacity, is so large that, if it were to come under Soviet influence, Moscow's position as a world power would be assured.

It is in view of this state of affairs, as well as the additional fact that U.S. and West European military circles are increasingly worried over the Warsaw Pact's current unmistakable preparations for a surprise attack—e.g. on Schleswig-Holstein—that Kissinger's proposal verges on high treason. Moscow is only awaiting the moment when it perceives the West's will to be sufficiently undermined to risk such a test without fear of a full NATO strategic reprisal.

If Kissinger were a genuine deep-cover Soviet agent, he could not have picked a better time for doing damage to the West. And as the British press has correctly inferred, this is but a part of Kissinger's bid to grab the post of Secretary of State in the next Reagan administration, if not earlier. The fact that, only ten days after his *Time* article, Kissinger was appointed to Reagan's Foreign Intelligence Advisory Board, has further intensified the pro-American Europeans' fear that they may have to evaluate this as a sign of official Presidential support for Kissinger personally, and hence for his proposals as well.

It is apparently but unfortunately true that President Reagan has no European policy of his own, and that the Eastern Establishment liberals within the administration such as Shultz, Eagleburger, and Kissinger have been given free rein to pursue their decoupling drive, along with neo-conservatives Irving Kristol and Norman Podhoretz.

## The decouplers in Europe

Most revealing of all, however, is the support Kissinger is getting from Social Democratic disarmament expert Egon Bahr and former Chancellor Helmut Schmidt. Egon Bahr, who advocates a neutralized *Mitteleuropa*, immediately embraced the proposal because it quickens the "underlying current" toward decoupling. This comes as no surprise to anyone who knows Bahr. But the so-called Atlanticist Helmut Schmidt, who for some time has been cashing in on his long years of service, is now speaking with "his master's voice."

Writing in the pro-Moscow periodical *Die Zeit*, Schmidt falls over himself in paeans to Kissinger and actually praises the "worldly-wise and history-conscious East Coast elites"—precisely the oligarchical traitors who for approximately 200 years have been striving to undo the achievements of the American Revolution. Schmidt leaves no doubt about what he has in mind: a supranational "group of wise men"—apparently not selected by any democratic process—which is to take charge of working out a new NATO structure.

Put still more succinctly: Behind Schmidt's extravagant praise, behind Bahr's wheelings and dealings, behind Eagleburger's contortions and Kissinger's threats there lies the

simple fact that the international oligarchical elite has begun a new offensive to attain their own version of supranational world domination, in which the world is to be divided up according to a "new Yalta" agreement with the Soviet Union.

The fundamental question here—what makes Kissinger's treachery so monstrous—is this: Are we or are we not prepared to defend the much-touted values of the free West? Nothing less than the entire 2,500 years of Europe's humanistic and Christian civilization is at stake, since the East's "anti-Western" offensive is aimed directly against this. Or can we completely forget that it was precisely these traditional European ideas which flowed into the American Revolution, and of which the young American republic was the most prominent expression, because on those shores a truly republican state was created for the first time?

Precisely the same issues which cost George III his last shards of sanity, and which spurred the oligarchy into repeated attempts to extinguish the fact of this republican revolution, are the issues today in Kissinger's attempt to destroy the Atlantic Alliance. He and his cronies argue that this alliance cannot continue to exist, because an alleged "transformation" of European and American values has led them along diverging paths.

But the real problem is precisely this "transformation." This is what we must halt and reverse, because its aim is to cause American and European citizens to revert into subjects of the oligarchical elite, against whom the American Revolution was fought. Only this time the oppression will not consist of slavery, but rather in the average citizen's isolation from the policymaking process, since he would rather watch television than concern himself with all aspects of his nation's affairs.

We must therefore emphatically call upon the American citizen to immediately resume the attitudes of citizens during the time of the American Revolution. America's foreign policy was then the best in the world, as anyone can easily see by reading William Penn or John Quincy Adams. And this was when the young nation's friends were the best forces in the world, because their policies were based upon a community of principle.

American citizens must therefore be encouraged to harken back to these best traditions, to remove Kissinger and his consorts from every public office, and to take foreign policy into their own hands.

We can promise them that this world contains many worthwhile things to discover, things which today the oligarchical elite is withholding from them: the real Europe of Dante, for example, or of Leonardo da Vinci, Leibniz, Bach, Mozart, Beethoven, Shakespeare, and Schiller—their true spiritual forefathers.

World history has so arranged things, that the ability of our human species to survive depends on their choice. We in Europe should help them by making our own voices heard, and by not abandoning the field to the decouplers.



# A German-American institute proposed to guide policy

by Helga Zepp-LaRouche

*Helga Zepp-LaRouche, chairman of the European Labor Party in the Federal Republic of Germany, issued the proposal for a new German-American Institute which we excerpt here.*

Relations between Western Europe and the United States, and in particular between the Federal Republic of Germany and America, are now in a serious crisis, the solution to which will have far-reaching military-strategic, political, scientific, and cultural consequences for the Western alliance.

For some time, and this is now impossible to overlook, the Soviet Union has had the intention to separate Western Europe—especially West Germany—from the United States. Simultaneously, in the United States as well, tendencies working for disengagement have been growing stronger, whether they demand the withdrawal of U.S. troops from Europe, as in the Mansfield Amendment, or would redraw the boundaries of Western Europe through a new Yalta Agreement with the Soviet Union. And finally, in West Germany itself there are various groups advocating a decoupling from the West.

While it is obvious that German-American relations are being subjected to a severe test by the combined effect of these factors, nonetheless there exists no unified ruling conception among the advocates of decoupling on what specific form it will take. . . .

One thing, however, is certain. Under the present strategic conditions of strained relations between East and West and the approximately fourfold superiority in conventional weapons of the Warsaw Pact over Western Europe, a possible withdrawal of the United States from Western Europe, as recently discussed by Undersecretary of State Lawrence Eagleburger, could have only one possible consequence: Western Europe would fall into the sphere of influence of the Soviet Union.

A problem which should not be underestimated in its seriousness is that all existing think-tanks, foundations, and institutes concerned with relations between Western Europe and especially West Germany and the United States are dom-

inated by the Eastern Establishment, and thus by the decouplers. These institutions accordingly not only spread disinformation about the real course of events, but portray the drifting apart as inevitable. A positive characterization of the common historical and cultural basis of America and Europe is not given, much less a definition of common interests for the future. . . .

The undeniable high point in the history of both nations came in the temporal coincidence of the American Revolution, in which all the republican forces of Europe took an active part, and the period of the Weimar Classicism, when the two nations had their most fruitful mutual influence.

The influence of German culture remained strong in America throughout the entire 19th century, and was strengthened by waves of many millions of German immigrants who were mostly recruited from the best parts of the population, fleeing from repeated outbreaks of political reaction to the New World. . . .

The fatal roots of the present degeneration of German-American relations, however, lie in mistakes in the policy of occupation following the Second World War, mistakes which stand out even more starkly if the policy of MacArthur in Japan is contrasted to that of McCloy and Clay in Germany.

While MacArthur successfully set out to win Japan as a friend and to involve the Japanese people themselves in the process of reform, McCloy aimed at the exact opposite. His policy for the U.S. zone was the creation of a total political vacuum in which only "U.S. assets" would be tolerated. It has now been made public that this policy consciously maintained the old Nazi structures and prevented the very promising democratic attempts at republican self-organization among the Germans themselves. Representatives today of this earlier German policy must take responsibility for the fact that not a few of these old "U.S. assets" have turned into today's highest-ranking representatives of pro-Soviet policy, as the example of Willy Brandt demonstrates. . . .

In the military-strategic area, President Reagan's new doctrine of Mutually Assured Survival has defined new perspectives of necessary cooperation. . . . We need a renaissance of cultural optimism that continues the tradition of the American Revolution and German Classicism, and it must be begun at once.

The idea that the drifting-apart is unavoidable because Europe and the United States are changing their fundamental social values through an all-encompassing transformation is therefore unacceptable, because the very best in our history would be lost in such a process.

The newly formed institute/foundation will have the task of researching common history and thus advancing the spiritual and cultural unity of the two nations. Above all, however, it shall present a variety of proposals for new options of cooperation. . . . If we work at this task with the same courage which inspired the European and American supporters of the American Revolution, we shall succeed.

# International reactions to the Kissinger plan

*International reactions to Kissinger's March 5 Time magazine piece on the restructuring of NATO were swift and frequently harsh. We present here a sampling of them, pro and con.*

## The State Department punts

*John Hughes, a State Department spokesman, gave this official response to the Kissinger policy statement at a Feb. 27 State Department briefing.*

We note that Mr. Kissinger has re-affirmed the centrality of the transatlantic defense relationship to Western security and world peace. We share that view. We believe that the NATO alliance is healthy, that its structure is sound, and that its strategy is valid and viable.

The administration believes all allies should make a greater effort to strengthen NATO defenses, and is pleased to note the progress that is being made in this regard. The United States, for its part, will continue to make an undiminished contribution to the strength of the alliance. Views such as Dr. Kissinger's represent his own thinking, and are constructive contributions to the healthy consideration of issues within the community of alliance security concerns.

## Europe hits Dr. K's 'irrational pessimism'

During meetings with President Reagan March 5, West German Chancellor Helmut Kohl complained to the President about Kissinger's program, according to a senior Reagan administration official who briefed reporters on the session. Because of "discussion which has appeared in public print" about "reshaping NATO," the official said, it was necessary to reaffirm the relationship between the United States and Europe. "There should never be any doubt in Europe about American commitment to Europe, nor should there ever be any doubt in the United States about the importance of an American presence in Europe," the two heads of state agreed.

"Are you referring to Kissinger's piece in *Time*?" *EIR*'s reporter asked. "Yes," he replied. "Was Kissinger discussed

in the meeting?" another reporter asked. "Yes." "Who brought up Henry Kissinger, what was discussed?" The official answered: "The Chancellor made it very clear that troop withdrawal proposals would be counterproductive. . . . That should give you an idea of who brought up Kissinger and in what context."

"You have been quoted as calling Kissinger's proposals bizarre. Is that an accurate quote?" *EIR* asked. "Yes, it is. Now, I don't believe I was referring specifically to Dr. Kissinger, but in this situation, when NATO has just achieved one of its greatest victories, the successful deployment of the Euromissiles, I find it bizarre that anyone would suggest we need a major overhaul of NATO. My motto is, 'If it ain't broke, don't fix it.'"

Alois Mertes, the highest ranking undersecretary in the West German Foreign Ministry, rejected Kissinger's proposals as "irrational pessimism" damaging to the Alliance, in a Feb. 27 statement to the press. "The supreme command of NATO should be kept in American hands because only an American will have political weight with the U.S. President in a crisis, which no European can have," he said. Mertes rejected Kissinger's ideas as "an unjustified dramatization of the problems of the Alliance. Rough cures of this kind only serve to weaken the credibility of the United States among its friends and enemies."

In an interview March 16 with the weekly *Die Zeit*, Mertes declared that withdrawal of U.S. troops from Europe would mean "giving up Western Europe if the Soviet Union attacks."

Karl Feldmeyer, military correspondent of the Frankfurter Allgemeine Zeitung, wrote in the newspaper's lead editorial March 6:

In the final analysis, it is the U.S. nuclear umbrella that counts. Only the risk this umbrella creates is credible and unacceptable for the Soviet Union. Only it can prevent Moscow from imposing its will upon Western Europe—be it by political or military force. . . . It is from this aspect that Kissinger's thrust has to be considered problematic. It can only reinforce Moscow's hopes that it can avoid a revision of its own policy because the West will not stick to its own

policy. . . . Security is not to be found in the land of make believe. Security results from recognizing that NATO cannot fulfill its tasks without taking into account, together with the Americans, the global lever of Soviet policy. What is required is not ways out, but respect for reality.

*The Swiss financial newspaper the Neue Zürcher Zeitung editorialized in its March 4-5 issue:*

It seems that self-doubt, anxiety about the future, and internal controversies are the elixir, or possibly even the vital sustenance, which has kept the Atlantic Alliance going for 35 years now—*dubito, ergo sum*. But almost as soon as it successfully withstood the demanding political trials of counter-armament, it is now once again plunged into the abyss of a new transatlantic discussion over whether it can survive at all. And once again, the immediate trigger for this exercise is a provocative analysis by Henry Kissinger published in this week's *Time* magazine—an exposé which one is not unjustified in associating with the author's relentless ambition to play an active political role in Washington once again. This new controversy, however, has brought some things to light which have been knocking around for some time within the American-European relationship. . . .

In his arguments, Kissinger burrows all the way down to psychoanalytic depths. He would like to cure the "feelings of guilt, self-hatred" and status-seeking, which comes along with the Europeans' voluntary inferiority. But there remains the nagging question whether the altruism of this therapeutic prescription might not be an alibi for withdrawal movements with different motivations, or even for an isolationist temptation.

We are also at pains to see the well-versed international politician at work here. As tempting as the thought might be to rouse the Europeans with a shock therapy and force them out of their comfortably passive satellite existence and into independent action, this politician ought to know what the European response would be to a radical reduction of America's commitment to the old continent, in view of past experience: instead of a revival of the desire for joint defense, there would be a flight into "relaxation of tensions"—a delicate term for *accommodation* to the will of the "other" power.

**David Watt**, head of London's Royal Institute for International Affairs, wrote in *The Times* March 9:

The necessity of having to say something about NATO seems to bring out the worst in politicians and pundits. Either they resort to laborious tactics of the "common heritage and shared values" variety or they go into a frenzy of doom and gloom about the erosion of Western defences, the barbarian hordes at the gates and the necessity of a radical restructuring of the entire edifice. . . . A beautiful case of the second was Dr. Henry Kissinger's largely preposterous article in a recent *Time* magazine. . . .

## **LaRouche: a Soviet backed-policy**

*Many of the observers cited so far spoke out against Kissinger's plan because of tactical disagreements, while supporting his "New Yalta" design overall. The only fundamental opposition to the Kissinger doctrine came from U.S. Democratic presidential candidate Lyndon H. LaRouche, Jr. who issued this statement March 12:*

In the March 5 issue of the newsweekly *Time*, former U.S. Secretary of State Henry A. Kissinger presented what was, in reality, Soviet policy for dissolving the strategic alliance between the United States and the nations of Western continental Europe. The policy Kissinger is campaigning to put into effect is called "decoupling." That Soviet doctrine is presently being promoted by the Aspen Institute, in collaboration with Kissinger and NBC President Thornton Bradshaw.

As Kissinger himself insisted . . . as recently as 1979, if the kind of "decoupling" which Kissinger now proposes were to be put into effect, all of Western Europe would be "Finlandized," reduced to the status of a Soviet sphere of strategic influence, reduced . . . to the status of "captive nations."

This development is fully consistent with Kissinger's record of performance as a Soviet agent of influence in such matters as SALT I, SALT II, and the 1972 ABM treaty.

Admittedly, we are rapidly approaching the point at which a Soviet shock-assault invasion might be expected on any or a combination of three targeted regions: 1) The Federal Republic of Germany—either the Schleswig-Holstein and Hamburg regions only, or the entirety of West Germany; 2) Austria; 3) The "Finnmark" region of Norway. In the case that a Hart-Mondale administration were inaugurated in January 1985, the Soviet military junta would assume, with excellent evidence to support this conclusion, that a "Neville Chamberlain" government had been installed in Washington; it would act as it chose to act, and could then reach the Rhine river within 72 hours of shock-assault invasion. Were Kissinger's influence over the Reagan administration to continue at the present level, the Soviet military junta would tend to view the administration as too politically impotent to take effective measures against a Soviet aggression of the varieties indicated.

## **Europe is defensible**

However, under proper arrangements, Western Europe is militarily defensible.

The essential strategic problem of Europe is not military capabilities as such, but an erosion of the in-depth strength to sustain needed military capabilities and political will.

**In Britain:** Already, before the summer of 1983, Britain was fairly described as a "formerly industrialized nation," reduced to a junk-heap under impact of "post-industrialization" policies introduced by the Harold Wilson government and pursued by Margaret Thatcher. During the late spring of 1983, Mrs. Thatcher stated she was committed to reversing this industrial rot. However, an "Establishment" coup of

forces allied politically to Lord Carrington reduced Mrs. Thatcher's government to an instrument of Carrington's policies.

**On the Continent:** The relative stability which France, West Germany, and other nations had contrived to maintain into 1980, despite the Carter-Mondale administration in the U.S.A., was wrecked by the impact of combined disasters: the radiating disorder caused by the Khomeini dictatorship in Iran, the Polish crisis, and the October 1979 inauguration of the U.S. Federal Reserve's policies of "controlled disintegration of the economy," jointly inaugurated by President Jimmy Carter and Fed chairman Paul A. Volcker. These disasters were compounded by the collapse of world-trade levels, a collapse caused by the "conditionalities" policies of the Swiss bankers and the International Monetary Fund (IMF).

The present state of crisis in Europe was detonated by the fall of the West German government of Chancellor Helmut Schmidt, engineered with complicity of Hans-Dietrich Genscher of the Liberal Party of that country. Although Schmidt was and is a follower of Britain's Lord Carrington and Henry Kissinger, as long as he remained Chancellor his policies reflected a combination of pro-industrial and other forces within his own Social-Democratic Party and the trade-union and business organizations. With Schmidt's deposing, the combination of forces associated with his government dissolved, The Social-Democracy was taken over by forces allied to the Soviet-linked "environmentalist" party of Germany, the Green Party. In this circumstance, certain among the conservative factions in Germany entered understandings with the Soviet government paralleling the nakedly pro-Soviet policies of the Green Party and sections of the SPD leadership.

The present political dangers within West Germany are increased by the collapse of the nation's hard commodity export-trade. The collapse in levels of world trade caused by Volcker's policies and the "conditionalities" policy of the IMF is driving levels of production in German industry below the national "break-even point." This collapse fosters insurgence of deep cultural pessimism, akin to the cultural pessimism which destroyed the Weimar Republic of the 1920s from within.

Given the shattered state of the Danish, Belgian, and Italian economies, and the looming financial crisis of France, the erosion of West Germany becomes the threat of Soviet takeover of all of Western continental Europe as a "sphere of Soviet influence"—"Finlandization." This point is underlined by a glance at the map of Western Europe: What are the possibilities of defense of the remainder of Western continental Europe the moment Soviet assault-forces have reached the vicinity of Koblenz and Bingen along the Rhine? (Those who served under Lt. Gen. George S. Patton, Jr. in the Third Army drive through that region will be readily capable of supplying an informed estimate.)

In the case that the United States avows a commitment to a process of decoupling from Europe, as Kissinger and

Thornton Bradshaw's Aspen Institute, among others, have proposed with increasing vehemence, Soviet control over Western Europe becomes immediately an established fact of life in the policies of practice of governments of those nations.

The military defense of Europe requires more than military capabilities as such. It requires the correlated economic, political, and morale factors. We must not merely affirm our defense of Europe to the point of openly repudiating Flexible Response. We must rid our nations of the accursed depression in basic and capital-goods industries. We must repudiate the "conditionalities" policies of the IMF, the Volcker policies of the Federal Reserve, and establish a gold-reserve monetary order adequate to forestall the 1931, Hoover-style international financial collapse now threatening to plunge the world into the worst depression in centuries.

The Soviet military junta will not believe that the United States and the Atlantic Alliance have the will to resist a Soviet, Hitler-style military adventure in Europe, as long as Kissinger's circles remain within the U.S. government, or the possibility of the election of a Hart-Mondale ticket is believed in Moscow.

## Applause from Kissinger's supporters

*Former West German Chancellor Helmut Schmidt wrote an essay titled "A Bulls-Eye," in the Hamburg weekly Die Zeit March 8:*

There's no doubt about it: once again Henry Kissinger has done a great service, not only to his own country but to the whole world. . . .

Kissinger is right when he states: Whenever one country dominates the alliance on all essential matters, the dependent countries will feel no motivation to undertake efforts toward political coordination. I would like to add: dependence corrupts—it corrupts not only the dependent partner, but also the overblown, almost solely determining partner. . . .

Kissinger has hit the bulls-eye: The Alliance needs a new global strategy—but this must finally once again include the conduct of all its partners in the world economy! This is what was originally written in the text of the North Atlantic Alliance. A global strategy needs to be firmly grounded upon political and economic solidarity amongst the allies; that is to say, it will also require the allies to limit and curb their competition and self-serving goals, even though this may seem in principle unavoidable. . . .

Henry Kissinger has expressed two truths and one probability. The first truth is that most European governments rely all too much upon American nuclear weapons, and that most of them are neglecting their own conventional defense. The probability is that a new American generation, inexperienced in world affairs, could react to a continuation of such neglect with the withdrawal of a substantial portion of American armed forces from Europe. The second truth is that both

the U.S.A. and the Europeans put much too much confidence in nuclear deterrence; in the event we needed to defend ourselves, our so-called flexible response would remain flexible for only a few days—after this it would shift into the nuclear destruction of central Europe.

Therefore, in the context of a re-formulated global strategy for the alliance we also need a reform of our military strategy. Not a ban on nuclear weapons, but rather a better conventional balance! It is not necessary to put one West European soldier onto the field for every Soviet soldier—the defender can get by with a certain numerical disadvantage. But we must certainly have better-equipped French reserve personnel. We need British reserve personnel! We need to strengthen our conventionally deployed air force and have more conventional ammunition for the German army. Under such qualitatively and quantitatively improved conditions, moreover, a partial withdrawal of American troops would not necessarily be bad. The Europeans would play an independent role!

*The Daily Telegraph of London editorialized March 8:*

Dr. Henry Kissinger's critique of NATO, published earlier this week in *Time* magazine, has generated some alarm in European capitals. The outgoing Nato secretary-general Dr. Joseph Luns has described Dr. Kissinger's words as "a bolt from the blue." There is a sense of shock that the supposedly Eurocentric Kissinger should want to rock the boat. In fact, Dr. Kissinger's remarks are not at all out of character. He has for years been anxious about the credibility of NATO's central doctrine of flexible response, at times quite explicitly so. He is possessed of a restless intellect which is challenged rather than dismayed by bureaucratic rigidities. Above all, Dr. Kissinger hopes to be invited to serve as Secretary of State in a second-term Reagan Administration. . . .

The main thrust of his argument is that Europe's defence should become a more explicitly European task, which would enable the United States to devote more resources to the maintenance of the global balance of power in other areas. The objection to Dr. Kissinger's suggestions is that they can be made to appear just another way of lessening America's commitment to Europe. However, if his prescription can be challenged, his description of NATO's malaise cannot. The best response is hard thinking and not a wail of protest.

*The Financial Times of London editorialized March 5:*

One might think that a contribution to the debate by a statesman with as much experience on the international scene as Henry Kissinger would call for deliberate consideration. But no, dismissal has been instant and sweeping from the German foreign ministry and from the civilian and military leadership of NATO. . . . The Kissinger ideas deserve serious consideration. And they deserve it all the more if it is true as some suggest that the good doctor still entertains hopes of

returning to high office in Washington, perhaps in his old post of Secretary of State in a second Reagan Administration.

## **The Kissinger lobby in the Senate**

**Howard Baker** (R-Tenn.), U.S. Senate majority leader, had Kissinger's article inserted into the *Congressional Record* March 6, with the comment that "Dr. Kissinger has written one of the most logical yet provocative treatises on the Atlantic alliance to appear in a very long time. It is a masterful treatment by a master of diplomacy, and it richly deserves the careful consideration of the Senate."

Another Senate backer is **Larry Pressler** (R-S.D.), who on March 5 endorsed the Kissinger program and argued that if the United States engages in military activities in the Middle East, it should do so as a partner with other countries which have a stake in the region. Europe and Japan should take the initiative if military action is called for, and should be willing to lead the operation since it is being done for their benefit. "I feel very strongly that we should heed the advice of Secretary Kissinger."

**Sen. Ted Stevens** (R-Alaska), chairman of the Senate Defense Appropriations Subcommittee and the leading Senate advocate of a U.S. troop withdrawal from Europe, is preparing legislation to help implement the Kissinger plan.

## **U.S.S.R.: Kissinger does not go far enough**

*The Soviet news agency TASS complained in a March 7 dispatch that Kissinger does not go far enough in splitting Europe from the United States. Making a play to the Europeans, TASS treats the Kissinger bid as yet another move by Washington to dominate the continent.*

Attempts are now being made in the U.S. to "energize" the NATO bloc . . . and to tie Western Europe closer to Washington's adventurist course. This sort of "restructuring" of NATO is, this time around, being "pioneered" by former U.S. Secretary of State Henry Kissinger, who detailed his program in *Time* magazine. . . .

His principal proposal is to make Europe shoulder "the brunt of the responsibility" for the "non-nuclear defense" by the year 1990. As can be seen from the program proposed by Kissinger, the measure sets itself two main objectives: to release part of the U.S. forces stationed in Europe, for use in other "hot spots" of the planet and to draw Europe into a new round of the arms race with the clear aim of undermining its competitiveness in the world market. . . .

The Kissinger plan does not, however, provide for a U.S. withdrawal from Europe. The new distribution of responsibilities does not make irrelevant the argument in favor of keeping significant U.S. forces in Europe, he says. . . .

## Soviets plan Islamic terror wave against the West

by Mark Burdman

Security officials in the United States and Western Europe are on alert in anticipation that a long-expected Soviet-backed Islamic fundamentalist terrorist wave will hit both continents with unprecedented fury by early April at the latest.

Tightly coordinated Soviet and East German deployments into Libya, Ayatollah Khomeini's Iran, and Syria since mid-February have tightened the command-and-control for launching the expected terrorism bloodbath. In parallel, the Soviets have succeeded in emplacing a security-stripping operation at the nerve-center of U.S. intelligence capabilities through Henry Kissinger's ascension to the Foreign Intelligence Advisory Board post in Washington, D.C.

Ironically, Kissinger has been named in at least one widely-read newspaper, the London-based *al-Arab* journal on March 7, as a key controller of international terrorism. Investigations by *EIR* indicate that Kissinger is simultaneously being integrated into the drug-trafficking mafia through his appointment to the Board of Directors of the Dope, Inc.-linked American Express.

The Soviet-Kissinger coordination to set up North America for a wave of terrorist atrocities in April was most efficiently signaled by the appearance in *Izvestia*, the Soviet government newspaper, of a 1,000-word attack on *EIR* founder and U.S. Democratic Party presidential candidate Lyndon LaRouche, whose efforts to combat Nazi-Communist terrorism are now a subject of almost-daily recognition in the French and Middle Eastern press.

The *Izvestia* piece, citing Kissinger conduits like *The New York Times* and NBC-TV as sources for its information, indicates vastly upgraded Soviet blackmail pressure on the

Reagan administration to accept Kissinger's demand that LaRouche be liquidated.

The fight between LaRouche and his international supporters and Kissinger has thus become central in the question of whether the United States and Europe will be the targets of terrorist atrocities in the immediate days ahead.

### Aliyev in Damascus

According to the best estimates of intelligence insiders, the terrorist capability targeting North America is fully in place following the trip to Syria by Soviet Deputy Prime Minister Geidar Ali Reza Aliyev on March 10. Aliyev is the coordinator of the Soviet "Islamic Card" and oversees the deployment of Islamic fundamentalist Nazis throughout the Middle East and Africa.

Following Aliyev's departure, Soviet command-and-control over Syria was upgraded through the demotion of mafioso Rifaat Assad, brother of President Hafez Assad, and the upgrading of Defense Minister Mustafa Tlas, a wholly owned Soviet KGB asset.

R. Assad's special security staff was dismantled and his personal chief of staff arrested on May 14. This reorganization coincided with reports in the Greek press and elsewhere of Syrian-backed hit teams being sent against U.S. embassy officials in Europe, to test the waters for the planned terrorist escalation into North America itself for the early-April period.

Aliyev arrived in Damascus as the fifteen year-old regime of Syrian President Hafez al Assad faced its strongest internal challenge, so strong that Syrian troops in Lebanon were sud-



denly redeployed to Damascus in late February. A military clash reportedly occurred between Syrian military hardliners and the special military forces headed by Rifaat al Assad. Days later, the cabinet resigned and Aliyev arrived on the scene, marking the highest-level Soviet visit since that of Foreign Minister Andrei Gromyko in 1980.

The day after Aliyev's arrival, Assad announced his new cabinet, which favors the Soviet-allied military faction associated with Chief of Staff Hikmat Shihabi, Third Army Chief Shefiq Fayez, and Defense Minister Mustafa Tlas. This is the grouping which *EIR* predicted four months ago would come to the fore in Syria, to strengthen the Soviet grip on the country. Since the Israeli invasion of Lebanon, the Soviet Union has dramatically upgraded its military alliance with Syria, delivering over \$2 billion in arms and deploying an estimated 7,000 military advisers there.

Aliyev, shortly after arriving in Damascus, issued a statement denouncing U.S. "adventurism" in the Mideast: "Washington is sowing the spirit of confrontation on the world scene and is escalating tension in various parts of the world. It undertakes military adventures against sovereign states in unprecedented contexts and seeks to achieve military superiority." After a meeting with Aliyev, Syrian Foreign Minister Abdul Halim-Khaddam declared that the "U.S.S.R. has proven it is the sincere ally of Syria and the Arabs." The next day Khaddam was promoted to the post of Vice President.

### **Khomeini and Qaddafi**

Syria's two main allies, Iran and Libya, are also being primed to unleash "wetworks" across North America and Europe. According to a highly informed Iranian source, the "spymasters" putting together the terrorism capabilities for Khomeini's Nazis are the top officials of the East German Stasi intelligence service working out of Teheran embassy of the German Democratic Republic (GDR).

It has long been known that the Soviets work primarily through the GDR in organizing Iranian terrorism, and that the most insidious murderers in Iran were trained through the Stasi's branch offices in Leipzig.

Iranian sources report that there has been a recent upgrading of North Korean "behavior modification" specialists sent into Teheran to brainwash Iranian youth into becoming "suicide squad" commandos to commit terrorism against American targets.

War against America and its Western allies was declared during the formation of a new "Fifth International," or "Islamintern," in mid-February. The coordination agency for this Islamintern is the Assembly of United Islamic Movements, which completed planning meetings on Feb. 15.

After Feb. 15, according to U.S. security officials, the Khomeini regime began to build up its embassy in Managua, Nicaragua, as a center point for operations into the Western Hemisphere, through which Khomeiniac commandos could establish cooperation with the Puerto Rican FALN and other terrorist groups. Simultaneously, the Iranians have upgraded

their embassy capabilities in Canada, under the direction of Ambassador Fati Fard, a member of the Iranian Revolutionary Council.

According to an Paris-based Iranian exile newspaper, the "leaky valves" in Western security capabilities against Iran have been the foreign ministries of Austria, West Germany, and Italy. West German Foreign Minister Hans-Dietrich Genscher is an open sympathizer of the Khomeini regime, while Italian Foreign Minister Giulio Andreotti is a tool of those elements in the Vatican and the Roman nobility who have been making their peace with Khomeini, including cases of several leading "families"—the Montreale, Pallavicini, and Massimo—converting to Islam.

Iranian Ambassador to the Vatican Khosrow-Shahi, who boasts to intimates that "I have converted the Pope to Islam," is the bankroller and overseer of Iranian terrorist operations into Western Europe and North America, and is kept functioning because of protection by these powerful entities.

### **Libyan reorganization**

As the mid-February meetings in Teheran were concluding, Libyan dictator Muammar Qaddafi was completing the sessions of his "Revolutionary Peoples' Congress." Since that time, the entire Libyan terrorist structure has been reorganized, under East German direction, for a wave of assassinations against both Libyan opposition figures and non-Libyan opponents of the Libyan regime in Sudan, Egypt, Great Britain, the United States, and Ibero-America.

Qaddafi has designated April 7 as the "Day of Liquidation," and has ordered his followers to carry out "liquidations" with the fervor of a "religious holiday." The foretaste of what this would mean were bombings against a London night club and an Air France jet bound for Chad on March 10, claimed by Libyan networks.

According to at least three intelligence insiders, the restructuring of the Libyan terrorist command was instigated by the mid-February arrival in Libya of 1,000 East German officials, including a liberal array of agents of the Stasi.

Since that time, Qaddafi created his own Ministry for External Security, under Col. Ali Bilgazim Yunis, assisted by Qaddafi's cousin, Ahmed Gadafadam, to centralize international hit-team operations in a systematic way.

Other top officials brought into this new command were Abdullah Senussi, head of internal security in 1980-81, Sayed Rashid, arrested but later released in 1983 in France for terrorist activities, and Musa Kusa, the former head of the "Libyan Peoples Bureau" in London, who had been asked by the British to leave the country.

Qaddafi also has appointed a new foreign minister, Ali Treiki, former Libyan ambassador to the United Nations, through which post Libya had developed tentacles throughout Ibero-America for terrorism in the western hemisphere.

The turn to an overall more radicalized Libyan policy was made operational on Feb. 18, with the takeover of the Libyan embassy in London by a group of "radical students," who

marched into the premises, kicked out the ambassador and launched a series of tirades against U.S. and British policy in the Middle East.

In Paris, Libyan operations are reportedly being run through one Joseph Chbat, a Lebanese-born arms dealer and former member of the Lebanese Communist Party who works for the KGB and Libyan intelligence. Chbat is reportedly targeting supporters of *EIR* founder LaRouche for hits. On Jan. 9, LaRouche had been named by the Libyan news agency JANA as "Public Enemy No. One" for the Qaddafi regime.

### The 'hundred years war' danger

The upgraded Soviet-Islamic fundamentalist terrorism threat is part of a broader plan by the Soviets and Kissinger to blow up the Middle East-North African region into nonstop religious fundamentalist wars.

The KGB, in collaboration with the Ariel Sharon faction of Israeli intelligence, has recently upgraded the terrorism threat from Rabbi Meir Kahane's "Kach" movement, and the Kach-linked "Temple Mount Foundation," which seeks to set off a "holy war" in the Middle East by blowing up the Mosque of Omar on the Mount of Olives in Jerusalem.

On March 6, five American-born members of the Kach

and the Temple Mount group were arrested after Israeli police had discovered a giant arms and munitions cache capable of blowing up the Temple Mount several times over.

This Kach-Temple Mount cell was held responsible for the attempted bombing two weeks earlier of the Mosque of Omar, which, had it been successful, would have triggered an Islamic-Jewish religious war throughout the region that could not have been contained.

Intelligence insiders in Israel are buzzing about the Kach-Temple Mount arrests, pointing to *EIR* as having been the first source for exposés on the Temple Mount Foundation deployment as such and the broader reasons underlying this deployment: the so-called "Bernard Lewis Plan" endorsed by Kissinger's State Department for breaking up the nation-states of the Middle East and reducing the whole region into small ethnic and religious-based mini-states. Unless stopped, Kissinger's capabilities in this direction will increase dramatically.

As the London *Al-Arab* paper pointed out March 7, it was Kissinger who arranged the terrorist murders of Lebanese President Bashir Gemayel, Italian Prime Minister Aldo Moro, and Pakistani President Ali Bhutto, all of which had devastating consequences on stability in the Middle East.

## The latest terror outbreaks

Recent incidents in the United States, Western Europe, and the Middle East signal a coming wave of religious fundamentalist terrorism backed by the Soviet Union, Western security officials fear.

- On March 3, the U.S.S.R.'s advance man for the Los Angeles Olympics, Oleg Yermishkin, was denied a visa by the U.S. State Department, on the grounds that he is a KGB agent. Yermishkin is a counsellor in the information department of the Soviet Ministry of Foreign Affairs; he was identified as a KGB official when he served as first secretary of the Soviet Embassy in Washington. Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee, protested against the inordinate time that the State Department took to make a decision on Yermishkin's visa application, which had been under consideration since December. John Hughes, the State Department spokesman, said that Yermishkin might use his diplomatic immunity to carry out espionage in the Silicon Valley. But intelligence officials are also alert to the possibility of a terrorist assault against the summer Olympics.

- On March 10, an explosive device went off at the

L'Auberge night club in London's Mayfair district, leaving 30 injured. Three other bombs were discovered before they exploded. The bombings came after a March 2 warning from Scotland Yard that tensions between Libyan dictator Muammar Qaddafi and Libyan exiles might lead to a terrorist outbreak. Three Libyans are being sought who left the night club shortly before the explosion of the "professionally made" bomb with a timer and two pounds of explosives.

- On March 7, Arye Ivzan, inspector general of Police in Israel, announced the arrest of seven suspected members of a Jewish underground group (Terror Against Terror—TNT) that has been harassing Arabs in the Jerusalem area since December. Four of those arrested were immigrants from the United States and followers of Rabbi Meir Kahane, and are charged with involvement in the ambush of an Arab bus near Ramallah March 4 in which seven people were hurt. Three more suspects are being held in connection with the Jan. 27 attempted bombing of the Temple Mount in Jerusalem.

The Americans arrested have also been questioned in regard to a July attack upon the West Bank's Hebron College, as well as some 50 other attacks that the Terror Against Terror underground is suspected to have carried out over the last ten months. The four were trained at a special New York summer camp of the Jewish Defense League, which has pledged to raise money for their legal defense.

# Kremlin threatens Reagan: break with LaRouche!

*The following statement of policy on the practical implications of the March 12 Izvestia attack on Lyndon LaRouche was released to EIR on March 15 by The LaRouche Campaign.*

The Soviet government on March 12 threatened to refuse all negotiations with the administration of President Ronald Reagan, unless President Reagan demonstrates that he supports Moscow's attacks against Democratic presidential candidate Lyndon H. LaRouche.

This Moscow signal to President Reagan was delivered publicly as the lead item in the International Section of the official Soviet government daily newspaper, *Izvestia*, of March 12. In a feature article, supporting NBC-TV's Jan. 30 and March 4 libels against LaRouche, Moscow concludes with the following statement of threat to the Reagan administration:

"The acknowledgment by the White House not only exposes the true face of LaRouche, but it also shows that the current Washington administration does not shy away from the services of provocateur-neofascists." Every "Sovietologist" knows exactly what such a signal in *Izvestia* means.

The significance of this diplomatic signal from Moscow is underlined by *Izvestia's* Feb. 12 endorsement of LaRouche's Democratic opponent Walter F. Mondale for U.S. President, *Izvestia's* sympathetic coverage of LaRouche's opponent, Sen. Gary Hart (pence), and Moscow's close collaboration with former U.S. Secretary of State Henry A. Kissinger and Kissinger's international networks.

Recent attacks on LaRouche from highest levels in the Soviet government include a Nov. 15, 1983 denunciation in *Izvestia*, and earlier attacks by the official public journal of the Soviet KGB, *Literaturnaya Gazeta*, on June 22, July 6, and Oct. 26, 1983. Moscow considers LaRouche the "intellectual author" of the new U.S. strategic doctrine which President Reagan announced in a nationwide televised broadcast on March 23, 1983. Moscow has been allied with Henry Kissinger's mentor and business-partner, Britain's Lord Carrington, against LaRouche and the President's "beam-weapons" policy since immediately following the President's May 23, 1983 announcement. During that period, Carrington stated, "[Yuri] Andropov is our asset," charging that the Presi-

dent's adoption of LaRouche's strategic doctrine would destroy Andropov's political career.

The Soviet KGB has been detected running high-level covert operations against LaRouche outside the Soviet Empire's territory since 1971-73. During that period, Soviet intelligence arms operating through the interior ministry of East Germany, including the Greek-language section of the Soviet KGB operating out of Leipzig, have run drugging, kidnapping, and other covert operations against associates of LaRouche, sometimes in collaboration with Western intelligence-assets including the "Russian Studies" section of the London Tavistock Institute, into the Institute for Policy Studies' networks in the U.S.A.

At the close of 1973, an FBI "302" report, later released under Freedom of Information Act procedures, stated that the elimination of LaRouche was being discussed at the highest levels of the Communist Party U.S.A. Shortly after this FBI report was filed, a Puerto Rican terrorist organization coordinated through the Cuban intelligence service was deployed into New York City, and began surveillance of LaRouche. The FBI and the *New York Times* intervened at that time [January 1974] to prevent any assistance to LaRouche et al. The *New York Times* ran its first massive libel campaign against LaRouche during that period, and negotiated with major liberal news-media internationally a policy of no press-coverage of LaRouche's activities except periodic circulation of approved malicious falsehoods. That policy has been maintained by that group of international news-media to the present day.

## The Kissinger connection

The first personal actions against LaRouche by Henry Kissinger, then secretary of state, date from 1975, according to both FOIA-released official U.S. documents and highest-level diplomatic services of several nations. Kissinger personally directed an international "Cointelpro" operation against LaRouche during that period, in collaboration with Soviet-linked elements of the leadership of Willy Brandt's Socialist International and with the FBI. (The Anti-Defamation League's "Fact-Finding Division" of Irwin Suall, Abbot Rosen, et al., is a cover-operation of the FBI.)

Kissinger has been a Soviet agent of influence since his first direct association with the U.S. government, under National Security Adviser McGeorge Bundy during the period preceding the assassination, and cover-up of the assassination of President John F. Kennedy. In addition to Kissinger's European cutout connections to the Soviet leadership, Kissinger has been connected to Moscow through the Pugwash Conference, the Aspen Institute, and David Rockefeller's Dartmouth Conference. On every issue that vital U.S. interests have conflicted with Kissinger's secret agreements with Moscow, Kissinger has worked on behalf of policies agreed upon with Moscow through such back-channels.

Both Mondale and Hart have multiple connections to Moscow, and both are controlled by the networks of Henry A. Kissinger.

On May 10, 1982, during the same period Henry Kissinger was delivering an address confessing his own treasonous conduct against the United States to a public [Chatham House] audience in London, the Nuclear Freeze line was laid down at a Moscow International Peace Conference, by KGB official Patriarch Pimen of the Russian Orthodox Church. A year later, during May 1983, Mondale's Minnesota political machine entertained top Soviet KGB officials at a conference in Minneapolis. The Soviet party included Fyodor Burlatskii, who has denounced LaRouche in *Literaturnaya Gazeta*. These

Soviet officials laid down the Nuclear Freeze line which Mondale's organization has followed since that time. Gary Hart(pence)'s connections to Soviet policy-conduits are even stronger than those visible in the case of Mondale.

Yet, the FBI intervened directly to prevent the facts about the Soviet meeting with Mondale's machine from being circulated. This astonishing behavior by the FBI coincides with an earlier action of FBI Director Judge Webster in denying Soviet direction of the U.S. Nuclear Freeze movement, and Judge Webster's Dec. 18, 1983 lies, denying the rise of Soviet-coordinated Libyan, Iranian, and related terrorist forces within the U.S.A. Also related is eyewitness evidence of FBI collaboration with the Soviet asset, the National Action Party of Mexico, during 1983.

Additional light on the curious role of the FBI's assistance to Moscow is shown by the cases of Walter Sheridan, Gordon Novel, Ira Silverman, Brian Ross, and James J. Angleton, in preparing the libels which NBC-TV broadcast on the NBC-TV "Nightly News" of Jan. 30 and the NBC-TV "First Camera" of March 4. Sheridan, Silverman, and Ross are one unit, closely associated with James J. Angleton. This unit is an asset of the FBI which has often used NBC-TV as a conduit for special operations of the FBI. McGeorge Bundy's effort to effect a massive cover-up of the assassination of President John F. Kennedy featured former-FBI "Division V" official

## State Department complies with *Izvestia's* demand

On March 15 and 16, State Department spokesman John Hughes indicated that he is collaborating with representatives of the Eastern Establishment "news" media to comply with *Izvestia's* demand of March 12 that the Reagan administration cut off all contact with *EIR* founder Lyndon LaRouche and associated publications and organizations.

Hughes made it clear that he would refuse to conduct briefings unless *EIR* Washington correspondent Stanley Ezrol were silenced. The State Department briefing of March 15 concluded as follows:

**Ezrol:** John, while we're on the [topic of the] reality of terrorism, don't you think that now that the administration has made it clear through its handling of the LaRouche case, that it won't lift a finger—

**Hughes:** No, no.

**Ezrol:**—to even enforce its own laws to protect a U.S. presidential candidate, that King Hussein or anybody—

**Hughes:** I don't think that we will entertain—

**Reporter:** John—

**Hughes:**—political statements in this briefing—

**Reporter:** No, no. Not—

**Hughes:**—and if we—if this is going to become a venue for political statements, we will end this briefing and—

**Ezrol:** What kind of a statement is that?

**Hughes:** That's the end of the briefing today, gentlemen.

On March 16, the following exchange occurred:

**Ezrol:** Do you have any comment on a March 12 article on the first page of the international section of *Izvestia* in which the Reagan administration is charged with maintaining contacts with neo-fascist organizations led by Lyndon LaRouche?

**Hughes:** I haven't seen it.

**Ezrol:** . . . I find it incredible that you, meaning the State Department, for whom you are speaking—

**Hughes:** This briefing is over—

**Ezrol:**—has not taken note of an article attacking the administration—

**Hughes:** We will not have political speech-making here.

**Ezrol:**—on the first page of the international section of *Izvestia*.

**Hughes:** This briefing is over.

Walter Sheridan as an NBC consultant working in the same capacity as Silverman and Ross in the Abscam frame-ups and current NBC-TV-conducted FBI-Kissinger “covert operations” against LaRouche. NBC-TV First Camera’s Pat Lynch volunteered the information that James Angleton and the FBI were assisting her in preparing the libel-campaign against LaRouche.

NBC-TV’s President, Thornton Bradshaw, is a close associate of former NBC consultant Henry Kissinger. Both are working in Moscow’s strategic interests in the Aspen Institute’s proposal to “decouple” the United States strategically from our allies in Western Europe. Kissinger’s March 5 statements in *Time* weekly newsmagazine are echoes of Kissinger’s treasonous collaboration with Thornton Bradshaw.

Moscow’s policy toward the Reagan administration is now very, very clear.

They say to the Reagan administration, through channels which influence the President, by way of the State Department, the Congress, and Britain: Bring Kissinger back into power over U.S. foreign policy and we will be willing to begin the negotiations you need for your re-election campaign. At the same time, Moscow backs vigorously Kissinger-backed Democratic Party candidates including Gary Hart and Walter Mondale.

Therefore, as far as Moscow is concerned, on condition that Henry Kissinger’s circles continue to control President Reagan’s monetary and foreign policies, and that the Democratic convention produces a Hart-Mondale ticket, Moscow is covered either way. If Hart-Mondale were elected or a Kissinger-controlled (Trilateral-controlled) President Reagan reelected, Moscow wins, either way.

LaRouche is the only U.S. presidential candidate who worries Moscow. Therefore, Moscow’s clear threat to President Reagan in the March 12 *Izvestia* article: No Secret Service cooperation for the target of Moscow’s terrorists, LaRouche, and keep Kissinger in the administration—or else.

## Soviet government delivers attack on Lyndon LaRouche

*The slanderous attack on Lyndon LaRouche translated below, “Behind the scenes of events: One more scandal,” appeared March 12 on the first page of the international section of the Soviet government daily, Izvestia.*

**NEW YORK, 11 March (TASS correspondent). Under the pressure of irrefutable evidence, the White House was forced to acknowledge the existence of secret ties which the National Security Council (NSC) of the U.S. and the CIA maintain with a neofascist organization calling itself the “International Caucus of Labor Committees.” This grouping in recent years extended its tentacles**

**from the U.S. into many countries of Europe, Asia, and Latin America [emphasis in original text].**

Using the methods of Italian Black Shirts and the German Nazis, the “caucus” headed by its “Führer” Lyndon LaRouche is striving to undermine the influence of communists and other left forces among the workers and student youth. The LaRouchites send their agents and provocateurs into progressive organizations of the U.S.A and other countries, trying to push them towards terrorist activities and by that to compromise them in the eyes of the public and to provide a pretext for police repressions against the fighters for peace and social progress.

The scandalous ties of the Reagan Administration with LaRouche were exposed in a special report on NBC television. Their proofs were so weighty that the White House did not even try to deny them. “From time to time,” mumbled White House official representative L. Speakes, “we meet with different people who have information which might be useful to us.” “The CIA,” a representative of the U.S. spy department declared in his own turn, “is obliged to meet with any American citizen who presents information. We cannot go into the details.”

A former NSC representative and currently an adviser to the Reagan reelection campaign, N. Bailey, spoke about some of these details in an interview with the *Chicago Tribune*. Having said that sometimes he met with LaRouche representatives and that he continues to have ties to the “caucus,” Bailey openly said that the “help” of the LaRouchites is highly useful since “they have a beautiful intelligence network.”

According to the *New York Times*, the LaRouche organization has since 1976 also given “intelligence reports” to the FBI and has been linked with other special services. Thus, for example, it collected facts for the Pretoria racists on organizations leading the struggle against apartheid; it carried out tasks of the “Savak” secret service of Iran and transmitted “confidential materials” to major U.S. corporations.

Posing as a revolutionary, an enemy of the monopolies and the ruling circles, LaRouche gains the confidence of badly informed people. The Politburo member and CC Secretary of the CPUSA, G. Jackson, underlined in a meeting with a TASS correspondent that in reality this is a neofascist, an agent of Big Capital who loyally serves the interests of the ruling classes. From the ’60s, he continued, bands led by LaRouche traveling from town to town, attacked and mercilessly beat up communists, and since that day he [LaRouche] has played the role of a provocateur whose activity is totally directed at undermining the movement of progressive forces. His organization has big financial means, and it is not difficult to guess where they get their support from.

The acknowledgment by the White House not only exposes the true face of LaRouche but it also shows that the current Washington administration does not shy away from the services of neofascist provocateurs.

# The political battle for beam weapons: a year after Reagan's historic statement

by Susan Welsh

One year ago, on March 23, 1983, President Reagan went before the nation with a televised announcement of a new defense policy which meant the end of the age of "Mutually Assured Destruction." He called upon American scientists to develop the technologies that could shoot down nuclear missiles, making nuclear weapons obsolete. How was the way for this historic decision prepared, and where does the international fight to implement the President's policy stand a year later? We trace here the highlights of this process.

Lyndon LaRouche and Dr. Edward Teller were the two key individuals who fought for and won the President's endorsement of a national effort for beam-weapons defense. Since the circulation of a pamphlet titled "Sputnik of the '70s" during 1977, LaRouche had insisted that Soviet research and development programs in this area were outstripping anything that Washington was even thinking about. The problem, he repeatedly declared, was the heritage of Robert S. McNamara in the Pentagon: the foolish doctrine of Mutually Assured Destruction (MAD).

At an *EIR* conference in Washington Feb. 17, 1982, LaRouche called upon the administration to launch a beam-defense program as a matter of greatest national urgency. "Disarmament doesn't work," he said. "Disarmament movements throughout this century are the prelude to general war. Peace requires an open U.S.-Soviet race to develop relativistic energy-beam ABM defenses, 'beam weapons.' Technologies can be perfected, beginning with high-power laser technologies, to knock out the proverbial 99 and 44 one-hundredths percent of ICBMs launched. War-avoidance means that one or both of the superpowers must develop this capability."

This call was seconded later in the year by renowned physicist Dr. Teller, the "father" of the American hydrogen bomb, in a speech to the National Press Club Oct. 26. Teller called the development of a U.S. anti-ballistic missile defense capability the only means to end the threat of nuclear war. "The 25-year mutual balance of terror is no longer balanced, only terror," he said. Teller urged a shift in U.S. defense spending, as soon as possible, toward "spending 95% on defensive weapons."

Sweeping aside opposition from the State Department, the arms control lobby, and parts of the Defense Department, President Reagan announced his executive decision on March 23, 1983: "Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base and that have given us the quality of life we enjoy today.

"What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack; that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies? . . .

"I call upon the scientific community in our country, those who gave us nuclear weapons, to turn their great talents now to the cause of mankind and world peace: to give us the means of rendering these nuclear weapons impotent and obsolete. . . ."

"My fellow Americans, tonight we are launching an effort which holds the promise of changing the course of human history."

Both the President and Defense Secretary Caspar Weinberger emphasized that the administration was willing to discuss with the Soviet Union cooperation on the basis of the new doctrine of Mutually Assured Survival—cooperation which would give both superpowers defensive capability, and lessen the danger of nuclear war. Weinberger told reporters in Madrid March 25: "If both sides can acquire the means of rendering impotent these deadly missiles, we would really have advanced the cause of peace and humanity very, very far."

But Moscow was not interested in the U.S. President's peace proposal. Soviet President Yuri Andropov gave an interview to *Pravda* March 27 attacking Reagan's speech, and the Soviet press began the barrage of denunciations which has not abated to the present day. A high point was the Aug. 10 commentary by Andropov adviser Fyodor Burlatskii in *Literaturnaya Gazeta*, calling U.S. development of space weapons a *casus belli*.

## Funding for the program

While opponents of the President's program continued to insist that beam defense was "impossible," new developments in scientific research accumulated throughout the year. At the Fifth International Conference on High Energy Beams in San Francisco Sept. 12-14, rapid progress was reported by scientists in all advanced beam-weapons technologies. Breakthroughs reported in x-ray laser research moved the timetable for possible deployment of a space-based defense system against nuclear attack forward to three years.

The Defense Technologies Commission of the National Security Council, headed by former NASA administrator James Fletcher, submitted its recommendations to the President Oct. 1. The classified report was highly optimistic about the prospects for beam-weapon development, and called for a \$27 billion budget over five years, with a \$1 billion increase in the budget for FY1985.

Two Colorado Republicans, Rep. Ken Kramer and Sen. William Armstrong, submitted a bill called The People Protection Act of 1983 (H.R.3073 and S.2021), backing the President's program. In hearings before the House of Representatives on Nov. 10, Kramer called for "a scientific, technical, military, and organizational undertaking that will dwarf anything ever before mounted by the human race—a colossal 'Manhattan Project for Peace.'"

Endorsement for the beam program also came from some labor leaders, like Ron Thelin, International vice-president of the Operating, Plasterers, Cementmasons International Association. "Using defensive beam weapons, we can melt and dismantle anything they throw at us while it is still in flight, and at the same time create full employment for our productive labor force. Only a traitor or a fool would be against that," Thelin declared soon after Reagan's speech.

## Mobilizing international support

Western Europe was initially hostile to President Reagan's program. Britain's Lord Peter Carrington and other advocates of a "New Yalta" deal with the Soviet Union saw that this would upset the "arms control" framework that they had nurtured for so long, and propel the United States into a new upward spiral of military and economic development. The press put out the line that Reagan's policy shift signaled the latest U.S. move to leave Western Europe in the lurch.

LaRouche and his collaborators sought to reverse this with a series of international conferences throughout Europe. Particularly significant too was the founding June 17 of the organization France et son Armée, including many respected figures from the Gaullist wartime Resistance. The organization supported Reagan's call, and promoted the idea of a European role in shaping a defensive strategic policy for the alliance as a whole.

On Oct. 5, 1983 Lyndon LaRouche addressed an *EIR* conference in Bonn, West Germany, on the implications of beam weapon defense for Western Europe. "To achieve peace,

if peace is still possible at this advanced stage of deterioration of the situation," said LaRouche, "we must restore the credibility of the alliance as an in-depth capability of defense, and must give Western Europe efficient military options for surviving a conflict should a conflict erupt." The governments of West Germany and Italy sent official military representatives as observers, and telegrams of greeting were sent by Italian president Sandro Pertini, Italian Chief of the General Staff General Santini, and Italian Chief of Staff of the Army, General Capruzzo.

The next major conference was in Rome, Italy on Nov. 9, and was attended by over 120 military and government officials and others. An international panel of experts testified to the need for U.S.-European cooperation in beam-weapons development, including former U.S. Ground Forces Commander Gen. (ret.) Volney Warner; Italian space warfare expert Gen. (ret.) Giulio Macri; Gen. Antonio Pelliccia, vice-commander of NATO's War College; Col. (ret.) Marc Geneste, known as the father of France's "neutron bomb" and currently an engineer at the Commissariat à l'Énergie Atomique; Gen. (ret.) Revault d'Allonnes, one of the closest associates of the late Gen. Charles de Gaulle; Col. (ret.) Hans Seuberlich of the West German army; and Dr. Piers Wooley, economist and military expert from Great Britain.

The conference drew an unprecedented attack from the Soviet government newspaper *Izvestia* Nov. 15, which attacked LaRouche personally for the first time. "You were among the troglodytes," *Izvestia* wrote. ". . . The get-together at the Hotel Majestic showed that both Reagan and LaRouche have followers in the Old World. . . . The Reagan administration wants to bind Western Europe even more closely to its criminal policy in the areas of nuclear and space armaments."

The first elected European official to endorse beam weapons was Jacques Chirac, head of the French Gaullist opposition party, the RPR, in a speech Dec. 2 at the International Institute for Strategic Studies in London. He argued that beam weapons are the key to revitalizing the Atlantic Alliance. Official French government spokesmen remained cautious about the U.S. program, but Defense Minister Charles Hernu, in response to a parliamentary question Nov. 4, indicated that France itself was "spending a lot in research and development in this area."

U.S. Secretary of Defense Caspar Weinberger gave European leaders a detailed briefing on the U.S. beam-weapons policy at the Dec. 10 NATO meeting, emphasizing the American commitment to cooperate with Europe in the development of these weapons.

## CIA reveals Soviet escalation

While the Soviet press began calling Reagan a "new Hitler" for his advocacy of ABM defense, the CIA issued a classified report to the President on the likelihood of an early Soviet "breakout" from the ABM Treaty. According to *Avia-*



tion Week Jan. 16, an administration spokesman declared that "The CIA's position on Soviet ballistic missile defense activity is unusual in its strength and clarity—an alarm bell that we must watch the situation very closely. . . . The U.S. has essentially limited itself to research and development with ballistic missile defense technology while the Soviets bought the time they needed to develop a layered defense system with the ABM Treaty. . . . What seems clear is that there is in progress a pattern that places [Soviet] activity very close to the line in terms of a breakout. . . . We might find this year that we have zero time to respond to an ABM Treaty breakout by the U.S.S.R. with no way to provide in a timely way a parallel capability." The CIA report cited the following advances in the Soviet program:

- Construction of new Pushkino phased-array antiballistic missile defense battle management radars.
- Pechora-class ballistic missile detection radars located at sites around the periphery of the Soviet Union.
- Production of SH-04 and SH-08 nuclear armed interceptor missiles with deployments of the weapons in silos around Moscow.
- Tests of the SH-08 interceptor in rapid reload configuration, firing two of the missiles from the same silo within two hours.
- Production of tracking and missile guidance radars designed modularly so that components can be produced and stored until required. They can be concealed and assembled rapidly.
- Testing of the SA-12 surface-to-air missile against ballistic reentry vehicles. The SA-12 is called a strategic air defense or tactical ballistic missile defense system.
- Netting of command, control, communications systems, air defense, and ballistic missile defense radars to tie together elements of a national defense system.

While the battle with the Congress over the defense budget continued, President Reagan quietly signed a National Security Decision Directive Jan. 6, officially launching the beam-defense program. The full contents of the directive are classified, but leaks in the press indicated that the directive included reorganization of the Defense Department, with the creation of a new post to oversee the Strategic Defense Initiative.

When the Reagan administration's proposed FY1985 defense budget was submitted to Congress Feb. 1, it called for an increase of a mere \$250 million for anti-ballistic missile defense, to be added to the \$1.5 billion previously planned. The President had originally called for a \$590 million increase, but cut back the request to avoid presenting a large target to Congress in budget hearings in an election year. The administration now plans to increase funding in the later years of the five-year spending program, adding \$13 billion to the previously planned \$12 billion, bringing the total close to the \$27 billion recommended by the Fletcher Commission—assuming, of course, that the President is reelected.

Yet even while President Reagan was bending to his domestic opposition, major statements of support for his program came from abroad—most of them ignored by the U.S. press. Japanese Foreign Minister Shintaro Abe declared Feb. 20, in response to a question in hearings in the Lower House of the Diet, that Japan could provide technology for the U.S. space defense program. Since the U.S. program is of a defensive nature, he said, it can be subject to the Japan-U.S. agreement on military technology transfer.

A team of U.S. defense and intelligence experts and scientists toured Western Europe in February to brief the allied governments on President Reagan's ABM policy. Presidential Science Adviser George Keyworth, part of the delegation, said he believes "that the small area of Europe can be defended from ballistic missiles easier than the huge territory of the United States," according to a report in the *Frankfurter Rundschau* newspaper.

French President François Mitterrand, in a speech in The Hague, Holland on Feb. 7, called for a joint European effort to build a manned space station for defense purposes. This effort would work in tandem with the United States, he emphasized. "We must now look beyond nuclear systems if we don't want to be late for a future closer than is generally believed," he said. Mitterrand cited the need to develop lasers, advanced electronics, and projectiles traveling at the speed of light.

The West German government has abandoned its earlier belief that the U.S. beam weapons effort would accelerate the decoupling of Europe, senior Bonn military officials told *EIR* in March. "The old reticence to even deal with beam-weapons defense here has been replaced by the recognition that this is where science is going, and you just cannot stop scientific progress," said one official. "If the United States is committed to developing beam weapons, and the Soviets do it too, then we have to take a look at what has to be done in the short- and medium-range missile area," said another. West German Defense Minister Manfred Wörner, at a conference March 9, declared that he no longer believes beam-weapon defense to be impossible. "I see beam defense differently than I did before," he said. "Before I thought it was a pipe-dream, but this is no longer the case. Still, I am against them."

The *EIR* is presently conducting a series of conferences throughout Europe on the implications of beam defense for the alliance. A meeting in Brussels Feb. 22 drew over 50 NATO and other allied military officials, industry representatives, Belgian parliamentarians, and press. A conference in Milan a week later was attended by 100 people. One participant in the discussion, Claudio Pollastri, chief of the Foreign Policy department of the Italian Social Democratic Party (PSDI), recalled *Izvestia's* attack on LaRouche and anyone who supports beam defense as "troglodytes," declaring that he and his party therefore wished to be enrolled in the "Troglodyte group."

# Election overtakes the political parties

by Valerie Rush

Politics in Colombia will definitely not be returning to "business as usual" after last week's events. The March 11 *mitaca* (mid-term) elections saw the emergence of a new political movement, under the banner of "Nuevo Liberalismo," which could well shatter the oligarchy's hold over the political parties in that country while opening the way for a nationalist bipartisan movement, the successor to President Betancur's "National Movement."

And, while Colombians went to the polls to register its disgust with the dope mafia's politicians, the military, national police and state security agencies were dismantling the largest cocaine processing operation in the world in the southern department of Caquetá. Retaliation assaults against Florencia, Caquetá's capital, by guerrilla commando units failed to capture the city. However, they did confirm what *EIR* has been documenting for years: that the drug trade is the "mother" of both black and red terrorism globally.

## Support for Galán and Lara Bonilla

The strong showing for "anti-establishment" figure Luis Carlos Galán, head of the "Nuevo Liberalismo" dissident faction within the Liberal Party, was less significant in terms of absolute numbers than in the sheer breadth of his campaign, which ran in all 23 departments in Colombia and in every important municipality. Most importantly, Galán's slate swept the capital of Bogotá, long the stronghold of the "*oficialista*" wing of the Liberal Party represented by former Presidents López Michelsen and Turbay Ayala.

The *oficialistas* attempted to defeat Galán and defuse the hostility of the population against them by splitting their forces into more than a half-dozen well-heeled "rival" electoral slates for the same posts. The tactic, partially successful in Colombia's outlying regions, could not prevent the Galanistas from taking an estimated 60 percent of the vote in Bogotá.

With two years to go before the next presidential election, Galán and allied forces within the Conservative camp (the *Belisaristas*) will have ample time to build their new machine. Galán is already considered a front-runner for the presidential nomination and has rejected the appeals of the *oficialistas* to rejoin the fold in the name of Liberal unity.

It remains to be seen how Galán will give programmatic content to his new movement. The rapid deterioration of the Colombian economy under the combined assault of the international banks and the local drug mafia presents Galán with an unavoidable challenge.

The showing for Galán was also a plebescite of support for Betancur's Justice Minister Rodrigo Lara Bonilla, the only "*Galanista*" in the present cabinet. Lara Bonilla just managed to survive the latest in a series of threats and scandals thrown against him by the political allies of the drug mafia, and the popular mandate for Galán can be expected to strengthen his own position inside the government.

Vindication for Lara Bonilla's controversial war on drugs came with a huge cocaine raid the weekend of March 9 in the department of Caquetá. A virtual city, Named "Villa Coca," was turned up by a 200-man government assault unit deep within the jungle.

In addition to five modern laboratories, microwave ovens for drying the coca paste, and elaborate communications systems, Villa Coca had been stocked with weapons, cars, tractors, refrigerators, washing machines, helicopters and a small flotilla of private lanes. Vast quantities of chemicals, 1,500 kilos of processed cocaine, and hundreds of cartons of *bazuco* (reefers of marijuana and/or coca paste) were turned up.

## Escobar's operation?

The 40 laboratory operatives captured in the first raid were all from the city of Medellín, the base of operations of the infamous cocaine billionaire and alternate congressman Pablo Escobar Gaviria. The national police have tentatively identified Escobar, Guillermo Ochoa, and Gonzalo Rodríguez Gacha as the brains behind the Caquetá operation.

Escobar was fingered last year by Lara Bonilla as the "big fish" of Colombia's drug trade, and brought up on charges of drug trafficking, conspiracy, and murder. However, one of Escobar's pet judges succeeded in dismissing the evidence as "inconclusive," and overturned the arrest warrant against him, despite Lara Bonilla's fierce public opposition.

Ochoa, along with Escobar, is considered the founder of the right-wing terror squad MAS, which has declared open season on the guerrilla movements. And yet, at the Caquetá laboratories, dozens of guerrilla uniforms were discovered along with evidence that the leftist M-19 was serving as the hired gun of the cocaine mafia. Further evidence of the alliance between right/left subversion and the mafia occurred one day after the drug bust, when 500 M-19 guerrillas raided the capital of Caquetá in retaliation for the government raid.

A state of siege now exists in Caquetá and in three neighboring departments. Defense Minister Gustavo Matamoros has since declared that documents captured in Caquetá reveal the location of numerous other important cocaine processing laboratories in the country, which the government expects to dismantle over the coming days.

# Khomeini drives Iran's children to the slaughter

by Parviz Naghibi

An Iranian surgeon passing through Paris has informed *EIR* of the serious situation of Iranian soldiers wounded in the war, and the odious behavior of the mullahs toward tens of thousands of children on the Iran-Iraq war front.

The doctor, who prefers to remain anonymous, spent many months in hospitals for battle casualties, and reveals: "The young boys, minors, brought from schools to the front, are raped by the Revolutionary Guards, and several of them told me that the mullahs encouraged them to satisfy the 'warriors of Allah' on the pretext that if their sexual needs were met, they could fight better against atheists." The children are the most pitiful of this war: "They are brought to the front after 45 days of training, and most of them are kids between 10 and 16 years old; they do not have the strength to physically resist the operations, and as we have no medicine to help them withstand the shock, they die. Not only do we have to treat war injuries, but also serious rectal injuries, often requiring surgery, caused by Khomeini's Guards."

The Iranian surgeon described the miserable condition of the hospitals due to the total lack of surgical material. "The majority of those wounded are condemned to death, because we do not have the appropriate means and sufficient personnel to treat them; in a hospital in Ahvaz, very near the front, only two surgeons have to take care of 2,800 seriously wounded, but without nurses or capable assistants. As a result, to save the lives of thousands of injured soldiers, we amputate the affected limbs, and in six months, I personally have amputated the hands and feet of 875 soldiers."

According to the Iranian surgeon, the wounded are afflicted with madness and delirium: "The nightmare of war never leaves them, and at night, the hospital is full of screams, sobs, and serious deliriums; the young boys cry for their mothers, and the soldiers in their nightmares insult Ayatollah Khomeini, and, giving exact details, declare their intention of killing all the mullahs." The doctor told us that he was the unhappy witness of atrocious executions of certain injured, "who, in their delirium, had shown themselves hostile to Khomeini or other Iranian authorities; they were shot at night, behind the hospital of Ahvaz."

The Iranian surgeon is sure that "since the Iranian invasions called Dawn (numbered 1 to 6), the seriously wounded

have been immediately executed on the battlefield by the leaders of the Revolutionary Guards."

## The 'recruitment of children'

Khomeini's agents go directly to schools, or to cinemas or sport centers, "to capture the children and send them to the barracks. Hundreds of Iranian families, not knowing the reason for the disappearance of their children, publish appeals in the newspapers, and that is why the pages of Iranian daily newspapers are full of announcements about young children who have disappeared."

The Iranian doctor is worried about unemployment and rising prices, "which oblige poor families to send their children to the front, as the Islamic Republic pays these adolescents about \$200 francs per month, plus about \$100 in the event of attack. Deserters and their families are sentenced to severe prison sentences, and serious persecution by the Revolutionary Guards. A new law, introduced nine months ago, says that families of young people called to the war lose their right to ration coupons if the young people desert."

The Iranian doctor also described the "religious lamentations and scenes acted by traditional singers, which put the young people in a state of hallucinatory delirium, such that they are ready to go into areas full of ambushes and traps, or to volunteer for dangerous missions." The "children" of Khomeini said at the hospital that, before each attack, they watched scenes of lamentations or chants, with rhythmical music being played, and they beat their chests with chains, repeating the refrains. At the end, the mullahs give them a glass of "the drink of martyrs," a sweet-flavored drink which is supposed to make them daring and invulnerable. The doctor did not manage to obtain a sample of this drink, but thinks it must contain drugs and stimulants.

Hundreds of these religious activists accompany each group and camp, and on the front, these people prepare the children to obey Khomeini's Guards to become martyrs, with songs and acting scenes of the tragic deaths of martyred Imams. The religious provocateurs not only earn plenty of money, according to the Iranian doctor, but stay in shelter; young theology students are given the task of preparing the soldiers and boys to attack without any precaution by the mullahs. In Ahvaz, many schools have been closed, "Because Khomeini's agents have recruited the children, forcing the teachers to join the army as well."

This doctor witnessed a conversation at the hospital of Ahvaz, between an injured soldier and the Hodjatolislam Gharati (a representative of Khomeini). The soldier was weeping over the killing of one of his friends, Ali Bezouri, by a Revolutionary Guard, after he had been injured by a shell on the central front of Dawn 5. Gharati answered: "What are you upset about? You should be jealous. Your friend is in the gardens of Allah, drinking milk and honey, and making love with the most beautiful goddesses."

*The author is an Iranian journalist in Paris.*

# Chernenko sets code of conduct for West

by Rachael Douglas

While a stream of hints about openings for a Soviet-American summit meeting before the U.S. elections flowed from State Department outlets in the American press, Soviet party chief Konstantin Chernenko took the occasion of a so-called electoral speech on March 2 to lay out terms for superpower relations. The man whose newspapers have been calling Ronald Reagan a new Hitler declared himself ready for "a drastic change" in Soviet-U.S. relations. To judge from his speech and from the behavior of those politicians who want to do business on his terms, the change in the air is a revival of Henry Kissinger's brand of East-West deal, which will result in a free hand for the Soviets to do whatever they want in Western Europe, including invade it.

Chernenko enumerated what he called "certain norms" and Kissinger might call a "code of conduct" for relations among the nuclear powers. He listed six points: 1) make the prevention of nuclear war the main policy objective; 2) renounce "the propaganda of nuclear war"; 3) pledge not to use nuclear weapons first; 4) pledge not to use nuclear weapons against non-nuclear countries; 5) prevent proliferation of nuclear weapons; 6) adhere to the principle of "equal security" in nuclear arms reduction.

Since all of these vague détente-era principles are practically meaningless, given the actual military doctrine and present foreign policy of the U.S.S.R., Chernenko's proclamation of them was mainly meant to declare an open season for negotiations according to a Kissingerian "code of conduct."

In effect, Chernenko announced that the military-dominated Soviet leadership, whose mouthpiece he serves as, is shopping for modern-day Neville Chamberlains, to appease Moscow the way the ill-fated British prime minister did the Nazis in 1938. For even as Chernenko laid out terms of negotiation, Warsaw Pact forces were continuing with a series of military exercises in Eastern Europe, which rehearsed several options for military action against West European nations.

These included a huge (60,000 troops) undisclosed maneuver in East Germany in February that practiced crossing the Elbe River, which, for part of its course, divides the two German states (see *EIR*, March 20). Also in February, there were announced maneuvers of Soviet, Czechoslovak, and Hungarian troops in northern Czechoslovakia. This month there are large maneuvers in northern Poland and the Soyuz-

84 maneuvers in the Balkans by the Soviet Union, Bulgaria, Hungary, and Romania.

On the northern flank of Europe, the Soviets launched yet another round of mini-submarine probes around Sweden's Karlskrona base, which they have repeatedly been harassing during the past year.

## Appeasers scramble

In response to Chernenko's verbiage, politicians in the West are rushing to don Chamberlain suits.

The Pugwash movement, historically the arena for making East-West special arrangements on military strategy, has a packed agenda for the coming months. The 44th Pugwash Symposium, on "Conventional Forces in Europe," opens March 16 in Copenhagen, Denmark. A Pugwash meeting in June in Geneva will take up "Nuclear Weapons in Europe." These sessions are leading up to the 34th Pugwash Conference in Bjoerkliden, Sweden, July 9-15.

In the United States, the East coast press, especially, went abuzz with speculation about an early summit. The Soviet news agency TASS chimed in March 11, with an unusually lengthy release on a meeting between U.S. Ambassador to Moscow Arthur Hartman and Foreign Minister Andrei Gromyko for "an exchange of opinions on questions of Soviet-American relations and topical international problems." Hartman had just returned to Moscow after consultations in Washington.

State Department regular William Beecher of the *Boston Globe* reported March 12 that a "search" is on, for better relations with the Soviets. According to him, analysts at State have concluded that Chernenko wants an early summit. *The Christian Science Monitor*, also of Boston, editorialized March 13, "Reagan and Chernenko should meet."

Old Moscow hand Armand Hammer of Occidental Petroleum, in Moscow the second week in March to lend some of the works of art he owns, proposed in a March 11 *New York Times* column that a high-level commission of prominent Americans, preferably comprised of "former secretaries of state" go to Moscow to prepare for a summit this spring.

Several prominent West German politicians have already been in Moscow, getting terms dictated to them. Social Democratic Party parliamentary leader Hans-Jochen Vogel—favorably inclined toward Soviet arms negotiation offers—emerged from a March 12 tête-à-tête with Chernenko looking green about the gills. After being warmed up by sessions with party Central Committee officials and Deputy Chief of Staff Marshal Sergei Akhromeyev, Vogel was granted an unplanned private meeting with Chernenko, who gave him the special Soviet reward-and-punishment routine reserved for German guests—a review of events from Soviet sufferings in World War II, to the wonderful times of the Brezhnev-Brandt detente (1970s), to the "special responsibility" that Germans like Vogel have for "safeguarding peace," on Soviet terms. The Soviets insisted that the United States is completely responsible for the current war danger.



## ‘Soviets find Vatican’s Lejeune more useful than Marchais’

*Jacques Cheminade, the secretary-general of the Parti Ouvrier Européen (European Labor Party) of France, was interviewed on March 10 at the New York office of Executive Intelligence Review. Cheminade’s POE is “breaking the rules of French politics” by running citizen-candidates for the upcoming European parliament elections, so far having assembled a slate of 65 candidates. The interviewer is Nora Hamerman.*

**EIR:** I want to ask about President François Mitterrand. Why is it that of all the European governments the French government seems to be open to beam weapons, the new defense doctrine President Reagan laid out on March 23, 1983? For example, the French defense minister admitted late last fall that France is researching and developing the new weapons systems. Can you explain this?

**Cheminade:** The key point in Mitterrand’s attitude is the old army establishment, which understands the importance of beam weapons as the new advanced technology to be introduced in military weapons. It conceives these weapons the same way de Gaulle conceived the *force de frappe*, the French deterrent nuclear force, as the most advanced technology developed as of today to permit the integrity, independence, and national serenity of the nation.

**EIR:** So this is coming from that side.

**Cheminade:** It is coming from that side and from *our* side. We as an institution, the Parti Ouvrier Européen and the association, La France et son Armée, that we launched, have been feeding the military establishment with all our material on beam weapons, and this has produced “riots” in certain places, with people shifting their understanding of the situation, the old pro-French nuclear force establishment understanding that, today, the nuclear force is beam weapons.

**EIR:** There also appears to be a totally opposite policy coming out of the Mitterrand government. The policy associated with Foreign Minister Cheysson bears a striking similarity to British Prime Minister Maggie Thatcher’s policy of appeasement vis-à-vis the Soviet Union. The French Foreign Ministry did not want to fight the Libyan invasion of Chad, and compromised with Syria. Can you explain?

**Cheminade:** That is the other side of the Mitterrand govern-

ment. Mitterrand always has two irons in the fire. The other iron is an American iron, but linked to the worst American faction, that associated with Henry Kissinger. Mitterrand is linked to the Schlumberger family, to the Riboud family, to the Felix Rohatyn operation, to certain Democratic party currents. In Mitterrand’s own Socialist Party, in particular, there are forces which use this connection as an opposed connection to that of beam weapons. This is a paradoxical, ironical situation where you have one pro-American faction which is pro-beam weapons, and another pro-American faction which is pro-post-industrial society and anti-science, anti-growth.

**EIR:** What is the opposition up to? There have been large demonstrations against the government lately, as large as 800,000 I am told, on the question of the right to free access to religious non-public schools. Coming on top of massive unemployment, this makes for an unstable situation.

**Cheminade:** The problem of the opposition in France, historically, has been conceiving itself as an opposition, and not as a force proposing a program or design. At this point you have a lot of agitation in all kinds of domains—for free schools, against taxes, for industrial growth, but all in a totally heteronomic way. The opposition peddles corporativist schemes and very demagogic attacks against the state, against big powers. It behaves as a negative force, and not as a force proposing an alternative program.

We have one opposition which is the old Gaullist opposition, now in the RPR party, headed by Jacques Chirac, the mayor of Paris, but it has a very poor leadership. Its leadership has forgotten what voluntarism is. Instead they copy recipes they try to find here and there. One of them is “Reganomics”—trying to copy Donald Regan and Paul Volcker. Since the original is at a very low level, a copy of it is really shoddy.

The problem is also that there is a line into Chirac’s party which is the old cult of the *force de frappe*. This is represented by General Gallois, who is strongly against beam weapons. He says that if the United States develops beam weapons it will create a situation of Fortress America where the United States would abandon Europe. This is totally crazy because in any case if the Soviets develop beam weapons and the Americans don’t, the United States would really abandon

Europe. But this does not enter into Gallois' thinking. Gallois belongs to circles in the U.S.A. connected to Danny Graham and the anti-science, extreme right-wing establishment which in the present situation, particularly in Europe, wants to make deals with the Soviet Union, hoping that out of the Soviet Union will come Holy Mother Russia. They want Russia to be a power, established on the basis of blood and soil. Gallois thinks of the *force de frappe* as something that would be negotiated with the Soviet state in the framework of a European arrangement, which Russia would come out of.

**EIR:** Is this connected at all to the people around Jerome Lejeune, who is a top member of the Pontifical Academy of Sciences?

**Cheminade:** Yes, Lejeune is associated with the Baltimore crowd—the institute of Christian integristas down in Baltimore. He has been working with Father Hesburgh of Notre Dame, and others at Georgetown University, Father Paul Marx, all these connections. This ties into the Fatima-cult establishment which invited Danny Graham recently to give a lecture on the conception of High Frontier. So Jerome Lejeune is especially associated with these forces and forces in the Vatican that now want to make with the Soviet military junta the same kind of deal that the Vatican made with Hitler. They have the same “raison d’église” as we say in France, that promotes the Church before anything else for the sake of the Church’s survival. They don’t care about principles. It’s an “ultramontaine” current in the Church also associated with Jesuit forces.

This has a right-wing face that Jerome Lejeune pretends to represent in the Right to Life movement, and it has a left-wing face around Weisskopf, Hesburgh, and others. These two tie together in the same conception of a purely theocratic force, on the basis of which they want to associate with a Russia dominated by the Russian Orthodox Church.

And all this has a name in the United States. This force on top of Danny Graham, Jerome Lejeune, Gallois, is James Jesus Angleton, who is—I would not call him a Soviet mole, I would call him a *Russian* mole inside the United States. That is what he has always been.

**EIR:** Can you say something about why Lejeune hates you and your personal encounter with Lejeune? For example, how he conceives of manipulating the Right to Life movement toward the kinds of ends you describe?

**Cheminade:** I had been at one of the Right to Life conventions and I gave a speech on the Club of Rome. They liked it, because it gave the names of the enemies; they were mobilized thus to fight Malthusianism, zero growth. Lejeune did not like that at all. Lejeune would speak against abortion without naming the names, to promote irrational rage and feelings. He said that the only thing that the Right to Life people should be taught about is to be against abortion, and to go beyond this would confuse them. So Professor Lejeune is totally anti-republican. He doesn’t want the population to

be taught. He wants to keep the secret for an oligarchical inner elite which would manage its own business, like negotiating with Moscow.

The other point on which he was very clear is the military point. He was strongly against beam weapons and he was favorable to some kind of “synergy,” a kookish scheme to get energy from space. He was anti-beam weapons because he said it is a type of scientific discovery that cannot be transformed into technology. When I told him that beam weapons were feasible in a very short period of time, he said that’s absolutely impossible.

So I asked him what his view was of the situation in Europe. He said the Soviet army threatens to invade Europe with conventional weapons and tanks. I replied that we have weapons against tanks. He said yes, but they would not be used, because soldiers never confront tanks in a democracy, even if they have the proper weapons. So I asked why? He said a democracy can never teach a soldier to resist. A democracy is unable to organize an infantry. I asked what kind of regime can organize an infantry? Well, he said, that’s another story.

That’s *his* story.

**EIR:** Some observers noted that at the recent funeral of Andropov in Moscow in February, Lejeune, who was sent there representing the Vatican, received better treatment than George Marchais, the head of the French Communist Party. Yet many people believe that the French Communist Party is the closest of all the Western Communist parties to the Soviet Union. What does this mean?

**Cheminade:** That’s very interesting, because in the funeral cortege, Lejeune was definitely ahead of Marchais. In the view of the Soviets, Lejeune is much more useful at this point. Why? Because what the Soviets want to accomplish in France is to destroy the French institutions and the capacity of the French state to resist. They believe that certain Vatican forces like Lejeune, even if they are extremely right-wing in their view, because these forces believe that they can make an agreement with the Russian forces, would cooperate with the Soviet state to destabilize France. That’s how these forces see the role of somebody like Professor Lejeune and his radical opposition to the present French government and his opposition to beam weapons in particular.

What the Soviets want to do in France is to promote all kinds of forces that will destabilize the present institutions, destroy them. So you have many operations at the same time.

You have an operation around Yves Montand, which ties into both an American side, the post-industrial society lobby in the United States, and a Soviet side. First Montand put out decent political commentaries supporting the Reagan administration in Grenada, in Lebanon. Then he was on television talking about the Soviet threat. Before you knew it Montand was talking like the up-and-coming Ronald Reagan: the actor turned president. Two weeks ago he was again a guest on prime-time television, with the whole country glued to him,

thanks to the media hype. Then he revealed his true face. He forecast a “third industrial revolution” based on computers, that would bring East and West together, and he attacked the idea of an FDR-style war mobilization in the West to get the economy going. He said this idea must be fought because it would lead to nuclear holocaust! Everyone knows that, in the United States, Lyndon H. LaRouche made a Roosevelt mobilization his primary electoral platform; the KGB has weird answering services nowadays. The Montand operation is tied into Marie France Garaud’s Institut de Géopolitique which now speaks favorably of beam weapons but attacks LaRouche. Garaud is well known as a friend of Kissinger. This grouping is allegedly anti-communist, but they demand to fight against communism by scrapping industrial firms, and using computers—computers without industry. Of course, the communists like this type of enemy.

Then there is a “center-left” operation of the “Two Faures,” backed by the Elysée, it is said. The Edgar Faure and Maurice Faure list for the June European Parliament elections was allegedly going to be headed by a guy named Bertouin, who is the head in Europe of the Trilateral Commission, and who calls for a United States of Europe, *Mitteleuropa*, and so on—which the Soviets like. Edgar Faure has been known in France for years as a Russian agent.

**EIR:** Where did Edgar Faure come from? Was he a socialist?

**Cheminade:** He comes out of all beds. He’s a Radical, Center-left. In terms of East-West channels, he is always there, a sort of mini-Averell Harriman. Then you have Le Pen who gets 15-20% of the vote with his *Partie des Forces Nationales*, reviving the old *Action Française* with its blood and soil ideology. Le Pen claims that all of France’s problems come from the Arab immigrant workers who do the lowest paid menial jobs in France. Le Pen is used as a Vichyite [Vichy was the Nazi puppet-state in wartime France—ed.] to create a heavy destabilization in the opposition and further prevent them from coming up with a program. Le Pen is extremely anti-communist, but only promotes hatred of the big state and the big powers, and calls for small powers, small industry, decentralization, and so on. Moscow likes these types of groups and parties. Even if they don’t create such parties, they push them once they exist.

You have a group in the extreme right wing in France: Alain Benoist, who heads an organization called *GRECE*, which is linked to the new “Republican Party” in Munich and to Armin Mohler, i.e., the Universal Fascists. Alain Benoist wrote that the extreme right wing in Europe should not make the same mistake they made in the 1930s and 1940s; this time they should go along with the Soviets.

**EIR:** He says this in print?

**Cheminade:** Yes, in print—under his true name, not under his pen name, Alain Benoist. Under his true name, in a publication called *Éléments*, Patrice LaRoche wrote explicitly that. Meanwhile his friends up in Belgium and in France

are saying that the two best leaders in Europe at this point are Greek Premier Papandreou and Austrian Social Democratic leader Kreisky, because only they are independent from America. So they are strongly promoting anti-Americanism at this point. And they want an agreement of all Indo-Europeans against Western ideas. That is what the Third Rome faction in Moscow wants, so they are allies.

And you also have something interesting in that context: Michel Poniatowski’s declaration. Poniatowski, who is in the Republican Party of Giscard d’Estaing, but publicly “independent,” issued a statement that the future is an alliance of all the white races from Madrid to Moscow, against the hungry hordes of the Third World. By definition this guy is in the Third Rome camp.

There was an association historically of deals between the French nobility and the Russians, where Poniatowski was instrumental. The person Poniatowski admires is Talleyrand. You have to look at all these people like Jean Baptist Doumeng who is a financier of the Communist Party, involved in all the Franco-Soviet trade deals, Poniatowski, and others, former Premier Raymond Barre for example, are out to recreate the politics of Metternich. It is all the same families that cooperated with Metternich’s Unholy Alliance.

**EIR:** Now what’s the Communist Party doing?

**Cheminade:** Marchais is afraid because he knows the Soviets’ game from the inside. He knows that the Soviets would use the Communist Party of France as a destructive force and no longer as a constructive, state-oriented force. Marchais knows that he has been set up to head the Communist list in the European elections, so that they will get between 10% and 13% of the vote. That would be defeat, and Marchais would have to go. Then the CP would become a battering ram for all the discontent. So the CP would go in a short period of time from being a government force with three or four ministers, who behave very rationally, dress well, wear neckties and are very respectable, to all of a sudden being a vehicle for the most revolutionary ideas.

Marchais doesn’t like the idea much. On various occasions he has protested against the Soviets, against Chernenko, and against the Soviet military junta, particularly on one issue—France as a unified nation. Marchais protested, for example, against the publication by the Soviets of a book on France as an ethnic state. In this book it was said that 80% of the population of France is French, and 20% is either Jewish, Basque, Corsican, Breton, and so forth. So Marchais said it’s a racist concept of the country. He knows this means that the Soviets want to explode France into a set of isolated regionalist groups who go for the destruction of the country.

**EIR:** So his French nationalist side is at war with his communist side?

**Cheminade:** It’s his *survival* that is at stake. He knows that the Soviets establish careers in terms of profiles, and that according to his profile his career is coming to an end.



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### Communist Party threatens terrorism

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*The trade unions are split over the communist demand for a full-scale mobilization against the government.*

Senator Vincenzo Carollo of Italy's largest political party, the Christian Democracy (DC), has accused the Italian Communist Party (PCI) of threatening to launch a wave of terrorism. The accusation came as a response to a speech by Sen. Gerardo Chiaromonte, the head of the PCI's Economics Department and a frequent visitor to Moscow.

Chiaromonte had declared he was worried that the current trade union split in Italy could resurrect political terrorism. Senator Carollo asked in response, "Is Chiaromonte worried, or is this a threat?"

Carollo's question referred to the explosive situation in the Italian trade unions where a PCI mobilization has placed Communist union members in a potential alliance with outright terrorists such as the PCI-supported Toni Negri. Chiaromonte declared that Carollo's statement was "nonsense," but he failed to deny the accusations and above all the dramatic implications of what Senator Carollo had said.

For the first time in 20 years, the Italian trade unions are splitting. In Italy there are three major trade union confederations: the CGIL, which includes Communists and Socialists; the CISL, originally linked to the Christian Democracy; and the UIL, in large part controlled by the Socialists.

The issue of the split was a decision by the government of Socialist Bettino Craxi to partially cut the Cost of Living Escalator. The PCI, which for many years has been the champion

of a pro-austerity line under the slogan "equal sacrifices for everyone," seemingly reversed its position and ordered its trade unionists, who represent the majority of the CGIL, to go for a full mobilization against the government using the natural rage among the workers.

At the same time, the PCI mobilized its underground networks, which includes the pro-terrorist grouplets and organizations.

What followed was a series of "wildcat" strikes all over Italy. Several factory councils and factory delegates adopted the line of the "autoconvocazione," i.e., they organized local strikes and began to call for national meetings. In one of these meetings in Milan, 5,000 delegates from all over Italy approved an agenda of regional strikes to culminate in a general strike on March 24 with a gigantic demonstration in Rome. The PCI enthusiastically supported these initiatives. Large amounts of cash are flowing to make sure that the operation succeeds. Thousands of buses and special trains have already been rented to make sure that one and a half million workers and PCI members will be in Rome for the demonstration.

The mobilization has no program, but seeks to exploit the rage and fears of the workers. The PCI leadership has not said a word on the real origins of the economic crisis or on the years-long campaign of pressure and blackmail against Italy by institutions such as the International Monetary Fund and

the Basel Bank for International Settlements. The PCI line on these institutions has always been the same: Austerity, even ferocious austerity, is permissible in Italy, provided it is the PCI itself which carries it out. The PCI program in reality is "post-industrialism," i.e., the controlled disintegration of industry.

The only historical example comparable to the present PCI policy is the anarcho-syndicalist factory occupations in 1920, which resulted in a terrible defeat for the trade unions and prepared the road for Mussolini's fascism.

The other trade unions—UIL, CISL, and the Socialist part of CGIL—distanced themselves from the PCI's "spontaneous mobilization" and the split took place. Currently every union is building up its own independent structure.

The PCI mobilization is provoking a desperate radicalization, exactly the situation Senator Carollo was pointing to. Every sort of extremist and pro-terrorist organization is now working to organize independent factory delegates. This includes the infamous autonomists of terrorist leader Prof. Toni Negri. The fact that Negri used to be, by his own admission, on the payroll of the late Soviet ideologue Mikhail Suslov now takes on a much more dramatic dimension.

And, punctually, terrorism is increasing. After the assassination in Rome of U.S. diplomat Leamon Hunt, a group of magistrates investigating terrorism met in Turin. From that meeting came the information that terrorist structures in Italy are being fully reorganized, not only on a national basis but also at the European level, with operative and well-organized contact with West Germany and France. The machine of terrorism and social destabilization is ready to move into gear.

## Failure in social engineering

*Papandreou is marveling: Is the behavior of his Greek victims about to become unpredictable?*

In the aftermath of a series of electoral losses for his ruling PASOK party, with the economy careening toward the edge of chaos, and the International Monetary Fund demanding a further round of austerity at the end of two and a half years of net disinvestment and skyrocketing unemployment, with a simmering revolt in the ranks of ministers and ruling-party bosses, Prime Minister Andreas Papandreou held a National Security Council meeting on March 8.

Present were the Prime Minister himself, also in his capacity as defense minister; Minister to the Prime Minister Lazaris; Minister of Interior Koutsogiorgas; Minister of Public Order Skoularikis; Deputy Ministers of Foreign Affairs Kapsis and Papoulias; Deputy Minister of Defense Drossoyannis; chairman of the Joint Chiefs Admiral Deyannis; Chief of the Air Force General Kouris; Chief of the Army General Kourfalas; and Chief of the Navy Admiral Pappas.

Papandreou delivered a report whose subject was a vote the previous day in the Appropriations Committee of the U.S. House of Representatives to set the levels of U.S. military aid to Greece and Turkey. Papandreou contested that that vote had been a deliberate signal from the Reagan administration to his government, intended to convey the idea that the White House favors a military weakening of Greece in favor of Turkey. The prime minister made allusions to a certain intent on his part to prematurely abrogate the

U.S.-Greek treaty of military cooperation signed between the two countries last year. An atmosphere of bravado and confrontation dominated the two hour meeting.

Approximately two hours after the Greek National Security Council meeting adjourned, a signal was sent by the captain of the Greek destroyer *Panther*, on routine patrol at the time in the northeastern Aegean, reporting the sighting of a Turkish naval flotilla conducting exercises with live artillery ammunition. The *Panther* reported that some of the fragments of the exploding shells may have fallen in its vicinity, perhaps within 800 meters from its position. It noted however that the Turkish vessels were within pre-announced exercise area in Turkish and international waters.

Deputy Defense Minister Drossoyannis, upon receiving the message from Admiralty Headquarters, notified his prime minister, who immediately ordered a second National Security Council meeting that afternoon. A grand theatrical orchestration followed.

The PASOK organization started mobilizing around the country, spreading rumors of major Turkish aggression. Programs on the government-run television system were repeatedly interrupted to lend credence to the rumors. In the evening, the government announced that "Turkey had committed its worst military provocation in the past ten years; that Greece ordered her ambassador to Ankara re-

called; asked the Turkish ambassador to Athens to leave; informed the U.S. chargé d'affaires in Greece that Athens considers the U.S. government the instigators of Turkey's 'barbaric action'; informed all NATO ambassadors of its action; and called for an emergency NATO meeting for the next day in Brussels."

The entire PASOK apparatus mobilized around a melodramatic proclamation to the people, calling men, women and children to rally around the embattled prime minister in this hour of "grave national danger."

The popular reaction was not what Papandreou had expected. Questions were raised from around the country, including from the ranks of the parliamentary opposition party, New Democracy. Indicative of Papandreou's low credibility with the electorate was the fact that the Greeks could not be aroused to support him even for such a popular pastime as venting traditional anti-Turkish prejudices. It was the second time in 16 days that Papandreou had attempted to co-opt chauvinist emotions in order to rally popular support behind his crumbling government. His anti-Albanian theme of Feb. 21 fell on deaf ears. Ditto for his March 8 anti-Turkish theme.

By the end of the second day of this tempest in a teacup, Papandreou looked ludicrous. A new announcement came from the prime minister's office saying that all previous measures were being cancelled, the ambassadors were not being recalled and "Turkey gave satisfactory explanations." A veteran opposition politician wickedly noted: "Papandreou just put his tail between his legs." "Among his legs," a wag corrected. The next five days were spent by PASOK demoscopic experts trying to figure out why the population has failed to display its perennial knee-jerk anti-Turkish reaction.

## **An unusual business convention**

*A turn toward the PAN party among Coparmex leaders has factionalized the business association.*

**T**he outgoing president of the Mexican employers' association, José María Basagoiti, said to the 34th national convention of Coparmex (Confederación Patronal de la República Mexicana), which took place March 8-9 in Mexico City, that "Coparmex should be the agency dedicated to shaping men and businessmen."

The convention was the culmination process of an effort to transform Coparmex into the coordinating body for all "intermediate organizations" in Mexican society, an effort that has its roots in the Atalaya meetings organized by the Legorreta family's Banamex under the banner "*Mexico en Libertad*" after the 1982 nationalization of the Mexican banking system.

Basagoiti had the idea of transforming the association's bylaws to formally integrate into it various other groupings, such as DHIAC (Desarrollo Humano Integral, A.C.), a proto-fascist organization linked to the opposition party PAN (National Action Party).

He failed to formally achieve this objective, but, for the first time in Coparmex's history, representatives of several "intermediate societies" were invited as special guests, such as the National Association of Ford Distributors, which financed many of the PAN electoral campaigns last year and has provided members to run as PAN candidates, e.g., in Mexicali, Baja California.

Indeed, although many of the businessmen present do not sympathize with the PAN, the March 8-9 gathering was an organizing meeting

in support of the PAN's efforts to undermine the Mexican state. The group that has long controlled Coparmex is the main Mexican base of Henry Kissinger in his effort to avert the creation of an Ibero-American common market and frustrate the strategy of the Contadora Group in Central America.

In Mexico, a very important segment—essentially those industrialists represented in the National Confederation of Chambers of Industry (Concamin)—are viewing Ibero-American integration more and more as the unique option for ending the economic depression.

The most remarkable statements at the Coparmex convention came from the lawyer for the nationalized banks, Ramón Sánchez Medal, and the former president of Coparmex and University of Georgetown graduate José Luis Coindreau.

Sánchez Medal argued that post-revolutionary Mexican governments have abused the power to amend the Constitution of 1917 beyond all limits, in order to create a totalitarian state. For many in the audience, this echoed U.S. Gen. Paul Gorman's warning at the beginning of March that Mexico is on the verge of left-wing totalitarianism, and potentially the U.S.A.'s greatest problem abroad.

Coindreau called for the active participation of businessmen in politics, describing—but not identifying—the PAN's program as the strategy to follow. The major cause of concern to many businessmen there was his statement that it is necessary to end the myth that the Mexican political

system is the best in Ibero-America: "Sixty years of political stability doesn't make it better than other countries that have experienced military interventions in politics." Nations under military takeover, he underlined, "have gained as much or more material progress, and enjoy as much or more liberty."

Coindreau's disclaimer was that he was speaking as an individual, not as a Coparmex spokesman. Some of the attendees said, however, his statements were "in poor taste."

As a senior official of one of the most important chambers of industry told me, the group that controls Coparmex is the most willing among the private sector to allow foreign creditors to seize state firms in lieu of debt payment. In the opinion of this industrialist, "only those who don't want to see, can't see that they are using the PAN as the means to take over the government, with the aid of foreign creditors, to whom they have offered their good offices to change the law" in order to sell out national firms including the state oil company, Pemex.

Before the Coparmex conference, a nationally respected industrialist from Monterrey, Nuevo Leon—Eugenio Clariond, vice-president of Concamin—gave a series of lectures at the Monterrey Technological Institute and the Social Union of Entrepreneurs (USEM) urging businessmen to look southward, given the pressures coming from the North. "If we can't trade with the North," he said, "and this is the case for all Latin American countries, we can develop our productive business trading among us Latin Americans." Clariond has been a participant in meetings organized by ALADI, the Latin American Integration Association, tending toward the creation of an Ibero-American common market.

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# International Intelligence

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## ***Beam-weapons conference held in Stockholm***

*EIR* held its first conference on beam-weapons defense in Stockholm on March 13, attended by diplomatic representatives from France, Switzerland, Italy, Japan, South Korea, the P.R.C., Bulgaria, Czechoslovakia, and Venezuela, as well as scientists, journalists, military personnel, and the Swedish government.

Speakers included physicist Jonathan Tennenbaum, *EIR* Contributing Editor Christopher White, and Col. Marc Geneste, father of the French neutron bomb.

The European Labor Party's Swedish chairman, Kerstin Tegin-Gaddy, asked: "Does neutrality keep one from being occupied or involved in a war?" In May 1940, she said, our neighbors' neutrality helped the Nazis invade them.

Colonel Geneste pointed out that the neutron bomb cannot provide defense against submarines. Sweden, he suggested announcing that if the U.S.S.R. does not withdraw all its subs from Swedish waters immediately, Sweden will join NATO.

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## ***Club of Life calls for immediate African aid***

The international Club of Life has launched a mobilization to end the totally unnecessary loss of life due to famine.

In Mozambique, more than 4.7 million people are facing death from starvation this year, and more than 100,000 people have already died from starvation, following drought and floods. Infant mortality has reached 233 per thousand. Mozambique is only one of the 24 countries in Africa facing catastrophe. As many as 150 million people will die this year in Africa if action is not taken now.

Beyond stopgap measures of the kind not yet approved by the U.S. Congress, says the Club of Life, food aid has to be accompanied by aid to build up infrastructure in

Africa, thus avoiding disruption of the whole social structure by moving people into camps.

The Club of Life calls on private individuals, institutions, and governments to ensure that by the end of April, 100,000 tons of wheat will have arrived in Mozambique. Roads must be built, wells dug, dams built, railway networks created, they say; committees of experts from underdeveloped and advanced countries must be set up to study the problem of drought in Mozambique, and to propose emergency programs.

The Club of Life will hold its first international conference on "How to End the World Food Crisis" in Cairo on April 25-26.

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## ***Ayatollah Khomeini's fountain of blood***

Cambodia military strategy analyst, Canadian Maj. Robert Elliot, said in a recent interview with *EIR*: "What is happening in Iran is only secondarily a war with Iraq; what is really happening is a repeat of Cambodia, the Cambodian massacre of its own population." Elliot works at the London Institute for International Strategic Studies.

Other sources report that, at the Behescht-i-Sahra military cemetery just outside Teheran, there stands a pyramid about 20 feet in height. Observed from afar, the entire structure seems to palpitate with hues of a ghastly red. Drawing nearer, one can see a red substance gushing from the top, rising in spurts to a height of a meter. The liquid splatters down onto the pyramid's steps, as if just spilled from some gigantic wound.

This is the fountain of blood, erected by Ayatollah Khomeini's regime to celebrate the butchery of thousands of young "martyrs"—children and adolescents sent out unarmed to absorb Iraqi ammunition. A loud-speaker blares: "Mothers! Do not mourn your dead children! Wish them well, for with their death they have earned their entry into Paradise!"

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## ***'The long march of the KGB in Iran'***

In an article in *Le Monde* the weekend of March 9, an Iranian journalist described in detail how the Soviet KGB has been active in Iran for many years, and how the Iranian communist party, the Tudeh Party, first published the works of Ayatollah Khomeini in Leipzig, East Germany.

The article quotes an agent of the GPU (as the KGB was called then) in 1930, writing how he went about affairs in Iran: "Our agent in Qon spoke Persian as well as any native of the holy city. He had his contacts in the religious community, and we learned from them about the activities of English colleagues with the mullahs, very effective by the way. Now, we also have our ayatollahs."

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## ***Bonn ministry working on laser defense***

West German defense ministry sources reveal that they are moving ahead on work to develop tactical battlefield defensive weapons using laser technologies. According to a report in the daily *Die Welt*, a first system is to be ready for deployment in five years. It will be designed to blinding enemy sensors and range-finding equipment at a range of 20 kilometers; then systems will be upgraded to combat helicopters, aircraft, and drones.

*Die Welt* states that "Unlike the United States and the U.S.S.R., where laser technology is to be used strategically against ballistic missiles, the military development in the Federal Republic is now limited to tactical deployment," which is taken by observers in Bonn to mean that West Germany is working on laser defense weapons while trying to avoid a scream of protest from the Soviet Union.

Sources quoted in *Die Welt* also say that the West Germans will be working on carbon-dioxide and related laser technologies

with power sources so light that they can be carried in a helicopter.

West German Defense Minister Manfred Wörner has publicly aired his opposition to beam-weapons defense. Questioned March 9 by European Labor Party spokesmen at an electoral rally in Stuttgart, Wörner replied: "I can say that I see beam defense differently than I did before. Before I thought it was a pipe-dream; this is no longer the case. But I am against them."

Wörner also said: "I know there is talk about the Soviets planning to take a major city in the north of Germany, but I don't see that. Sooner or later NATO would react with a full strike." He added that much of Henry Kissinger's analysis of NATO's strategic situation is correct; only "his recipes are wrong."

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### ***Mubarak: 'U.S. must deal with the PLO'***

Speaking March 11 on CBS-TV's "Face the Nation," Egyptian President Hosni Mubarak reaffirmed his country's alliance with the United States and his demand that the White House deal directly with Yasser Arafat's wing of the PLO.

Although it is the State Department that has put out the line that Egypt should no longer be considered a priority ally, CBS interviewer Leslie Stahl repeatedly asked if Egypt were trying to distance itself from the United States.

"This is an American computer that has this idea," answered Mubarak. "If you want to know what the Arabs think, ask your friends, ask us."

Mubarak said that the "PLO is the only representative of the Palestinian people. There is no problem with them" regarding a dialogue with the United States.

Asked how Egypt would withstand pressure from Syria to abrogate the Camp David treaty, Mubarak said: "The first government in the world was formed on the Nile. We know our own way." He charged that Israel is violating the treaty every day, and that it

is in U.S. interests to force Israel to help, rather than hurt, Egypt.

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### ***British panel backs decoupling of Europe***

A nine-member British panel has issued a report that in effect backs the policy of Henry Kissinger. The panel, known as the British Atlantic Committee and headed by Lord Cameron, Marshal of the Royal Air Force, suggests that a nuclear defense of Europe is no longer "credible." It proposes the use of "high-technology" weapons to design a "conventional defense," a proposal launched by the Kissinger-McNamara-controlled European Security Study (ESECS).

The panel also echoed Kissinger's demand that Europe prepare to do "more" militarily "out of the NATO area," a euphemism for depopulation wars in the Southern Hemisphere.

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### ***Soviets seal major arms deal with India***

Soviet Defense Minister Dmitri Ustinov has concluded the biggest Soviet arms sale to India since 1981.

Figures have not been released on the total package, but the 1981 deal came to \$2.5 billion.

The March 9 package includes top-of-the-line fighter jets, warships, surface-to-air missiles, electronic surveillance systems, and other hardware. Sources close to the Indian government report that the arms will include "moresophisticatedequipment with higher strike power," and will be made available "with a great sense of urgency."

One focus is upgrading the Indian navy's electronic surveillance capabilities "to contain the developing threats in the Indian Ocean area." The trip concluded with a previously unscheduled meeting between Ustinov and Indian Prime Minister Indira Gandhi.

## *Briefly*

● **AURELIO PECCEI**, co-founder of the Club of Rome, died on March 14 at the age of 70. The Italian Communist Party daily *Unità* was full of praise for the former Olivetti and Fiat executive. Recently, reports *La Repubblica*, "Peccei was much more concerned with the East-West relationship" and was spending a great deal of time at the Vienna International Institute for Applied Systems Analysis, established by McGeorge Bundy and KGB officer Dzhermen Gvishiani.

● **HANS-JOCHEN Vogel**, Bonn's Social Democratic Party parliamentary caucus leader, headed a West German delegation to the U.S.S.R. which included Egon Bahr, Karsten Voigt, and Carl-Friedrich von Weizsaecker. They were received on the Soviet side by Boris Ponomarev and Vadim Zagladin (Central Committee International Department), Georgii Arbatov (U.S.A.-Canada Institute), the new IMEMO head Yakovlev, and the Deputy Chief of the General Staff, Marshal Sergei Akhromeyev. Vogel had a 20-minute tête-a-tête with party chief Konstantin Chernenko.

● **MEXICO'S** Health and Human Care Secretariat is reportedly circulating a memorandum among medical personnel, asking them to "enthusiastically" apply massive sterilization of women as a political priority. The memorandum proposes bypassing all "undesirable obstacles" such as spouses' authorization. The Mexican constitution upholds the right of a couple to have as many children as they want and prohibits intervention in that decision.

● **SHINTARO ABE**, foreign minister of Japan, will visit Brazil, Mexico, and Colombia after attending the industrial democracies' summit in London June 7-9. Prime Minister Yasuhiro Nakasone will visit Europe immediately after the summit.

# Bundy dictates bottom-line agenda for Mr. Reagan

by Vin Berg

McGeorge Bundy, "chairman" of the U.S. Eastern Establishment, announced this week the terms on which the Establishment might permit Ronald Reagan to remain in the Oval Office for a second term: Destroy Secretary of Defense Caspar Weinberger and the program for defensive beam-weapons development Weinberger champions in the Reagan administration. With this perspective, outlined in the March 10 *New York Times Book Review*, Bundy made public the policy-agenda behind Henry Kissinger's return to dominant influence in the U.S. government, and potentially, to the secretary of state's job.

Weinberger is the alternative candidate most discussed for the top foreign policy post, were Reagan to be elected to a second term. (Rumors are flying through U.S. policy-making circles that the present secretary of state, Kissinger crony George Shultz, will step aside, after the fiasco he has made of U.S. policy in Lebanon and the Middle East.) So it is hardly coincidental that Bundy's *Times* book review is filled with vituperative attacks on Weinberger, and favorable quotations from the lies of Yuri Andropov concerning President Reagan's March 23, 1983 beam-weapons speech ("a first strike weapon").

Bundy's book-review essay amounts to an Establishment policy-paper: Unless the program to develop anti-missile beam weapons is kept to long-term ineffectual "research only," an unbridled outburst of technological progress will occur as a by-product of the "interlocking competition that any deployment of defensive systems would inexorably entail." This would mean a restoration of American economic as well as military might—what Bundy's banking circles fear most. Therefore, Bundy's circle—and so Kissinger—will now mobilize in aid of Russian efforts to sabotage the U.S. program.

As part of this, Undersecretary of Defense for Research

and Engineering, Richard DeLauer, who had last week downplayed and distorted the nature of the beam-weapon program before the Senate Armed Services Committee, told a subcommittee March 12 that the U.S. government had re-opened a "back-channel" negotiation on the subject with the Soviet Union. "Back-channel" is a term studiously avoided by the administration in the past because of its associations with Kissinger's preferred method in negotiating the terms of the SALT I and II treaties which seduced the United States into a regime of military-strategic inferiority.

DeLauer and Undersecretary of State for Policy Fred Iklé testified on March 8 that the U.S.S.R. was spending more on defensive weapons alone than the United States was on all strategic systems; yet they stressed the line pushed by Bundy & Co., that beam weapons are a "futuristic" system which can't be made operational until the 21st century. Testifying with Iklé and DeLauer, Robert Cooper, head of the Pentagon's Defense Advanced Research Projects Agency (DARPA) pooh-poohed the idea that beam weapons defense could protect U.S. population centers from a Soviet missile strike: "I see nothing in our current technology-basket to say that at some time-certain we could have a perfect system, with no leaks. I don't see the combination which could guarantee that."

With the Kissinger return to government capped by his appointment to the Foreign Intelligence Advisory Board March 2, on cue, one "KGB Democrat" or Republican after another has arisen on the floor of the U.S. House of Representatives during the past two weeks, to demand that President Reagan give up the beam-weapon program, as too costly, too fantastic, or too unnecessary—although the Russians are developing the technology at breakneck speed. The job of Henry Kissinger in control of U.S. foreign policy will be

to force Weinberger into the background or out of the administration altogether, and negotiate the beam program away in dealings with the Russians. He will be aided by a Congress demanding massive defense spending cuts.

How much in control Kissinger will be was speculated on by London's *Daily Telegraph* newspaper, on the day of Bundy's *New York Times* essay: "Kissinger is positioning himself for a possible comeback as Secretary of State after the retirement of George Shultz."

It was left to Bundy to explain the policy-course Kissinger will pursue in his March 10 *Times* article.

### Stopping a 'technology race'

Bundy, a descendant of the powerful Lowell family of usurers of New England, was national security adviser to the President from 1961 to 1966, thereafter heading the Ford Foundation. He first brought Kissinger into government in 1961 as a national security council analyst. President Kennedy later reportedly fired Kissinger over Bundy's objections, with the words, "Get that lunatic out of here."

It is noteworthy that the policy-package of arms control and enforced technological obsolescence later implemented by Kissinger during his term as Nixon's National Security adviser, secretary of state, and ultimately "Acting President," was designed by McGeorge Bundy, and introduced after the convenient (for Bundy and the Establishment) assassination of President John F. Kennedy. Perhaps Kissinger does not phone Bundy for daily marching orders; in every significant sense, however, McGeorge Bundy is Kissinger's boss.

In his March 10 *Times* essay, Bundy praises highly the *Nuclear Weapons Databook* produced by the Natural Resources Defense Council, which he contends proves that Weinberger is always lying when he talks about relative Russian strategic superiority. The NRDC is an institution that fanatically attacks all Western industrial technology—and is therefore funded by Bundy's Ford Foundation. Bundy also praises highly the Brookings Institution production, *Ballistic Missile Defense*, especially those points in which Brookings lies, first, that "invulnerability is not an available option," second, that no such systems will be deployed for at least 10 years, and third, that such systems violate Kissinger's 1972 ABM treaty. (On the contrary, systems "based on new physical principles" are not prohibited, of which first-generation systems within three years and a layered area- and point-defense network within five to eight years, assuring near-total protection, are the agreed estimates of scientists working in the field, if not working for Bundy.)

He comes to the real motive for destroying the program: It threatens to prompt an industrial resurgence of the U.S. economy by producing a "technological arms race"—with unmentioned but massive spill-over effects in terms of civilian technology. "The SALT I treaty has spared us an intense and interlocking competition that any deployment of defensive systems would inexorably force on both sides. There would be competition in defensive weapons, in new twists to

help the offensive weapons get through, in new killers of the defensive killers (or of their space-based eyes and ears) and counterkillers of those killers. Mr. Weinberger's report inadvertently demonstrates the strength of the forces that would operate in such a contest. Again and again, it insists we must that fear can find."

### An anti-beam mobilization

Bundy has been wielding what is politely termed influence on the floor of the Congress. On March 7, one Congressman after another stood up to attack the administration's defense budget, never failing to vituperate against the President's defensive-systems program. George Brown of California (D) declared, "I am not against research—we have been conducting research on ballistic missile defense for over 20 years and should continue to do so. However, the accelerated research program the President is calling for is beyond what is needed to protect U.S. national security requirements. Furthermore, we will spend billions of dollars for the unique privilege of abrogating the best and only arms control treaty we have. I am referring to [Kissinger's] 1972 antiballistic missile treaty. . . ."

Brown announced that he and others would organize a special session of Congress later in March for attacks on the program.

Rep. John Seiberling (D-Ohio) attacked beam-weapons as a "tremendous threat to the stability of the nuclear balance. It also represents a technological arms race that is going to get rapidly out of hand. . . . When we get to the 'Star Wars' technology, I have seen scientists' estimates that the cost of that will range as high as \$2 trillion in 1984 dollars, and for a program that scientists tell us cannot possibly give us a fail-safe defense." Somehow, he came to the conclusion that protection against a nuclear-missile attack "will only accelerate our dangers and aggravate our condition."

Sen. William Proxmire (D-Wisc.) a day earlier had asked: "Why not build defensive nuclear strength?" and answered: "Because so will the Russians! 'The first victim of this policy is deterrence. . . . A successful antiballistic system would threaten, maybe destroy, the deterrent. . . . Whatever technological breakthroughs we might make will be followed by Soviet breakthroughs shortly afterwards. . . . They would not protect us against further technological advances. . . .'"

The Russians, of course, couldn't agree more with Proxmire, Kissinger, and Bundy. That is why the March 12 edition of *Izvestia* carried as its lead item on the international page a lengthy attack on Democratic presidential candidate Lyndon LaRouche, whom the U.S.S.R. credits for the inspiration of the President's March 23, 1983 decision to proceed with beam weapons development, and on the administration, for listening to LaRouche. The candidate immediately charged *Izvestia* was delivering an ultimatum to Reagan: Cut all ties with LaRouche, continue to deny him Secret Service protection, scrap the beam weapons program and stick with Kissinger "or else."



# LaRouche outlines his foreign policy in NBC-TV national address

*Below is a transcript, provided to EIR by The LaRouche Campaign, of a half-hour nationwide address on NBC-TV March 17 by Democratic presidential candidate Lyndon H. LaRouche, Jr. It was the third of a series: on Jan. 21, LaRouche gave an analysis on CBS-TV of the need for an emergency U.S. defense buildup, and on Feb. 4 presented the scope of the domestic and international economic crisis on ABC-TV. A fourth address to the nation is planned for Monday evening, March 26, on NBC-TV.*

Tonight, I'm going to tell you about the method by which I'm going to bring 3 million jobs into the United States only through the export of capital goods to foreign countries—and related goods, of course. This will be in addition to the 5 million jobs which we also know that we can create within the United States by reforming the policies of the Federal Reserve system. In other words, a total of 8 million jobs. Tonight, I'm going to talk to you about 3 million of those 8 million jobs.

What I shall report to you are some of the policy agreements that I've developed in collaboration with some foreign governments and leading business circles abroad, as well as circles within the United States itself. Therefore, what I'm going to report to you is not pie in the sky, it's something that leading forces in various parts of the world are ready to go with as soon as the President of the United States is able to "get it together," as they say, and start with this work.

The general policy under which I shall operate as President—and I shall not let a Secretary of State make foreign policy; I will make foreign policy as President, and the Secretary of State will carry out consular affairs and support my work in making foreign policy—the foreign policy which will be mandatory in my government is summarized in a book which will soon be in circulation—a book entitled *Imperialism: The Final Stage of Bolshevism*. It's a catchy title and intended to be, but the fact is the Soviet Union is today a Russian Empire, determined to establish world hegemony, if not necessarily world rule. The United States must make its

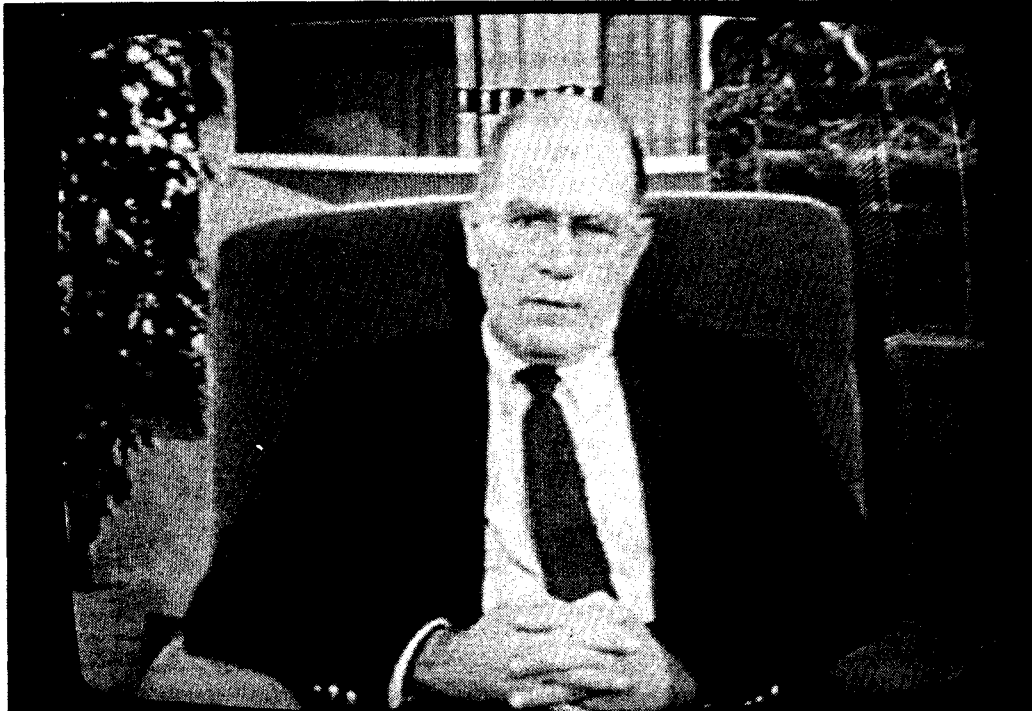
foreign policy in all matters in light of that reality.

Now, in the book, I discuss the problems which arose in U.S. foreign policy in the post-war period, since the death of President Franklin Roosevelt. In the concluding chapter of the book, I refer to the essential problem. This problem is identified by Henry A. Kissinger in an address given to London Chatham House to an audience there on May 10, 1982. Henry Kissinger said—yes, but it's true—that President Roosevelt and Prime Minister Winston Churchill had diametrically opposite policies for the post-war period. Kissinger said that he joined in supporting Churchill's policies and opposed Roosevelt's policies. Mr. Kissinger also said that he and every other Secretary of State in the post-war period has been a British agent of influence working against the interests of the United States when they conflicted with the policies of the British foreign office. I don't know if it's true in all cases, but it certainly is true in Henry Kissinger's case as he admitted and documented in that period.

Henry Kissinger was a British agent of influence as well as a Soviet agent of influence. Under his influence in particular, our policies have gone the wrong way. Every policy we have, every policy problem we have that needs to be fixed is identified with the names of Henry Kissinger and Paul Volcker. If we get rid of those policies and go back to the kind of policy that President Roosevelt proposed at the end of the war, we will either solve all our problems, or at least we will give ourselves the means to solve them—and that includes most of our domestic problems, social problems, economic problems, and so forth.

## FDR's proposed foreign policy

I want to read to you just two passages from this book [*As He Saw It*, 1946] by Elliott Roosevelt. Elliott Roosevelt during the last war was not only the son of President Franklin Roosevelt, but accompanied him on a number of his trips, including two meetings with Prime Minister Winston Churchill. I will read the first, which identifies the essential difference that Kissinger referred to in that address in London on May 10, 1982. Elliott Roosevelt writes:



*Lyndon H. LaRouche, Jr.  
presenting the March 17  
broadcast.*

“Churchill shifted in his armchair and said, ‘The British Empire trade agreements. . . .’ Father broke in, ‘Yes, those Empire trade agreements are a case in point. It is because of them that the people of India and Africa, of all the colonial Near East and Far East, are still as backward as they are.’ Churchill’s neck reddened, and he crouched forward. ‘Mr. President, England does not propose for a moment to lose its favored position among the British dominions. The trade that has made England great shall continue, and under conditions prescribed by England’s ministers.’ ‘You see,’ Father said slowly, ‘it is along in here somewhere that there is likely to be some disagreement between you and me, Winston. I am firmly of the belief that if we are to arrive at a stable peace, it must involve the development of backward countries—backward peoples. How can this be done? It cannot be done, obviously, by 18th-century methods.’

“Churchill broke in, ‘Who’s talking 18th-century methods?’ Roosevelt replied, ‘Whichever of your ministers recommends a policy which takes wealth and raw materials out of a colonial country and returns nothing to the people of that country in consideration. Twentieth-century methods involve bringing industry to these colonies, Twentieth-century methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation, by making sure that they get a return for the raw wealth of their country.’”

And then, later in the book, Elliott Roosevelt wrote:

“I believe there is one fact which once grasped and understood, leads to clarity in appreciation of all post-war political facts. This one fact is that when Franklin Roosevelt died, the

force for progress in the modern world lost its most influential and most persuasive advocate. With his death, the most articulate voice for integrity among the nations and peoples of the world was stilled. More than that, for people everywhere in the world he had been a symbol of America and of freedom, on whom they pinned their hope of liberation and a new world of peace and plenty. When he died, some of their hope died with him . . . and their faith.”

And I would add, the faith of those of us who returned from the war—many of us—and the faith of many of you today.

### **LaRouche versus Kissinger**

Now as you know, I’m quite a center of controversy around this country these days and particularly around Washington. I’m in a fight with Henry Kissinger on every policy, involving foreign policy in general and monetary policy. And it is said around Washington that whoever wins that fight, Kissinger or I—whether I influence the policies of government or Kissinger continues to influence those policies—will determine the fate of this nation. Therefore, I’m not interested in debating or attacking Mondale, Reagan, or Hart on major broadcasts, unless one of them chooses to show the courage to come out and debate me, and then I’ll do that. The person I’m running against, on both the Republican and Democratic sides, is Henry Kissinger and what he represents. The candidates who are running really wouldn’t run the government if they got in there—they would be the figureheads. Henry Kissinger and people like him would run it. If we’re going to save our nation, we’d better become serious about

this election campaign and make it an election campaign that assures we return to Roosevelt's basic foreign policy and get Henry Kissinger once and for all out of government.

What I'll go to next is a policy for development of the Pacific and Indian Ocean basins. This is a project which will probably give the United States 1 to 2 million jobs in the near future, and many more in the period to come. Then I'll turn in conclusion to two other cases of projects which I've developed with friends in government and in other influential circles in Ibero-America (some of you call it Latin America) and in Africa to give you a sense of what my overall foreign policy as President will be.

### **Developing the Indian-Pacific Oceans basin**

Under conditions of the kind of growth in world trade which would be fostered by my policies as President, there will be a rapid increase in the volume of world trade to about \$200 hundred billion a year above present levels. The center of gravity of this will be the Pacific and Indian Oceans basin. That is, freight being moved by 50,000- to 100,000-ton freighters—modern, fast freighters—will flow through the constrictions from the North Atlantic, the Caribbean, the South Atlantic and the Mediterranean into the Indian and Pacific Ocean basin. And a great volume of trade will be transmitted between the Indian Ocean basin, dominated by India, and the Pacific basin. That will be the character of world trade in the period to come.

This runs into certain problems indicated on the map. First of all, to get from the North Atlantic, the South Atlantic into the Pacific, except by Cape Horn, we have to go through the lock canal—the Panama lock canal, and that is simply not adequate. To move from the Pacific basin into the Indian Ocean basin we have to pass presently straight into the Strait of Malacca. One tanker sunk in those straits and the Strait is out of business.

I shall identify for you briefly five of the major projects which I have proposed be adopted as part of U.S. Pacific foreign policy: Two of these are straightforward transportation and development projects—one is the second Panama Canal, the other the Kra Canal project, so called, in Thailand; the development of a water system in India; the development of the Mekong development project (which is already engineered, ready to go); and assistance to China, or the offer of assistance to China, in the development of the proposed Hangzhou-Peking Canal, which work is already beginning on.

Some years ago, a leading figure in Japan went to the President of Panama to propose a new sea-level canal through the Isthmus of Panama. There are several routes available for this purpose. This is agreed upon. Mitsubishi of Japan is prepared to proceed with it. I propose that the U.S. government support politically and otherwise, the implementation of this immediately.

The next project, the Thailand Isthmus Canal, sometimes

called the Kra Canal, is something whose feasibility was worked out in terms of engineering by a group of businessmen and others in Southeast Asia and the United States before 1973. I've discussed with people in Japan the idea that the development of the sea-level Panama Canal and the development of a sea-level canal through the Isthmus of Thailand ought to be done, for economic and related reasons as coordinated projects. At last report, some circles in Japan agree with this opinion of mine, and are considering it. With the agreement of the government of Thailand, which is presently considering this project, I would offer U.S. cooperation to implement it immediately. It is of strategically vital importance to the economies of the entire region, as well as to ourselves.

In recent years, most Americans know very little about India; at least what they know is not very accurate. India is a nation with seven hundred million people. It will have, in the course of this decade, an urban labor force of about sixty

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*'If we're going to save our nation, we'd better become serious about this election campaign, and ensure we return to Franklin D. Roosevelt's basic foreign policy and get Henry Kissinger once and for all out of government.'*

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million people. That labor force—industrial urban labor force of India—is greater than the entire populations of major industrial powers today. India ranks fourth, approximately, as an industrial power in the entire world today. India ranks third or fourth in the number of professionals and scientists in the world today. India is a great power in the Indian Ocean region and our policies toward India in recent decades have been insane.

India has one of the world's greatest suppliers of water, together with Pakistan and Bangladesh, in the form of the great river systems and underground water systems coming out of that vast high range of mountains to the north. This water, if properly managed and if some of it were pumped up into the plateau toward the south of India, would mean a revolution in terms of the economic output of India. India, by some time early in the next century, could produce more wealth than the entire world produces today.

I will have nothing to do with the kind of China Card policy associated with Henry Kissinger and Zbigniew Brzezinski. However, we must have a rational policy of cooperation toward China. We must provide China with that cooperation which is *not* contrary to our interest, which *is* in their

interest, and which corresponds also to their desires.

One of the things that has attracted my attention is the fact that China is working on and committed to re-opening and enlarging a great canal system that they once had. This internal canal would provide China with improved low-cost inland water transportation and would also move water from the water-rich south, where people die of flooding periodically, to the water-starved north. It should be the policy of the government of the United States, and would be my policy as President, to offer cooperation to China in matters of this type, if China wishes it, and of course in other matters which are analogous.

### **A Latin American Common Market**

Next, I want to show you samples from my work on the projects for development of Ibero-America (which some of you call Latin America) and Africa. I've been working with governments and other influential circles in both these two continents since 1975 and again, as in the first case of the Pacific/Indian Ocean basin projects, these are things that are more or less ready to go now, as soon as we have a President who is willing to enter into cooperation with these countries to make them happen.

In the case of Latin America, I'll just indicate the few highlights of a consolidated economic proposal for the development of a Latin American Common Market, which I issued at the request of influential circles in Mexico and other countries during the summer of 1982—policies which are now more or less accepted among leading circles of government and elsewhere throughout the continent. In this connection, Henry Kissinger has been, of course, the fellow who has been directly opposing my policies and pressuring and threatening governments and others in Latin America to try to distance them from my policies. In the second case—Africa—we'll come to that in due course.

There has been in the past three years a catastrophic collapse in gross domestic investment, trade and output per capita throughout Ibero-America. This collapse has been caused chiefly by the policies of Paul Volcker and Henry A. Kissinger. You see first the comparison of 1980 figures on gross domestic investment in three countries in Ibero-America; Mexico, Brazil and Argentina, leading countries in the debt crisis. You see next the 1983 figures. Look at the drop. Then look at the effect on per capita GNP output—1980, 1983. You see the process's ominous drop. Then we turn finally to trade figures from 1980 and 1983. Again, what do you see? You see that imports are collapsing, which means lost jobs inside the United States, while exports are rising.

It's worse than these figures show. Two-and-a-half percent of the alleged growth in product in the United States in 1983 was due entirely to stealing \$100 million from our friends abroad, including our friends in Ibero America. That is, what Henry Kissinger did is what the British Empire did to Egypt back in the 1870s and 1880s. Henry said, "We're

going to steal and you're going to let us do it. You will drop the value of your currency and the prices of your goods to pay off my friends who are paying my firm, Kissinger Associates Inc." And \$100 million of free imports was taken by the United States and is listed among about 2.5% of the argued growth in the U.S. economy during 1983. And the Soviets are about to exploit that grievance in Europe, in Ibero-America, Africa, Asia and elsewhere. In other words, Henry Kissinger's foreign policies are working for the Soviet Union, and the Soviet Union is prepared to make a mess of all South America through Kissinger's policies. We are ruining these economies. Four hundred billion dollars worth of investments in progress as of 1982 have been shut down. Two hundred fifty thousand jobs have been directly lost in the United States as a result of Kissinger's policy in Latin America. Implicitly, 2 million jobs have been lost because of Kissinger's policies in Latin America. My friends in Latin America are prepared to cooperate with the United States in reorganizing that debt and getting the trade and investment flowing again. *If we get rid of Henry A. Kissinger and his policies.*

### **The industrialization of Africa**

I've been working on the development of Africa since 1977 in a concrete way, when some scientists working with me produced a study on the long-range industrialization of Africa. More recently, I've published a number of books which are studies on the same subject for a number of specific countries in Arab Africa, as well as in black Africa, and have done similar things in the Middle East, including a study now in progress in collaboration with some people in Israel for an economic policy which might help to get Israel out of its present economic and monetary mess.

I've been talking with my friends in government in Egypt, in Algeria, in Nigeria, Zaire, and elsewhere in Africa, and among the projects which we've discussed is a high-speed rail trunk line across Africa running approximately from Dakar to Djibouti. Without such a rail link it is impossible to develop what is called the Sahel—sub-Saharan black Africa. This would begin with a rail line in the northeast of Algeria to a railhead in Sudan, through Chad—which means we're going to kick that Soviet agent Qaddafi out of Chad, and Chad, one of the most miserable countries in the world is going to become a developing area. This is going to be a vindication of what President Roosevelt described to Churchill as American methods—American 20th-century methods.

To make that thing work, as the Mitsubishi Research Institute of Japan has proposed, we should proceed in cooperation with Zaire and Congo Brazzaville to develop a catch-basin in the mountains of the watershed which feeds the Congo and other river systems; capture the surplus water, blow a tunnel through the mountains, move the water across the mountains and move it down into the Lake Chad region—not just into Lake Chad, which is a pretty miserable dying

lake, though a wide one, but into the Chad region—in cooperation with the four countries which already have an association concerning the Chad development area. That would transform one of the most miserable areas of the world into one of the richest.

These kinds of policies have not only economic significance; they would save sub-Sahara Africa from the chaos that Qaddafi and the Soviet Union are trying to put in there. It would also secure the positions of Kenya, Uganda, and Zaire against Soviet plans, and British plans in part, to turn all of Africa into an area of black genocide.

There are people in Washington, friends of Henry Kissinger, who say that the black population of Africa must be

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*'We're on the verge of an international financial collapse whose effect would be to wipe out half of the vulnerable paper values inside the United States. Unless we do the kind of thing that I've indicated to you in this broadcast, we haven't got a chance.'*

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wiped out by famine and epidemic. That is not an inference. I am referring to explicit plans. Those plans are already in operation. Presently, between 120 and 150 million people in black Africa are being murdered, through processes of famine and epidemic coming out of the friends of Henry Kissinger and the Swiss bankers. Presently, 60,000 people a day are dying in black Africa from famine and epidemic disease—problems caused directly by the policies of Henry Kissinger and his friends. The U.S. government is no longer going to participate in genocide against black Africa for the sake of Henry Kissinger and his friends.

This nonsense will stop. We will proceed with the development of Africa as Roosevelt proposed, in cooperation with the nations of Africa.

### **Preventing financial collapse**

Now some fellows will tell you that the kinds of things I'm talking about won't work. They will say to you that everything is just fine, that Kissinger and his friends have solved the problem of the Latin American debt. Those fellows either don't know what they're talking about—don't know much of anything about this matter—or else, as in the case of Kissinger's friends, they are simply lying outright. The fact is that Argentina will not be able to pay its debts at the end of March. Neither will Brazil. These countries will be as much as 130 to 140 days in default. Other countries in Europe and other parts of the world are in the same situation.

Our own internal banking system is in desperate condition. Don't let this whistling in the dark fool you, we're in trouble. We're on the verge of a financial crash just like that that happened in 1931 under Hoover, and we're hearing from the government today the same kind of talk that we heard out of Hoover's administration back in 1931 before the crash occurred.

We're on the verge of an international financial collapse whose effect would be to wipe out half or more of the vulnerable paper values—real estate and others—inside the United States. Unless we do precisely the kind of thing that I've indicated to you in this broadcast, we haven't got a chance. This crash might be delayed in the summer or the fall of this year, but we're on the edge of the biggest financial crash in history. Unless these kinds of measures are taken, there's nothing we can do to stop it. So, don't believe those fellows who repeat the Hoover phrases about prosperity just around the corner. That's all nonsense. Sure there will be a chicken in every pot, but who'll have a pot?

What we're going to do is basically this—to make it work:

Federalize the Federal Reserve system. The Federal Reserve system in its present form is unconstitutional. As President, I will make the Federal Reserve system constitutional. It will no longer issue money. It will no longer create credit out of thin air. The federal government will issue as one of the first acts of my administration \$500 billion in federal lendable currency—gold reserve currency. This will be lent to private banks at 2% to 4% interest for infrastructural lending, for building up agriculture, for building up industry. By this method we'll create 5 million jobs in this country—by reactivating lost jobs.

Then in the area of foreign policy, we have cooperation with friends in Europe and in Japan and other countries. With their cooperation, we'll undertake the kinds of projects I've indicated to you—and others. We'll do that by supplying export credits to all manufacturers to ship capital goods and heavy engineering efforts into these countries to participate with Japan, Western Europe, and so forth in making these projects come true. This is vital to our nation strategically as it is economically. War is not the essence of strategy, economy and politics are the essence of strategy, and it's when economy and politics break down that war begins.

What we must do is what John Quincy Adams spelled out when he wrote the Monroe Doctrine back in 1823. We must build a community of principle among sovereign nation states, nations which have the same values we do, nations which have the same objectives we do. And if anybody tries to destroy that community we will, as one unit, crush the would-be destroyer. And we must have the military means to meet our part of an obligation. We must make our friends strong. We must bind them to us and ourselves to them by cooperation in economy and other measures, which assure strong bonds of mutual self interest. That's the kind of foreign policy that I will give this nation—a foreign policy of which, perhaps somewhere, Franklin Delano Roosevelt would be proud.

# Justices okay rip-up of labor contracts

by Edward Spannaus

In a ruling which has sent tremors throughout the labor movement, the U.S. Supreme Court has ruled that a company may abrogate its labor contracts by filing a bankruptcy petition. The ruling came in the cases *National Labor Relations Board v. Bildisco and Bildisco*, decided Feb. 22, 1984.

The Court ruled unanimously that a company which has filed a bankruptcy petition may break a union contract, and further ruled by a 5-4 decision that the company need not even wait for the approval of a bankruptcy court to abrogate a collective bargaining agreement.

Bildisco & Bildisco, a building supply company in New Jersey, filed a Chapter 11 petition in April 1980. About half its labor force was represented by Local 408 of the Teamsters, with a three-year contract expiring in 1982 which expressly said that the contract was binding even in the event of bankruptcy.

In January 1980 Bildisco stopped paying some fringe benefits, and in May 1980 it refused to pay a wage increase called for under the contract. The union filed a complaint with the National Labor Relations Board (NLRB), which found the company guilty of an unfair labor practice for unilaterally changing the terms of the contract and for refusing to bargain with the union.

The Bildisco case was being watched closely after the recent cases of Continental Airlines and Wilson Foods, in which both companies filed Chapter 11 petitions and then cut wages by as much as 50%.

## What the Court said

The majority decision, written by Associate Justice William Rehnquist, said that collective bargaining contracts are included within the provision of the 1978 Bankruptcy Reform Act which permits the rejection of "executory contracts." The Teamsters and the NLRB had argued that a company must prove that it will otherwise go under and be liquidated before the union contract can be broken. Rehnquist and the rest of the court disagreed, saying that "the Bankruptcy Court should permit rejection of a collective-bargaining agreement under Sec. 365(a) of the Bankruptcy Code if the debtor can show that the collective-bargaining agreement burdens the

estate, and that after careful scrutiny, the equities balance in favor of rejecting the labor contract."

Rehnquist argued:

"Determining what would constitute a successful rehabilitation involves balancing the interests of the affected parties—the debtor, creditors, and employees. The Bankruptcy Court must consider the likelihood and consequences of liquidation for the debtor absent rejection, the reduced value of the creditors' claims that would follow from affirmance and the hardship that would impose on them, and the impact of rejection on the employees.

"The Bankruptcy Court is a court of equity, and in making this determination it is in a very real sense balancing the equities. . . . The Bankruptcy Code does not authorize free-wheeling consideration of every conceivable equity, but rather only how the equities relate to the success of the reorganization."

As to the NLRB side of the case, the four dissenting Justices said that before breaking a union contract, the debtor has to get the permission of the court or it is guilty of an unfair labor practice. The other five judges said that a company could break a union contract immediately upon the filing of a Chapter 11 petition without even asking for the approval of the court. But despite the dissent on this aspect, all nine judges unanimously agreed that labor contracts can readily be broken during a Chapter 11 proceeding.

Previously, employees and wages have always held a favored position in a bankruptcy proceeding. The first statute giving wages a priority was enacted in 1841. Under the 1978 Bankruptcy Reform Act, back wages are given a priority above all general creditors, shareholders, and even taxes owing to the government.

## The principles in question

Even more fundamental is that the bankruptcy court is indeed a court of equity, in which justice according to natural law, not the letter of the law, is to prevail. This does not imply the arbitrary abrogation of contracts—as Rehnquist would permit—nor does it mean that labor stands on a mere equal footing with all other creditors in a "balancing of the equities." Bankruptcy law recognizes the special importance of labor power, and places the paramount importance on rehabilitation of a business rather than payment of past debts to creditors. Rehabilitation of a debt-ridden business does not mean paying off the creditors at the expense of the employees—it should mean preserving labor power at the expense of the creditors, if necessary.

The decision gives a green light to financially embarrassed companies who want to file bankruptcy petitions solely for the purpose of breaking contracts. Middle-level labor officials are now complaining that the leadership of the AFL-CIO has been so busy trying to salvage the Mondale electoral disaster that it has paid scant attention to the priority of seeking legislative reform which would override the Supreme Court's ruling.

# Kissinger Watch by M. T. Upharsin



Come right in, Mr. President . . . I've made all the necessary arrangements.

## Wye subversion

Watch the March 30-April 3 period: It's the gala season for traitors in the Washington-Maryland region. Dr. K. himself is to be the featured specimen at the Aspen Institute's Wye Plantation meetings on Aspen's "East-West Project," a code-expression for how most religiously to surrender to the Soviet Union.

West Germany's Countess Marion von Dönhoff, editor of the Hamburg *Die Zeit* weekly, will be there; she's been telling all hearers that Ronald Reagan "needs Henry Kissinger because Reagan needs an act that will make him go down in history." Well, Reagan's descent is guaranteed if he keeps feeding Soviet asset Kissinger's appetite for power.

Then there's the Trilateral Commission on April 1-3 in Washington, where meetings are planned with the White House and State Department. This is designed to symbolize the appeasers' takeover of Washington. That's why Kissinger wants U.S. Democratic Party candidate Lyndon H. LaRouche, Jr., the only anti-ap-

peasement candidate, out of the way by then.

## Kissinger non grata in Israel?

We are still in the process of confirming reports that Dr. K. is no longer to be the featured speaker at the May 23-24 Jerusalem Economic Conference in Israel sponsored by several Israeli ministries involved in economic policy. The reports originated with Israeli sources in the United States.

Dr. K. may be too hot to handle for some Israelis. He's not well liked by the Israeli population which remembers how he used the 1973 Arab-Israeli war to sabotage Israeli security and trigger the oil-price rises of post-October 1973. More recently, there is a taint of suspicion over the suicide of Israeli banker Yaacov Levinson (see *EIR*, March 6), which coincided with Kissinger's integration into the Jerusalem conference in the first place.

Another, more pessimistic interpretation of the reported Kissinger pull-out from the Jerusalem conference is the following: Evidently, his replacement is Commerce Department official Lionel Olmer, certainly no Kissinger opponent. Has Dr. K. farmed out an assignment to the Commerce Department, to upgrade his influence in those quarters?

## Kissinger and the Pennsylvania primaries

Kissinger watchers expect that the former Secretary of State will soon be panicked enough about the situation in Pennsylvania leading up to the April 10 Democratic primary there that he will deploy himself and/or his chief henchmen in great density into the state to contain the campaign of presidential candidate LaRouche.

Who are Kissinger's best friends in Pennsylvania? It's best to begin with

the Wharton School at the University of Pennsylvania, home of zero-growth economics and experiments in social, psychological control. Kissinger gave a policy address there during 1983, and is friendly with Lawrence Klein, Nobel Prize-winning genocidalist of Wharton. Thornton Bradshaw, head of NBC-TV and a friend of Kissinger, was trained at Wharton.

We would also look at the corridors of power: the offices of Gov. Dick Thornburgh, a classical Kissinger-Rockefeller Republican. Kissinger was a featured speaker during Thornburgh's 1982 campaign for governor against LaRouche Democrat Steve Douglas.

Then there is former governor William Scranton, the Kissinger Republican par excellence. Scranton is regarded by Pennsylvania insiders as one of the dirtier figures in the state, having been involved in a multitude of underhanded arrangements in the Pennsylvania railroad business. His paths also crossed Dr. K.'s in the Middle East, where Scranton worked on behalf of the Trilateral Commission on diplomatic initiatives.

## Unanswered questions

- Dr. K. was nervous March 15. He was scheduled to speak at a Florida University, until demonstrators turned up with leaflets against his Central America policy. At that point, Dr. K. pulled out of the speaking engagement.

Is he getting paranoid that somebody doesn't like him?

- Trieste University kook physics professor Abdus Salam, member of the Club of Rome International, is in a quandary: How did his name appear in a March 5 slander against the LaRouche organization in West Germany's *Der Spiegel* magazine, citing Salam as a source against LaRouche? Salam told *EIR* he does not exclude that Kissinger has set him up in this situation.

# Elephants and Donkeys

by Kathleen Klenetsky

## Hart, Mondale fizzle

The results of Super Tuesday's 11 primaries and caucuses proved two things: that the bulk of Democratic voters remain wildly unenthusiastic about the crop of "officially approved" Democratic presidential candidates, and that whatever support does exist for the two top contenders, Gary Hart and Walter Mondale, is largely a media creation.

Voter turnout March 13 was abysmally low, as voters stayed away from the polls in droves. In the Democratic stronghold of Massachusetts, for example, only 25% of registered Democrats thought enough of the entrants to cast ballots; 627,000 Democrats voted, compared to 906,000 in 1980. In Georgia, voter turnout averaged only 28% statewide.

Sources in the big industrial states where key primaries will be held over the next few weeks report that neither Hart nor Mondale has a grassroots machine in place. As one old-line "Daley Democrat" from Chicago bluntly put it: "These campaigns are all being run by TV. I've never seen anything like it. There aren't any machines anymore. I'm disgusted!"

## Mondale's problems: drugs and . . .

Although Walter Mondale made what the press is touting as a "big comeback"—simply because the erstwhile frontrunner managed to eke out narrow victories in Alabama and Georgia while losing Massachusetts, Florida, and Rhode Island to "new age" candidate Gary Hart—Mondale's labor support continues to evaporate.

Despite an AFL-CIO "Fritz blitz" in Massachusetts, exit polls showed that Hart took 42% of the union vote,

to an insultingly low 27% for Mondale. But that doesn't mean labor likes the Senator from Aquarius; it simply reflects the contempt that the union rank-and-file has for AFL-CIO chief-tain Lane Kirkland, and his orders to "vote Fritz."

What does labor say about Hart in private? One steelworker local president in Pennsylvania says "We call him the Edsel version of JFK." And another asks: "Who is this guy, anyway? Did he fall out of a tree?"

Meanwhile, private AFL-CIO polls show Mondale badly trailing Hart in Michigan, and Building Trades leaders are reportedly threatening to oust Kirkland if Mondale continues to falter.

An article titled "Mondale Taking Medication That Poses Questions About His Health," appearing in the March 12 issue of the *New York Tribune* over the byline Lewis Kaplan, poses troublesome questions about Mondale's mental stability. Kaplan notes that Mondale "is in a state of depression," due partly to the panoply of drugs he is taking for high blood pressure.

Kaplan reports that starting in 1970, Mondale began to take hydrochlorothiazide for high blood pressure. To this, in 1973, were added hydralazine hydrochloride and diazide. "These are some of the adverse reactions that can be expected from hydralazine: . . . Headache, palpitations, anorexia, nausea, vomiting, and diarrhea. . . ; nasal congestion and flushing, evidenced by numbness and cramps, dizziness, tremors, muscle cramps, *psychotic reactions characterized by depression, disorientation or anxiety* [emphasis added]."

In August 1983, Mondale's doctor added the drug atenolol. Possible reactions to that include: "Reversible mental *depression*, progressing to *catatonia*, visual disturbances, *hallucinations*, acute reversible syndrome characterized by *disorientation of time and place, short-term memory loss,*

*emotional lability, slightly clouded sensorium, and decreased performance* [emphasis added]."

## Jesse on the skids?

And Jesse Jackson is having troubles of his own. Though he scored 21% in Georgia's primary—requalifying him for federal matching funds—he did not do as well as anticipated among southern black voters. In Alabama, Jackson garnered only 51% of the black vote to 44% for Mondale—a telltale indication that the Chicago-based preacher's radical image, Libyan financing, and tasteless ethnic references don't sit too well with more traditionally oriented black voters.

## Kissinger costing Reagan support

Private surveys conducted by *EIR* indicate that there is a very strong undercurrent of disaffection among loyal Reagan Republicans and Democrats who voted for Reagan in 1980. The cause: Henry Kissinger's increasing domination over the Reagan administration.

The trend is particularly noticeable in the President's home state, California. One resident, a Democrat who went for Reagan last time around, says she is "horrified" at Kissinger's comeback. "I've been watching the President over the last seven months, and noticed a remarkable change. He doesn't seem to be his own man anymore. Now I know why," she said, referring to Kissinger's appointment to the President's Foreign Intelligence Advisory Board.

Another Californian, who describes herself as a "loyal Republican going back 41 years" and has certificates of merit from Sen. Paul Laxalt to show it, recently wrote to Laxalt, one of Reagan's closest friends, vehemently protesting Kissinger's reentry into the administration.



## Why is Africa food aid still delayed?

The influence of Henry Kissinger on the Reagan administration is apparent in a cynical tug-of-war which has developed between the administration and Capitol Hill over emergency food aid to Africa, and to Mozambique in particular.

While some 40,000 people, mostly children, die each day in Africa, the administration has chosen to tack its request for \$150 million in emergency food aid onto the controversial appropriations for emergency military aid to El Salvador, thus delaying the necessary immediate consideration.

Meanwhile, a grouping of liberal Democrats and Republicans—almost all supporters of the quota-increase bill which allowed the International Monetary Fund to keep imposing economic and social destruction on these countries—has taken the floor of the House and Senate to attack the administration for its “callousness.”

The hypocrisy reached its height in the House March 14 when Vic Fazio (D-Calif.), Ted Weiss (D-N.Y.), and Byron Dorgan (D-N.D.) attacked the administration's linkage of food aid to the Central American controversy.

Fazio and Weiss have been unabashed supporters of the IMF. As *EIR* pointed out (Feb. 7), the paltry aid requested by these congressmen “can be wiped out with the stroke of a pen by the international financial and economic policies of the IMF, since, if the currency of one African country is devalued by 1%, more human beings die as the result of such a decision” than would be saved by the aid debated in Congress.

As of March 16, the Senate had attached \$80 million of the aid to a fuel assistance bill which has already passed the House, and which will now

be dispatched relatively quickly in conference committee.

## DeLauer boasts about the ‘back channel’

Undersecretary of Defense for Research and Engineering Richard D. DeLauer, who the week before had tried to sabotage the U.S. beam-weapons defense program in testimony before the Senate Armed Services Committee, told the Senate Defense Appropriations Subcommittee on March 12 that the Reagan administration was “making overtures to establish a back-channel dialogue with the Soviets.” Heretofore, administration officials have carefully avoided public use of the term “back channel.”

The subcommittee's chairman, Ted Stevens of Alaska, is one of the Senate's leading advocates of Western Europe's “decoupling” from NATO; his staff is drafting legislation based on Henry Kissinger's March 5 *Time* magazine proposals for black-mailing Europe.

DeLauer also stated that the emphasis in the FY1985 research and development appropriation is shifting toward conventional systems, now that strategic modernization is well on its way.

This time, rather than attacking the beam-weapons effort, DeLauer merely outlined the President's funding request.

Subcommittee member Warren Rudman (R-N.H.) told DeLauer that, on the basis of current budget-cutting talks between the administration and Congress, the undersecretary would have to be prepared to cut his portion of the defense budget.

Rudman declared: “I am saying that this is political reality. These demands for cuts in your budget are not based on any assessment of the level

of threat facing the United States, you understand.”

Elaborating on this remarkable approach to defense needs, Senator Stevens suggested that DeLauer's budget take cuts by mothballing any “new starts” during FY1985.

DeLauer said that such cuts, which would postpone work on a new submarine and a new cargo transport plane among other things, would be easier to absorb than cuts in ongoing programs. He pointed out that Congress had cut more from his RDT&E (research, development, technology, and engineering) budget in FY1984 than in most other areas.

## Daniel Moynihan disrupts Mideast policy

A bill introduced last October by Sen. Daniel Moynihan requiring the United States to move its embassy in Israel from Tel Aviv to the illegally annexed city of Jerusalem is picking up steam in the U.S. Senate.

The bill, S.2031, seeks to force U.S. recognition of Israel's making-Jerusalem its capital.

Moynihan openly and correctly argues that U.S. recognition of Jerusalem as Israel's capital would mean de facto acceptance of Israel's policy of occupation.

“Our refusal, after 35 years of Israel independence, to send an Ambassador to Israel's capital city and seat of government, as we have done with virtually every other established government in the world, is necessarily understood in the world to be a sign of American distance from the Israeli government and nation.”

At a time when U.S. relations with Arab allies such as Jordan and Saudi Arabia are most strained, and U.S. influence in the region is evaporating after the pullout from Beirut, such a

transfer of the embassy would be inflammatory in the extreme. Moynihan has over 30 Senate co-sponsors.

## **F**eckless steel bill introduced in House

Sixty-one members of the House introduced protectionist legislation for the U.S. steel industry on March 8, entitled the "Fair Trade in Steel Act of 1984," H.R. 5081.

Several members, led by Joseph Gaydos (D-Pa.) and including Henry Gonzalez (D-Tex.) and Alan Mollohan (D-W.Va.), took the floor March 13 to claim that the act was not protectionist but simply designed to promote fair trade practices vis-à-vis competition from foreign steel imports.

While the disastrous state of the American steel industry and its implications for U.S. national security were pointed out, the proposed solutions were ludicrous.

Promoted as legislation backed by both industry and labor, the bill would limit the foreign share of the domestic U.S. steel and iron-ore market to 15% instead of the current 26% for five years or as long as the Secretary of Commerce determines that "plans are in place to utilize substantially all of the cash flow from the steel sector for reinvestment in, and modernization of the steel sector, including investment in new facilities, steel-sector working capital, and payments on debt and capital invested in the steel business." If the industry refused to modernize, the quotas would supposedly be lifted.

Two hundred steel production facilities and 270,000 steel worker jobs have been triaged since 1974—nine million tons of capacity and 25,000 jobs in the past two years alone. United Steel Workers of America members have taken \$3 billion in compensation cuts to help the industry, all without

visible return. The legislators' proposals scarcely seem tough enough to force steel management to modernize and produce.

Representative Gonzalez hit closest to the mark by attacking the Federal Reserve Board for "misallocation of credit resources, all of that made possible by the fact that these creditors' speculative interests have taken over control of the allocation of credit resources of our nation.

"And this is the reason why some of us have been advocating the reform . . . of the Federal Reserve Board, whose laxity and abdication of its responsibilities has resulted in this kind of speculative venture by the bankers. . . ."

The high point of Gaydos's remarks came on the national-security question. "If we were thrust into a war tomorrow," he said, "we could not produce enough steel to take care of our war needs, let alone our domestic peactetime needs. . . ." From there, however, he launched into an attack on U.S. allies including Japan, South Korea, Brazil, Canada, Argentina, Spain, Mexico, Sweden, and Australia.

The congressional Steel Caucus effort has avoided any discussion of how to expand world demand for steel, confining itself to tactics to gain more of a shrinking market.

Gaydos praised local self-help retraining groups, food banks, worker buy-outs of ancient plants, and similar 1930s-style efforts.

## **A** new version of immigration bill

Representative Edward Roybal (D-Calif.) introduced H.R. 4909 on February 22 as an alternative to H.R. 1510, the long-stalled Simpson-Mazzoli bill. Roybal is asking the House leadership

and the chairmen of the relevant House committees, including House Judiciary Committee chairman Rep. Peter Rodino (D-N.J.), to allow hearings on the bill before the House takes up immigration reform again. Roybal has 30 co-sponsors.

Backers of Simpson-Mazzoli have tried to bring it to the floor during the past two years and are hoping to try again soon; they have been unable to get a firm commitment for floor action.

The Roybal approach rejects the most blatantly destructive features of Simpson-Mazzoli, but has many dubious features and contains no policy measures based on the fact that a properly growing U.S. economy would welcome labor from abroad. The decision to launch an alternative to Simpson-Mazzoli was made at a "Latin summit" held under the auspices of the Aspen Institute, which is openly committed to reducing population and eliminating industrial commitments. Roybal's office denies that the Aspen Institute initiated his ideas.

The new bill drops employer sanctions for those who hire illegals, and thus eliminates the much-attacked plan for national worker identification cards.

Instead of direct sanctions, the Department of Labor would more strictly enforce existing labor laws. The stated aim is to better protect the pay and working conditions of American workers, and lessen employers' incentives to hire undocumented workers.

The H-2 temporary foreign worker program would be eliminated. Existing immigration quotas would remain largely the same.

The Roybal bill would mandate the Immigration and Naturalization Service to establish a program to "sensitize" agents to special problems of ethnic backgrounds, and undertake expanded "community outreach."

# National News

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## Pentagon moots renouncing arms treaties

The Reagan administration is considering renouncing the arms-control agreements which have so severely damaged U.S. defense capabilities in the past decades. The administration is responding to the Soviets' extensive violations of those treaties.

Richard Perle, assistant secretary of Defense for International Security Policy, told the Senate Armed Services Committee March 14 that the United States may "have to consider whether to resort to classical defense without treaties." Soviet violations, Perle said, "rule out the type of ineffective agreements based upon wishful thinking that we have negotiated in the past—and which some propose today." For Moscow to understand the costs of such violations, "the full funding of the President's strategic weapons program is essential."

Perle added that renunciation of the ABM Treaty is "one of the possibilities" the administration is considering. Delay in final decisions, Perle said, is attributable partly to "political reasons," especially concern that President Reagan would appear to be expanding the arms race.

On March 15, the Defense Department rejected a U.S.-Soviet treaty banning space weapons. Assistant Secretary of Defense Richard Perle told the Senate Armed Services Committee that the Defense Department and intelligence community regard verification of such a treaty "extremely difficult, if not impossible," and added that on the Soviet side, "for all we know there are anti-satellite weapons up there now."

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## Reagan agrees to defense cuts

At a hastily convened White House news conference March 15, President Reagan announced he had agreed to \$57 billion in de-

fense cutbacks over the next three years. Following meetings with the Republican congressional leadership and, according to Capitol Hill sources, intense pressure "from the friends of Henry Kissinger," Reagan has accepted a "deficit-reduction" package virtually identical to ones he flatly rejected three weeks earlier.

The President announced that the defense budget will be kept to increases of no more than 5.1, 5.0, and 4.9% over the next three years. Reagan originally requested an increase in real defense spending for 1985 of 13%. The White House claims that major strategic weapons systems will be largely unaffected, and that most reductions will be in readiness, operations, and maintenance. With the Kissinger-enforced concession on the defense budget, House Speaker Tip O'Neill is preparing to demand further cuts in military spending, calling Reagan's announcement "a small concession" but "the first crack in the wall."

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## Dysentery outbreak in steel town

Over 200 people have been hospitalized in McKeesport, Pennsylvania in an outbreak of dysentery which is forcing 45,000 citizens to boil their drinking water or buy bottled water. Dysentery also threatens Scranton, where 157,000 people are now boiling their drinking water.

McKeesport, the site of the largest tube steel plant in the nation, does not have adequate water treatment facilities. According to local press reports, the city's water treatment plant has "changed little or not at all since the day in 1898 it was opened. . . . It has the original pumps, the original and declining filter beds. . . ."

Since at least 1977, efforts had been under way to upgrade the decrepit system, but battles over the ownership, maintenance, and restoration of the system blocked the plan.

Dr. Joseph Barey of McKeesport commented, "The *Pittsburgh Post Gazette* says that McKeesport has 31,012 people according to the 1980 census, and the current unemployment rate is 12.2%. That is ridicu-

lous. The town is dying. There were 62,000 people here 20 years ago. The unemployment today is more like 75%. Nobody is working. Most have been off more than a year and their benefits are exhausted. The eye-care, dental, health, and medical benefits are exhausted. Hospital and health workers are out of work because people can't afford treatment. They had to close three floors of McKeesport Hospital because of disuse.

The U.S. Steel National Works was the major employer in McKeesport, with 4,300 workers. As of March 5, there were 308 workers there.

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## NASA director tours for space accords

NASA director James M. Beggs visited Western Europe and Japan this month on a tour as President Reagan's personal emissary to reach agreements on joint development and deployment of space technology.

Two memoranda of understanding were signed by Beggs and Prof. Ernesto Quagliariello, president of the Italian National Research Council (CNR), on March 7 in Rome, to develop the Tethered Satellite System (TSS) and to develop and launch the Laser Geodynamics Satellite-2 (Lageos-2).

The TSS is a data-gathering system that will be carried into orbit by the U.S. Space Shuttle and released from the payload bay on a tether. It will be a new reusable, multicapacity means for conducting space experiments in earth orbit.

NASA will develop the TSS deployer, and perform the system-level engineering and integration. CNR will develop the two-module TSS satellite and provide system-level support to NASA. The two agencies will jointly plan and carry out the initial tethered satellite mission to verify system engineering and conduct scientific investigations.

CNR will build the satellite; NASA will provide ground support and launch from the Space Shuttle in 1987.

The United States formally asked Japan March 12 to participate in its project to build

a manned space station in the early 1990s. NASA director Beggs was in Tokyo to meet with Japanese government officials including the director general of the science and technology agency Michiyuki Isurugi. Beggs was in Japan as Ronald Reagan's personal envoy. Beggs told the press that the United States wants Japan to invest between \$805 and \$894 million in the \$8 billion program.

## Kissinger protégé to Philippines

The State Department appointed Steven Bosworth, former head of the department's Policy Planning Council and a long-time Kissinger protégé, as ambassador to the Philippines March 9. The replacement of current U.S. ambassador to the Philippines Michael Armacost will coincide with legislative elections scheduled for May. These elections have been hailed on all sides as a "make-or-break" test of the government of President Ferdinand Marcos.

Armacost will replace Undersecretary of State Lawrence Eagleburger, who is entering "private life." Bosworth will be replaced by Kissinger's reputed ghostwriter and longtime subordinate, Peter Rodman.

Washington sources expect that Bosworth will push for a final pullout of U.S. military forces from the Pacific Basin, initiated by Kissinger under the Guam agreement following the Vietnam War. In the Philippines, pressure is being mounted to force the United States to abandon its facilities at Clark Air Force Base and Subic Bay.

The International Monetary Fund's re-financing package on the Philippines' \$26 billion foreign debt will be immediately on Bosworth's agenda.

## Cancer deaths are reduced

With the exception of lung cancer, U.S. death rates for cancer have decreased 5% for white males, 12% for white females, and

13% for non-white females during the post-war period. These are the findings of *U.S. Cancer Mortality Rates & Trends: 1950-1979*, a report published by the Environmental Protection Agency and the National Cancer Institute.

The study is of particular interest since the reduction of deaths from cardiovascular and infectious disease leaves cancer as a more significant cause of death. Cancer is an age-related disease, and the more successful a society becomes at prolonging life, the higher the number of diagnosed cancers that can be expected—at least until breakthroughs occur in the understanding of life and its growth and aging cycle.

The encouraging statistics for cancer patients can for the most part be credited to advanced medical treatments. The study found the incidence of death from non-lung cancer increasing 15% for non-white males—the most impoverished and least medically treated category of the population.

A 1,500-patient study at a major cancer center, Roswell Park Memorial Institute in Buffalo, New York shows that after cancer therapy, the majority of patients now resume normal life. Precisely two-thirds returned to their usual activities, 90% required no nursing care, and only 1.5% required full-time nursing care. These figures reflect advances in medical treatment which are spinoffs of high-technology industrial growth.

Lung cancer in the same period increased dramatically, as smoking became more popular among both sexes. However, smoking is not the only cause of this difficult-to-treat cancer. The campaign launched under the Carter administration for energy-efficient homes has resulted in a buildup of radon in many new houses. Radon is an invisible, radioactive gas formed from the decay of radium naturally found in the soil. Since energy efficiency is accomplished by restricting air exchange, the radon becomes trapped within such homes. Breathing basement air all day in these homes is the equivalent, in lung cancer risk terms, of smoking 2½ to 10 packs of cigarettes a day. Scientists estimate that between 2,000 and 20,000 Americans die each year from radon-related lung cancer enhanced by the energy-efficient homes.

## Briefly

● **PAMELA HARRIMAN** was touted as "Washington's new first lady—the Englishwoman at the heart of the Democratic campaign" by the London *Times* March 11. Pamela's husband Averell said last year that he found Gary Hart the "most attractive" of the Democratic presidential candidates.

● **'FIRST CAMERA,'** the NBC television "magazine" which presented a slander of Democratic presidential candidate Lyndon LaRouche, will be taken off the air April 1. The show had the lowest ratings of 93 prime-time national network programs and was said to have been kept alive recently merely to carry the LaRouche slander. It will be replaced by "Father Murphy."

● **CHARLES T. MANATT,** Democratic National Committee chairman, opened the public section of the National Democratic Strategy Council meeting March 12 with the announcement that everyone was welcome to attend, "everyone except Lyndon LaRouche." After the meeting, however, DNC staff scurried around to make it clear to the representative of the National Democratic Policy Committee, the PAC LaRouche helped found to eliminate the Jimmy Carter legacy in the Democratic Party, present that he was "more than welcome" to attend their meetings "any time." Susan Kelly, wife of DNC Treasurer Peter Kelly, asked later if Manatt had attacked LaRouche in the earlier private session, said, "No, this is the first time, thank God."

● **A CHICAGO** "Daley Democrat" commented angrily March 14: "These presidential campaigns are all being run by TV. I've never seen anything like it. There aren't any machines any more. I'm disgusted!"

● **GEN. GIULIO MACRI** of Italy was in Washington, D.C. in mid-March, addressing diplomatic and military audiences on the need for a joint U.S.-European effort to develop beam-weapons defense.

## Editorial

### *Conquered during an election year?*

The Soviet Union has begun a rapid "breakout" from the Khrushchev-Kissinger 1972 "SALT I" Treaty which Henry Kissinger alleged to have banned anti-missile defense systems from both sides. In repeated testimony before congressional committees in early March, administration spokesmen have finally admitted, with a dreamlike dread and anxiety, that they know the details documenting this breakout.

In fact, the nation's leading defense scientist stated on Feb. 1 that the United States is *presently* unable to target the city of Moscow with ICBMs or submarine-launched missiles. The system of interceptor missiles around Moscow, now in its third generation with the long-range and highly accurate SA-12, is no token system but an effective defense of that city against nuclear-missile attack. During 1983, as the Soviet high command put the "sophisticated Western man" Yuri Andropov to sleep, they directed that this anti-missile interceptor system be extended nationally. They finalized construction of a huge, inland "perimeter acquisition" battle-management radar, whose name accurately describes its function, to coordinate the long-range acquisition perimeter radars around the perimeters of the Warsaw Pact, in order to pick up attacking ICBMs coming from any direction and acquire them as targets for interceptors, at distances of up to 1,500 miles out over the horizon. "The Moscow and Krasnoyarsk radars alone could defend more than 20% of the total number of Soviet ICBM warheads," reported *Defense Daily* on March 13, crossgridding experts' congressional testimony on the subject.

On November 30, 1983, the CIA delivered a report to a meeting of the National Security Council demonstrating that, with at least ground-based interceptor systems, the Russians had the capability to thoroughly break out of Kissinger's treaty *during 1984*. A frightened White House official "leaked" the report to *Aviation Week*, stating that the Soviet command's judgment was that, during 1984, this direct move to seize strategic superiority over the United States by deploying a nationwide interceptor system to protect Russian military targets from U.S. retaliatory strikes, could be done *without serious reaction from the White House because it was an election year*.

The Russians could soon secure an abrupt victory in the arms race. They continue large-scale expenditures and efforts on far more advanced energy- and particle-beam weapons systems of anti-missile defense. As a sign of this breakout, the Federation of American Scientists (FAS), a KGB-linked disarmament group, has published a 30-page "fact sheet" calling for a stop to the U.S. beam weapons program, and attempting at great length to deny the Soviet ABM breakout, calling it "merely legally exploiting an unforeseen SALT loophole."

It is under these circumstances, then, that Henry Kissinger is pulling one more American President into "the back channel," to take dictation of one final Russian "arms-control agreement" which that President may humbly and unilaterally agree to follow "in order to get re-elected." The FAS "fact sheet" arrogantly stated the Soviets' election-year rules. "Few, if any of the alleged violations can be proven," and the administration "should dig in and pursue hard-nosed private consultation and negotiations" and "strengthen existing agreements."

Recent administration spokesmen testifying before Congress the third week in March on the President's Strategic Defense Initiative have begun by citing the Soviet breakout and then promising that the United States will merely do research for five more years on ABM beam weapons systems, in order not to violate the ABM Treaty until the Soviets agree to revise it. Disarmament Democrats responded, predictably, that if it's only a research program, it's too big—let's cut it! As of now, the judgment of the anonymous White House official last November is being borne out: The Soviet command is confirming that nothing it does will provoke a serious U.S. response during this election year.

The United States still has a chance to survive as a free republic, and the technological capabilities to exceed the Russian ABM breakout. The frightened bureaucratic sleepwalkers from the Pentagon who told Congress this month that "we cannot catch the Soviets on anti-missile defense for a decade," must be given real leadership to break the grip of Kissinger's KGB policies.

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